GHANA

Poverty Eradication & Sustainable Livelihoods: Focusing on Artisanal Mining Communities

Prepared for: UNPD/DESA
RAF99/023

Prepared by:
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October 17, 2002
MAP OF GHANA SHOWING SMALL SCALE-MINING DISTRICT CENTRES

- Bolgatanga Centre
- Tarkwa Centre
- Bibiani Centre
- Dunkwa Centre
- Asankragwa Centre
- Akim Oda Centre
- Assin Fosu Centre
- Tarkwa Centre
GHANA

Poverty Eradication & Sustainable Livelihoods: Focusing on Artisanal Mining Communities

FINAL REPORT

(With Appendices)

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ABBREVIATIONS

AfDB  - African Development Bank
AGC  - Ashanti Goldfields Company
AGL  - Abosso Goldfields Ltd
ASLR  - Administrator of Stool Lands Revenue
BGM  - Bonte Gold Mines
CBO  - Community Based Organisation
DA  - District Assembly
EPA  - Environmental Protection Agency
ESA  - External Support Agencies
FGD  - Focus Group Discussions
GCD  - Ghana Consolidated Diamonds
GLSS  - Ghana Living Standards Survey
GPRS  - Ghana Poverty Reduction Programme
GSD  - Geological Survey Department
GSS  - Ghana Statistical Service
LBA  - Licensed Buying Agent
LED  - Local Enterprise Development
MD  - Mines Department
MDF  - Mineral Development Fund
MoFA  - Ministry of Food And Agriculture
MoM  - Ministry of Mines
NGO  - Non-Governmental Organisation
PMMC  - Precious Minerals Marketing Company
SIF  - Social Investment Fund
SLA  - Sustainable Livelihoods Approach
SSMC  - Small Scale Mining Centre
SSMD  - Small Scale Mining Department
STD  - Sexually Transmitted Diseases
TOR  - Terms of Reference
UNDP  - United Nations Development Programme
WRC  - Water Resources Commission
1 BACKGROUND

1.1 Introduction
In December 2001 the UNDP-ESA invited MIME Consult Ltd., as a National Contractor, to undertake a study into Poverty Eradication and Sustainable Livelihoods: Focusing on Artisanal Mining Communities. The contract for the assignment delayed due to communication problems and was finally signed in April 2002. MIME Consult commenced the assignment in late April, and the field survey was undertaken in three mining communities between late April and May 2002.

The report prepared by MIME Consult will form part of an Africa regional and multidisciplinary project, and is expected to contribute to the formulation of viable policy options, leading to operational projects. These projects should help in eradicating poverty in artisanal mining communities through the development of alternative auxiliary income generation opportunities (or activities), complementary to artisanal mining, and/or through the up-scaling of the artisanal mining sector to an economically-viable activity.

1.2 Understanding the context of the Assignment
By definition, a livelihood comprises the capabilities, assets and activities required for means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks, and maintain or enhance its capabilities both now and in the future, while not undermining the natural resource base. In understanding the situation in the artisanal mining communities in Ghana therefore, there is the need to understand the people who inhabit these communities, and the factors that impact on their livelihoods.

One of the poverty diagnostics is the use of the Sustainable Livelihood Approach (SLA) concept. Detailed understanding and insights that SLA provides from community level analysis can be a key input in the development of strategies, in particular in defining livelihood and support options and community/miners contributions. However SLA is costly and analysis intensive and requires integration of micro-level information into macro policy-making and planning processes, across sectors and disciplines. It is therefore more practical at the local level. More importantly, conflicting interests within communities can sometimes prevent consensus on SL needs. This is particularly so in the case of mining where there are competing interests...
Poverty eradication and sustainable livelihoods:
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within community members for natural resources (land, water, environment etc.) and between communities and large mining companies. The current assignment should be viewed in this context.

1.3 Objective of the Assignment
The objective of the assignment is to identify and highlight some of the key assets and areas of vulnerability to members of artisanal mining communities. The knowledge of these will be an input for policy formulation, service provision, scaling-up artisanal mining operations and creating alternative livelihoods as well.

1.4 Scope of Works
The scope of works is spelt out in the terms of reference (TOR) given to MIME Consult and reproduced in Appendix 1. Highlights of the TOR are provided in the box below:

**Box 1: Highlights of terms of reference**
Carry out a survey or appraisal (using participatory methods) to seek inputs from various stakeholder groups active in the mining communities—government (local authorities), key artisanal mining representatives, mining companies, Non-Governmental Organizations (NGOs), Community-Based Organizations (CBOs), Chiefs, families and other traditional authorities on a basis that relate to the three main areas above. Specifically, the task will seek to:

- Identify the existing problems
- Assess the capacity and constraints of the mining communities
- Outline prospects for development within existing framework (structural and institutional)
- Present the vision of various stakeholders as to how to improve the prevailing situation

1.5 Approach and Methodology
1.5.1 Desk study
The consultant carried out substantial review of the laws relating to minerals and mining (especially in relation to small scale mining), sector policies and strategies, as well as reports and studies conducted by institutions and other consultants. The main source for material in this respect was the Minerals Commission.

1.5.2 Design of information gathering instruments
The conduct of the assignment relied exclusively on the *Ghana Methodology Guidelines for Country Livelihood Surveys* provided by UNDESA. Discussions with the communities as well as interviews with local institutions and opinion leaders were informed by this document.
1.5.3 Field Survey

Due to limited resources the methodology employed was selective. At the first instance the team met with community leaders, comprising the chief and/or their representatives and assemblymen (where available) and unit committee members. The community leaders provided us with vital information as to how to organise community members for the purpose of the information gathering exercise. The leaders also organised appointments and venues for the meetings with selected respondents. Due to resource limitation and time constraints information was not collected by moving to individual households, instead three groups numbering between 15 - 25 each were selected in each community for the focus group discussion at convenient locations within the communities within a specific time block. The groups, which were purposely selected from the different sections of the community to ensure they were truly representative, comprised:

1. Adults (both sexes) aged 15-40 years
2. Adults (both sexes) aged 40 years plus
3. Artisanal Miners (both sexes where feasible).

Discussions lasting approximately 1-2 hours were held with each group using an interview guide based on the livelihood framework. The individuals were then separately interviewed to gather information on their socio-economic characteristics, including physical, natural and financial assets; the social groups to which they belonged; traditional roles; vulnerabilities; organisations working with the groups they belonged; and their desired outcomes.

On completion of the group and individual interviews, the team undertook a transect walk through the communities to observe the distribution of community services. In the process the team also interacted with some households to verify some of the issues raised during the focus group discussions and the availability of physical infrastructure.

1.6 Project Team

The project team has been led by Kwabena Sarpong Manu, MIME Consult, with assistance from Atta Frimpong Manso. The research team was led by Dr. Anthony Tsekpo, Institute of Statistical Social and Economic Research (ISSER) University of Ghana (leader), Ernest N. Appiah (ISSER) and Stephen Afranie, Department of Sociology, University of Ghana.
2 COUNTRY CONTEXT

2.1 Overview of Ghana’s Economy

Ghana’s economy is predominantly agriculture-based, with cocoa being a leading foreign exchange earner. Minerals and mining have assumed a more dominant role since the mid-1990s as a result of policy measures undertaken to increase output in the sector. The country’s economy was able to achieve growth of an average 5% in the late 1980s to mid 1990s, but has however slumped as a result of local and external factors. The external factors have included low prices for its major exports, cocoa and gold and the other minerals as well, and the high import prices of crude oil. Locally, high inflation, low manufacturing activity and the inability of the private sector to employ manpower that is annually put on the market have combined to weaken the economic base of the country. Both local and external debts have risen considerably, and annual GNP per capita remains under US$400. Ghana lies 133rd in the UNDP’s 2002 Human Development Report.

Ghana has had to adopt the HIPC initiative in the face of severe indebtedness. The Ghana Poverty Reduction Strategy (GPRS) 2002-2004 document emphasises “sustainable equitable growth, accelerated poverty reduction and the protection of the vulnerable and excluded within a decentralized, democratic environment”. This document, serves as the blueprint for Ghana’s development agenda for the next three years. Within the poverty reduction framework, the private sector is expected to play key roles whilst the state provides appropriate interventions and subsidies where these are deemed necessary to reach poverty reduction outcomes.

While decentralization remains a key aspect of governance, its full implementation has been very slow. The GPRS has cited the lack of capacity and financial resources within District Assemblies, a lukewarm attitude within the public service and a lack of sustained political commitment as imposing limitations on the assemblies’ ability to undertake the tasks demanded by decentralization.

2.2 Broad Overview of Minerals and Mining Sector

The minerals and mining industry has been an important source of government revenue and foreign exchange for Ghana’s economy since the pre-independence era. The country is endowed with bauxite, diamonds, gold and manganese. In recent times, gold mining activities in particular have increased tremendously due to the relative abundance of the mineral and the support the industry has enjoyed from recent mineral policy initiatives. From an all time low of 282,300 ounces by 4 companies in 1984, production reached 2,382,300 ounces in 1998 from 14 companies, earning a total of US $650m, and falling to 2,184,314 ounces for 2001 from 12 mines, valued at $568.7 million.
As part of the reform measures undertaken, small-scale mining of gold received a boost by the regularisation of the previously illegal, unsupported activity. Over the period 1990 to 2001, gold production from the small scale-gold mining sector rose from 17,234 ounces to 185,595 ounces.

The Minerals Commission estimates that over the period 1983 - 2001 a total investment of about $5.0 billion has flown into the mining sector. It is to be noted that most of the recent expansions have come from new surface mines, which depend on the relatively new heap-leach technology to be able to treat very low-grade ores at a profit. This encumbers substantial tracts of land, creating land use conflicts in most mining areas, and raising questions on the contribution to be made by mining companies to community transformation.

2.3 Rural Development and Industrialization

In spite of the growth that the mining sector has enjoyed over the years, its impact on the transformation of mining communities remains largely minimal. Recent cases of conflicts between mining companies and communities, as well as demonstrations by traditional rulers for a fair share of mineral wealth, indicate the frustrations and the expectations of these communities of the role that mining should play in the development of local economies. These conflicts have taken place mostly in surface mining areas, where communities feel that their livelihoods have been threatened by large scale mining activities.

Government’s long term growth strategy is “predicated on the concept of the modernization, restructuring and development of the rural environment as the catalyst for the transformation of the national economy”. This is essentially to be achieved through improvements in agricultural productivity, which in turn requires that a “well-managed, amenable, efficient, safe and healthy environment”. This requires the prevention of deforestation, land degradation, and loss of ecosystems. These are factors that are attendant to mining activities – both large and small-scale and have been receiving considerable commentary and criticism from some civil society organizations as well as industry watchers in Ghana.

Ghana has a Mineral Development Fund (MDF) from which a portion of royalties paid by mining companies are recycled back to District Assemblies, traditional rulers and landowners to assist in

1 MIME Consult, Reconciliation of Payments, Review of Legislation and Use of Mineral Royalties 2001
2 Ghana Poverty Reduction Strategy 2002-2004
rural transformation. The key features of this fund and its impact since its establishment in 1991 are discussed in the box below.

**BOX**

**GHANA’S MINERAL DEVELOPMENT FUND**

There is in existence a Mineral Development Fund into which 20 percent of the royalty payments made by mining companies is paid for use by the appropriate communities covered by the mining operations for development purposes. Substantial payments accrue to communities covered under the fund. The current sharing formula for monies accruing to the Fund is as follows:

<table>
<thead>
<tr>
<th>Distribution of Mineral Development Fund (after 1999)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining Sector Institutions/Special Projects: 50%</td>
</tr>
<tr>
<td>District Assembly (DA): 20%</td>
</tr>
<tr>
<td>Administrator Stool Lands: 5%</td>
</tr>
<tr>
<td>Stools: 11%</td>
</tr>
<tr>
<td>Traditional Council: 9%</td>
</tr>
</tbody>
</table>

Community’s (DAs, Traditional authorities, Stools (landowners) entitlement over the last 3 years have ranged from €4.9 billion in 1999 to €12.7 billion (about $2 million) in 2001. The use of the fund by beneficiaries has however been the subject of some debate as people question its impact. There is little to show that the MDF is being used by the beneficiaries to create opportunities for sustainable livelihood in mining communities. One of the reasons for the establishment of the fund was to provide alternative means of livelihood for those who would be alienated from the land as a result of mining. It was thought that this would be done through the monies going to the stools. This has however not been the case as chiefs have not applied monies for this purpose. Where monies have been properly applied they have been on projects that are communally-owned and have little impact on those directly affected by the mining activities of the large companies. On the other hand the absence of any guidelines on the use of these monies or indeed on the creation of alternate livelihood opportunities can be said to be partly responsible for this.

(A detailed study on the Fund has been conducted by MIME Consult for the Minerals Commission: *Reconciliation of royalties, Review of Legislation and Use of the Mineral Development Fund, 2001*)
3 POVERTY IN GHANA

3.1 Introduction

According to the report *Poverty Trends in Ghana in the 1990s* published by the Ghana Statistical Service (GSS), “the overall trend in poverty during the 1990s was broadly favourable, implying an improvement in the lives of some of the people. Taking an upper poverty line of c900,000, the percentage of the Ghanaian population defined as poor fell from almost 52% in 1991/2 to just under 40% in 1998/99. The decline however is not evenly distributed geographically, poverty reductions being concentrated in Accra and Forest (rural and urban) communities. In the remaining localities, both urban and rural, poverty falls only modestly, apart from the urban savannah, where the proportion of the population defined as poor has increased during the period.” The improvements notwithstanding, the situation of poverty in Ghana is still alarming and has therefore necessitated more direct interventions with the GPRS 2000-2004 setting the policy framework and programmes for achieving government’s poverty reduction outcomes.

The GSS has identified the incidence of poverty in Ghana based on the following locations: Accra (4%), Urban Coastal (24%), Urban Forest (18%), Urban Savannah (43%), Rural Coastal (45%), Rural Forest (38%), and Rural Savannah (70%). Most artisanal mining activity takes place within rural forest regions.

3.2 Definition of Poverty

The GPRS defines poverty as “unacceptable physiological and social deprivation” which is caused or exacerbated by the following, among others:

- The lack of capacity of the poor to influence social processes, public policy choices and resource allocations;
- Low capacities through lack of education, vocational skills, entrepreneurial abilities, poor health and poor quality of life;
- Low levels of consumption through lack of access to capital, social assets, and land and market opportunities.

The GLSS-4 also identifies segments of the Ghanaian society who constitute the extremely poor or vulnerable. These are described as such because *their standard of living is insufficient to meet their basic nutritional requirements even if they devoted their entire consumption budget to food.*

These include:

- Rural agricultural producers, particularly migrant farm hands, and settlers;
Residents of urban slums, including groups negatively affected by reform programmes of the 1980s and 1990s, particularly redeployed workers and unemployed youth, and areas affected by relocation/decline of economic activities, including indigenous low-income neighbourhoods.

People living with HIV/AIDS, as well as children in difficult circumstances, including victims of child labour, street children and children living in institutions and those orphaned by HIV/AIDS.

Displaced communities, particularly those subjected to periodic flooding/drought, negative effects of ethnic conflicts.

Unemployed, especially unskilled retrenched workers and the unemployed youth.

As can be seen artisanal mining workers are not clearly identified within the group classified as extremely poor. The reason may be that not much work has been done to establish the incidence of poverty within mining communities and among artisanal miners themselves. Indeed an examination of the 2000 Census data would indicate that even in communities where there is a high prevalence of artisanal mining, most people are classified as food crop farmers. An example is Japa in the Ashanti Region where 90% of the population are classified as farmers even though there is a high incidence of artisanal mining activity.

3.3 Programmes and Interventions

There have been a number of earlier programmes e.g. Ghana Vision 2020 and other interventions to tackle poverty in Ghana but these were not fully implemented or were hardly able to bring substantial improvement to the poverty levels of Ghana. Some of the notable interventions defined at the national level are:

- **National Poverty Reduction Programme** which is largely concerned with capacity-building in five pilot districts. Households are being trained in storage and preservation technologies and marketing of agricultural inputs and products, entrepreneurial skills are being developed for artisans and those with vocations, and a district level database for monitoring poverty is being developed.

- **Social Investment Fund** which has the objective of providing the poor access to financial services and basic social and economic infrastructure.

- **Village Infrastructure Project** - Aims at improving the quality of life of rural poor, through increased transfer of technical and financial resources for the sustainable development of basic

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3 Ghana Living Standards Survey – Report of the Fourth Round (GLSS-4)
village level infrastructure. It also aims at supporting capacity building of District Assemblies and sub-district structures to better plan, implement and manage investments in these infrastructure whilst strengthening active community participation in the district development planning and decision making process and as well the empowerment of beneficiary communities and associations to take direct responsibility for the sustainable operations and maintenance of rural infrastructure.

There have also been interventions aimed at small-scale miners, largely implemented by the Minerals Commission. These have been undertaken from a sectoral perspective and not within a cross-cutting framework and are discussed in section 7 of the report.

3.4 The GPRS and Artisanal Mining

The GPRS document is largely silent on small scale mining (artisanal mining) and does not contain any specific interventions for reducing poverty in mining communities, except when if viewed in the context of improving agricultural activity. It however makes an important point about addressing the imbalance in the country’s mining laws that disproportionately favour large scale mining enterprises.

“Current mining laws tend to disproportionately favour large scale mining enterprises. To address this apparent imbalance, measures will be put in place to expand the scope and increase the support to the small and medium scale sub-sector with the view to making it the predominant means of exploiting minerals in the long term. These measures will include undertaking detailed geological field studies in identified areas that have been found to be unsuitable for large scale mining operations and classifying areas as either suitable for small, medium or large-scale mining operations on the basis of geological assurance.”

GPRS 2002-2004

In its accompanying programmed expenditures, the GPRS looks beyond the small-scale mining of gold and diamonds into solar salt production for support as this sub-sector of the mineral industry has tremendous potential. In addition to this the Minerals Commission is also promoting the small-scale mining of industrial minerals like kaolin, mica and talc so as to integrate the sector with local manufacturing entities.
4 SMALL SCALE AND ARTISANAL MINING IN GHANA

4.1 From Illegality to Regularisation

Artisanal mining in Ghana dates back to pre-colonial days and even continued secretly under ban through the colonial days to post-independence, becoming a serious economic activity in rural communities in the 1980’s. The Government of Ghana regularised the activities of small-scale miners in 1989 through the Small Scale Gold Mining Law. It is from this law that a definition of small-scale mining in the Ghanaian context is obtained.

The law defines small scale mining as “the mining of gold by any method not involving substantial expenditure by an individual or group of persons not exceeding nine in number or by a co-operative made up of ten or more persons”. The law goes further to indicate the sizes of concessions (5-25 acres) that small scale miners are entitled to. It is clear from this definition that the law was essentially looking at artisanal mining of gold, for it was in this area that most of the illegal small-scale mining activities had taken place.

Small scale mining is defined as “the mining of gold by any method not involving substantial expenditure by an individual or group of persons not exceeding nine in number or by a co-operative made up of ten or more persons” Small Scale Mining Law 1989

The objectives of the regularisation of small-scale mining were to:

- Provide employment in rural areas for those who could make a living out of the activity, and reduce rural-urban migration;
- Absorb some of the workers who were being retrenched as a result of the Structural Adjustment Programme, being implemented at the time - particularly those affected by the downsizing of the state-owned mining companies;
- Regulate activities of small scale miners to ensure that acceptable mining practices are employed with minimum damage to the environment;
- Provide ready market for the minerals produced by the small scale miners to ensure that receipts from the sub-sector is channelled into the mainstream economy thereby reducing the incidence of smuggling of precious minerals;
- Stem the tide of illegal mining operations on concessions for large scale mining companies; and
- Stimulate rural capital formation

\* It is the consultant’s understanding that this law is being reviewed by the Minerals Commission to make it more embracing
\* It is instructive to note that the law only specified gold, and not diamonds, because the latter was already a legal activity
The legalization also provided for the rationalisation of the licensing arrangement that would provide small scale miners direct legal access to the resource, technical and financial support and an official purchasing and marketing mechanism. The latter was achieved through the establishment of the Precious Minerals Marketing Corporation (PMMC) in 1989, which replaced the Diamond Marketing Corporation, then responsible for the purchase and sale of diamonds only.

The regularisation has had some positive results, in terms of the activity’s contribution to foreign exchange earnings – from $6.5 million in 1990 to $53.5 million in 1995 and down to $45.1 million in 2001. Through the extension work of the Small-Scale Mining Centres (SSMC) set up by the Minerals Commission there has been a reduction in the environmental, safety and health hazards that the activity engenders. Unfortunately the incidence of illegal mining, popularly called galamsey\(^6\), still goes on and causes substantial degradation to the environment.

**Table: Small Scale Mining Sector Gold Production and Value 1989-2001**

<table>
<thead>
<tr>
<th>Year</th>
<th>Prod: gold (ozs)</th>
<th>Prod: diamonds (carats)</th>
<th>Value: gold (US$)</th>
<th>Value: diamonds (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1989</td>
<td>9,272</td>
<td>151,606</td>
<td>3,450,000</td>
<td>2,760,000</td>
</tr>
<tr>
<td>1991</td>
<td>15,601</td>
<td>541,849</td>
<td>5,600,000</td>
<td>14,650,000</td>
</tr>
<tr>
<td>1993</td>
<td>35,145</td>
<td>376,400</td>
<td>11,630,000</td>
<td>11,020,000</td>
</tr>
<tr>
<td>1995</td>
<td>127,025</td>
<td>337,457</td>
<td>52,560,000</td>
<td>7,910,000</td>
</tr>
<tr>
<td>1997</td>
<td>107,094</td>
<td>558,241</td>
<td>35,330,000</td>
<td>7,610,000</td>
</tr>
<tr>
<td>1999</td>
<td>130,833</td>
<td>476,744</td>
<td>35,330,000</td>
<td>6,300,000</td>
</tr>
<tr>
<td>2001</td>
<td>185,595</td>
<td>973,033</td>
<td>49,050,000</td>
<td>17,050,000</td>
</tr>
</tbody>
</table>

\(^6\) An acronym for ‘gather and sell’ the practice refers to the illegal mining of gold and diamonds by artisanal means. It has however become common to refer to all artisanal mining as galamsey.
4.2 Location of Artisanal Mining Activities

The areas of concentration of artisanal mining activities are in the Western, Ashanti and Eastern Regions of Ghana, where the mineralisation has permitted both large and small scale mining of gold and diamonds. The main gold and diamond mining towns in the country include Akwatia, Bibiani, Bogoso, Dunkwa, Obuasi, Prestea, and Tarkwa in the south and Bolgatanga in the North. These towns have hosted the large mining firms and together constitute a cumulative deposit of gold and diamonds (Akwatia), the two precious minerals which offer attractions for small-scale/artisanal mining. The surrounding communities would be centres of artisanal mining. As can be expected substantial artisanal workings take place within the concessions of the large firms.

The reasons for artisanal mining (in its *galamsey* form) are not unique to Ghana, even though the high prevalence in recent years can be said to be related to the high level of unemployment, conflicts in land use between agriculture and large-scale mining, the absence of rewarding alternative employment, and the cash rewards from successful small scale mining operations.

4.3 Administrative Framework

The Minerals Commission (MC) regulates the activities in the small-scale mining sub-sector in the country, through its Small-Scale Mining Department (SSMD). The Department’s goal is to secure an optimum contribution of small-scale mining of relevant minerals to the national economy through a sustainable use of small-scale mining and processing technologies. Seven small-scale mining centres located in areas of intense small-scale mining activities form outreach stations and serve to disseminate Government policies on small-scale mining and to offer extension services in appropriate mining, processing, environmental and health and safety issues. These centres serve as the interface between the miners, District level structures and the Minerals Commission in the area of licensing.

The main sector agencies in the minerals and mining sector, whose remit impacts small-scale mining are:

- **Ministry of Mines** (MoM) is responsible for policy-making and maintains oversight over the agencies within the sector. The Minister is the only one charged with the issuance of mining rights, and this includes licences for small scale miners

- **The Minerals Commission** (MC) advises the ministry on all matters relating to minerals and is responsible for the operationalisation of the sector policies. The granting of minerals rights by the minister is subject to the advice of the MC.
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- **Geological Survey Department** (GSD) undertakes geological investigations into the country’s mineral resources. The department has in the past been involved in the demarcation of mineralised locations for small-scale mining activities.

- **Mines Department** (MD) is in charge of mine safety and health. It is required to carry out periodic inspection of all mining activities. Due to its limited staff strength and resources however, the department is unable to cover the activities of small-scale (artisanal) miners adequately and District staff of the MC have been playing this role.

- **Precious Minerals Marketing Company** (PMMC) is a state-owned institution responsible for the purchase and marketing of gold and diamonds from small scale producers. The company also produces jewellery for sale to the local and foreign markets.

The following chart presents the institutional relationships in the minerals and mining sector.

Other crosscutting agencies are the Environmental Protection Agency (EPA), the Lands Commission, the Administrator of Stool Lands Revenue (ASLR) and the Water Resources Commission (WRC). In addition to these state institutions, there is the Ghana Chamber of Mines (which is an association of the large mining companies who have come together to pursue their common interests), Association of Small Scale Miners, and Diamond Winners Association, among others.

### 4.4 Licensing: Perspective of Small Scale Mining

The licensing process is undertaken at the district level but the actual issuance of the licence is done in Accra after searches have been conducted to ensure that the areas being applied for are not encumbered. Individuals are entitled to pieces of land up to 5 acres, whilst co-operatives and
companies can be given up to 25 acres. A licence is for 3 years and is renewable. Applications are usually submitted by persons who have the means to finance the operations. In the earlier days of the regularisation miners were encouraged to form groups so as to apply for their own concessions. In recent years however, applications have come from those who employ/work with gangs to exploit the concession on an output-sharing arrangement.

Since the regularisation a number of miners have obtained licences from the Minerals Commission to work on their own allocated pieces of land. In 2001, 55 small-scale licences were granted. On the other hand a significant number of these artisanal miners still operate on the concessions of large mining firms, and therefore cannot be licensed. In most cases these miners worked on the lands before they were taken over by large scale mining concerns.

4.5 Licensing: Perspective of Large Scale Mining

Large scale mines go through the same procedures for obtaining a licence even though the requirements for a grant and the benefits a licence confers are substantially different. Large scale mines may undertake reconnaissance, and prospecting before applying for a mining lease if commercial finds are made. Small scale miners cannot do this. Large scale mines can acquire up to 150 sq. km for a prospecting licence and up to 50 sq. km for a mining lease. The Minerals Act virtually puts other economic activities in a subservient role to mining as a mining company can negotiate the surface rights with affected landlords if it has a mining lease. The objections that can be raised by landlords, communities and local authorities only apply in cases where a mining application will cover sacred places, cemeteries, schools and other social infrastructure or where there are serious environmental limitations – entry into forest reserves. Farmers or those who till the land cannot object to an application and can only ask for compensation for the crops that will be destroyed as a result of mining.

A glance at Ghana’s mineral concession map clearly shows how licences have been given shoulder to shoulder, leaving little or no buffer for communities to work on. For example in the Wassa West district, one of the largest areas of concentration, several mining firms have been granted licences back to back and this is responsible for the high incidence of illegal mining in the area as

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7 In practice certain companies that will still be considered small scale operators have been given more than 25 acres, once they have demonstrated their financial and technical ability to work the concession. These have however been described as ‘medium-scale’ and their licences are up to 10 years.

8 There have been a number of discussions in the past on whether large-scale applicants should not be required to expunge areas of small scale activity from their applications. There does not seem to be a consensus on this.
artisanal miners have to work on concessions of the large firms in order to make a living. For example over 75% of the total mass of Wassa West District is covered by large scale mining concessions, which are in a number of cases given shoulder to shoulder. If forest reserves are included this figure is about 90%.

4.6 The Operating Environment in Ghana’s Artisanal Mining

There are two categories of licensed artisanal mining operators. These are:

i) co-operative ownership, and

ii) individual ownership.

The operating environment of a typical artisanal mining set-up is as follows:

- In all cases of ownership, there are a number of people engaged to help carry out the various activities, e.g. digging, carrying, washing, panning, etc.
- The financier of the operation could be the owner or a licensed buying agent (LBA), who may provide funds for equipment/implements, and also feed the workers.
- Where the mineralisation is ‘good’, there is always an influx of migrant workers, sometimes even from outside Ghana.
- The workers may be either on their own, paying prescribed fees to the owners in addition to "loans" collected, or be paid workers. In all these cases, there is always an understanding of who holds the authority at the site.
- The communities are so much influenced by the artisanal mining, sometimes to the extent of having been "hi-jacked" by these workers, that they become unwelcome neighbours.

4.7 Mining Methods

Mining methods employed in small scale gold mining, depend to a large extent on the type and characteristics of the ore deposit and other geological considerations. Small scale-gold mining takes place in two main types of deposits. These are the lode or hard rock and alluvial deposits.

In the hard rock deposit, mining is carried out either in old workings underground, in adits or on outcrops. In old underground workings, the miners trace the reef, and in default, rub reef pillars, which had been reserved as support thus rendering the place unsafe. Where mining involves outcrops, trenches are excavated along the outcrops. The ore body (normally in quartz veins) is thereby exposed for the miners to exploit. The miners follow the veins to great depths, requiring supports and de-watering of the pits in the process. The miners normally carry out sampling with rubber tyres to determine the gold content in the ore. Although blasting is prohibited in small scale
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4.8 Marketing

The PMMC purchases gold through licensed agents (LBA) or directly from anyone who has gold to sell. The LBAs, in turn have sub-agents who deal directly with miners or concession owners. A private company MIRAMEX was also licensed in 1993 to compete with the PMMC in the purchase and export of gold from scale-scale producers. Whilst the purchase of gold is fairly deregulated, its export still remains relatively closed. However LBAs who are able to purchase 50 kgs or more of the metal may be allowed to export their gold through the PMMC. Both PMMC and Miramex have established buying centres in both Accra and Tarkwa, which is the centre of most small-scale gold mining activities.

Gold pricing is fairly competitive as a result of the liberalised foreign exchange market and in view of the ease in smuggling to neighbouring countries. Because of this a previous levy of 3% of the value of gold imposed on the PMMC and MIRAMEX for land reclamation purposes has been abolished. At the moment PMMC pays to LBAs 93% of the world price of 24-carat gold, and this seems to appeal to sellers. The price is therefore dependent on how refined the gold is. The same principle of purchasing through agents applies to diamonds as well.

At the level of the small-scale miner gold and diamonds are sold in very small quantities to concession owners and LBAs as miners prefer to live by the day. Therefore they hardly deal with the PMMC unless a substantial winning is made.

The marketing chain for gold and diamonds from the producer to the final exporter is depicted in Figure 1 below.
As a result of the very strong bonds between miners and those who pre-finance them, most of the winnings are sold to the concession holders and very little is sold to the unofficial market. The latter group is so described because they do not have the relevant licences or have had their licences withdrawn by the PMMC. Typically the miner receives between 85-90% of the gold price, whilst the rest is shared between the LBA and PMMC.⁹

4.9 Impact of Small-Scale Mining

From the point of view of the primary objectives set for the legalisation, the small-scale sub-sector has achieved a measure of success during its thirteen years. There has been an increase in mineral production and regularised employment for rural youth. However, problems still persist in the sub-sector. Some of these include the improper use of mercury for amalgamation, the abandon-

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⁹ Based on a discussion with one LBA. He intimated that LBAs and PMMC have relatively less risk; the business is based on turnover and they therefore have little margins.
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There is also a rising incidence of illegal mining known as *galamsey*, arising principally from high unemployment and low availability of mineable lands. Statistics at the Minerals Commission indicate that between 1990 and 2000, the small scale mining sub-sector’s contribution to annual gold production averaged 5% while the total for diamonds over the same period was 67%. It is estimated by the Minerals commission that labour legally engaged in small scale mining of diamonds and gold is over 80,000. Since most of these people live in the rural areas, the problem of rural urban migration has in no small way been addressed by small scale mining.

### 4.10 Small-Scale Mining Interface with Large Mines

There has been very little interface between small-scale mining with large ones in the past. Indeed the situation has been one of antagonism for the stated reason that most *galamsey* activities have taken place in concessions held by large firms. A few examples of co-operation are however worth mentioning:

- A tributer arrangement between the Ghana Consolidated Diamonds Ltd. (GCD) and small scale miners, under which previously mined areas are given out. Forty percent of winnings are required to be sold to the company.
- Aboso Goldfields Limited's (AGL) technical training as well as instruction on health and safety issues plus some equipment to artisanal miners at Bompieso to help them improve the recovery of gold;
- Ashanti Goldfields Ltd. (AGC-Bibiani) decision to employ artisanal miners on their farms (after paying them goodwill) to prevent them from invading its pits;
- Bonte Gold Mines (BGM) decision to delineate a part of their concession to an association of small-scale miners.

It is clear that such co-operation and assistance are intended to curtail or eliminate the incidence of illegal mining on the concessions of the large companies and also reduce hostilities. The overall impact of some of these support arrangements has not been assessed; however in the case of GCD, it is instructive to note that most of the increase in small-scale diamond production can be attributed to this arrangement.

### 4.11 Large-Small-Scale Mining and Interface with Agriculture

The agricultural sector that should provide avenues for hired labour as well as self-employment opportunities has not been able to respond accordingly due to a myriad of problems. In the mining communities the common feature is that farmers have to move further away from their settlements to access agricultural land due to the substitution of agricultural land for mining operations, particularly with the increase in surface mining activities in recent years. In some instances this has been
exacerbated by the inability of the land to support any form of vegetation due to the destructive properties of arsenic by-products in some of the mining activities.

Mining companies have in most cases promptly paid compensation for displaced farmers in cases where these have embarked on agricultural activities on the land before the commencement of mining operations. Such payments, adequate as they may appear at the time they are made cannot, however, sustain the beneficiary for any length of time and in any case will be insufficient to re-locate him in an alternative form of self-employment. Even where agricultural land has not been encumbered by these operations, the expensive culture that mining introduces, as well as the prospect that money could be made out of mining, provide the motivation for the youth to take to galamsey than to pursue other economic ventures. This has therefore raised farm labour costs in mining communities.

### 4.12 Concerns and Challenges in Small-Scale Mining

Despite the relative successes achieved within the sub-sector there are still officially-recognised concerns that need to be addressed to make it more productive, less polluting and socially beneficial in the most cost-effective way. These concerns include:

- Continued illegal mining (*galamsey*), with little attention to environmental issues
- Lack or low level of mechanisation
- Lack of investment and working capital
- Inefficient exploitation and processing practices leading to low mineral recoveries
- Lack of skilled labour, managerial skills
- Little regard to occupational health and safety
- Child labour
- Over concentration on precious minerals

It should be noted in addition to the above, that the relative squalid conditions under which most artisanal miners operate in Ghana raise serious concerns for health. The continual operation of people in *galamsey* activities leaves in its wake a degraded environment, pollution and contamination of water bodies and the creation of numerous pools of water that serve as breeding places for various disease-carrying vectors. Artisanal mining is labour-intensive and attracts the youth who are also sexually very active. Success comes with ‘hitting the target’ and this provides them with the means to interact with multiple partners and commercial sex workers. This raises serious concerns for the spread of HIV/AIDS, as recent findings would indicate. The high incidence of HIV/AIDS cases in Obuasi and Tarkwa are clear manifestations of this phenomenon.10

10 This has been reported variously in the Ghanaian media
5 THE CASE STUDIES: APPROACH AND FINDINGS

5.1 Approach

5.1.1 Choice of Communities

The case studies were conducted in three communities namely, Bompieso in the Wassa West District (Western Region), Mpatuom in the Amansie West District (Ashanti Region) and Atiankama Nkwanta, in the Birim South District (Eastern Region). The communities in Ashanti and Western Regions produce gold and Atiankama Nkwanta is noted for the production of diamond.

The communities selected for gold mining are in two districts with extensive history and tradition of artisanal mining, with one hosting largely legal miners (Mpatuom) and the other having a mixture of legal and galamsey operators. Intensity of artisanal mining currently undertaken in the communities and its overall importance in the local economy, as well as familiarity of the research team with the districts and communities, were the major factors that informed the selection. Artisanal miners move from place to place in these two districts depending on where rich ore deposits have been discovered. The high level of activity in Bompieso and Mpatuom at the time of the survey was confirmed by the reported presence of large numbers of migrants in the two communities.

Atiankama Nkwanta was selected because of its nearness to the GCD concession where land with low-grade ore is officially allocated by the company to small-scale miners who employ galamsey gangs to mine. Under the circumstances it is possible to observe the activities of the artisanal miners (galamsey) at work without the fear of being branded an agent of the regulatory agencies.

5.1.2 Structure of Group Discussions

The bulk of the information for this report, in line with the terms of reference was obtained through dialogue with community members represented by groups selected from various sections of each community. Three separate groups of between 10 and 15 participants each were chosen; each carefully selected to reflect gender. The first two groups were based on the age of community members. One group covered the age composition ranging from 18 to 40 years, and the other 41 years plus. The minimum age limit for participation was 18 years to eliminate minors. The third focus group comprised of active artisanal miners. From the interaction with these groups the team collated information on the profile of the community and major economic activities including ar...
tisanal mining and seasonal calendars of major activities in the selected communities. As part of the interaction the team also reviewed the impact of existing interventions aimed at reducing poverty and promoting sustainable livelihoods and also community preference about alternative livelihood activities/strategies and their desire.

### 5.1.3 Selection of Departments

The project team identified a number of government departments and non-governmental organisations (NGOs) who could provide relevant information on the livelihoods in the district as sources of information. However due to resource constraint it was not possible to contact all of them. Instead the team concentrated on a selected few whose roles had a more direct bearing on the assignment. These included:

a) District Assemblies  
b) Ministry of Food and Agriculture (MOFA)  
c) Small-scale mining centres of the Minerals Commission  
d) Association of Diamond Winners

### 5.1.4 Interviews with Local institutions

To supplement the secondary information gathered from departments and institutions, heads and some key personnel of the departments and institutions were interviewed as part of the data gathering process. The key personnel by virtue of their positions and the time spent in the district constitute reservoirs of valuable information on the state of the district. Furthermore, the positions of these officials make them important contact persons and very often pilots for the communities in a district. Discussions were also held with some traditional and opinion leaders in the communities, with the aim to, first obtain new and privileged information, and secondly to corroborate and also provide some check on data collected in community group discussions.

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11 The national workshop will provide an opportunity for the other agencies that were not contacted to provide input into the assignment.
5.2 Findings from Field Survey: Bompieso

5.2.1 The community

Bompieso is a community of approximately 2,009 people made up of 1,067 males and 942 females. It is situated in the Wassa West District to the South-West of Tarkwa, the District capital and approximately 1km off the Tarkwa-Damang Road. The settlement, which is approximately 0.5 km², is located in the tropical rain forest. Forestry products and gold constitute the main natural resources that could be found in the community and adjacent settlements.

Land use naturally concentrates on agriculture and artisanal mining. Crops cultivated include cocoa, oil palm, pepper, cassava, plantain, cocoyam and garden eggs. However, the most significant crops identified by the community as far as income generation capacity is concerned are cocoa and oil palm. This is so because cocoa is easily marketable, whilst the palm fruits are processed into oil which has a ready market. The oil could also be easily preserved to obtain good prices during the lean season. The oil palm tree also fetches substantial income when it reaches maturity and its wine is tapped. There is also a limited amount of forestry. The potential crops identified include vegetables (okro, garden eggs, cabbage, pepper), and pineapples. Currently, vegetables are cultivated; however the glut associated with the harvest of these crops is a disincentive for farmers to go into the cultivation of these vegetables on commercial basis.

Food crop farming is limited to the aged and women, who have never been active in the galamsey sector and to some extent galamsey operators who have advanced in age and find it difficult to practice their trade. Indeed the latter groups do not produce anything significant. The combination of seasonal inflow of cash and limited production of food crops jointly produced a high cost local economy. Cost of living is particularly high for those outside the cocoa and galamsey sector.

Large-scale underground mining was previously undertaken in the Bompieso area and prospecting is currently in progress by a surface mining company that owns a mining lease covering the community. However, artisanal mining remains a dominant activity dating to the beginnings of the settlement. “Keshie”, the local name for artisanal mining is branded as a significant and viable economic activity in the community. It takes the form of retrieving gold nuggets from alluvial deposits – “dig and wash” which is practised by both males and females, and the processing of gold-bearing hard rock from underground – “ghetto” - undertaken mainly by the males. Although limited stone quarrying occurs in the community, it is not a major activity, as stones do not sell easily.
The local economy is cash-based due to the predominance of “keshie” or “galamsey” activity alongside cocoa. However cash incomes in the cocoa sector and, to a large extent in the artisanal mining sector, are seasonal. The implication is that the economy is characterised by considerable fluctuations. There are booms when cocoa is in season i.e. immediately after the rainy season (November–January), and during the dry season (November-March) when artisanal mining activities flourish.

Infrastructure is limited in the community. The community was connected to the national electricity grid about 3 years ago, however, majority of households are without electricity because they could not afford the fee for installation of meters in their premises. The entire community is served by three boreholes for the supply of potable water, and these are fitted with pumps. There are two basic schools in the community. Until the construction of the 1km unpaved road that links the community to the Tarkwa–Damang road three years ago, the community was only accessible by rail. The community members have to trek 5km on foot to Abosso or Huni Valley to access basic health service. The community is without a postal or telephone service, police post, and lacks other infrastructure services that are desirable for sustainable livelihoods.

Significantly, the completion of the electrification project, the sinking of boreholes, the donation of a new school building by CARE International and USAID and the inability of the youth to secure employment with mining firms have combined to produce increased patronage of school-going among the youth at the basic levels. But patronage of education at the secondary and tertiary levels is still very low.

5.2.2 Previous Work by NGOs/CBOs

The community has seen very little activity from the state sector and non-state actors from outside the area. CARE International and USAID have sponsored the construction of a basic school unit. CARE is also currently engaged in reproductive health care and basic education to improve child and maternal health and also improve access to basic education.

5.2.3 Characterisation of Different Social Groups

The community was unanimous in characterising all inhabitants as poor. However, when pressed for social differentiation they admit the existence of differences but their characterisation of the rich is such that they find it difficult to pinpoint rich people in their community. The social classification in the community appears to be along economic activities, and in the following order:

1. Cocoa farmers
2. Oil palm farmers
3. Traders
4. Small scale miners, and
5. Food crop producer.

These social economic groupings mirror the wealth and social structure of the communities. Males dominate cocoa farming and small-scale mining whilst females dominate trading and food crop farming. But males and females appear to be doing equally well in oil palm cultivation. The reason for this is that men recognise the economic value of oil palm through the sale of fruits and sale of the tree to wine tappers and distillers. Thus very often men do the cultivation, tapping and distillation all by themselves. Migrant male farmers in particular look forward to tapping and distillation that results in substantial inflow so as to repatriate the money to their origin for buildings and other capital projects.

Females see the potential of oil palm in providing the raw material for palm oil and kernel oil mills. The ability of oil to be stored and sold after the peak fruiting season gives the oil producers a buffer against low prices and loss of earnings. The high female participation in the oil palm sector was also attributed to the fact that oil palm cultivation is not too old an industry. Oil palm had hitherto grown in the wild and ownership was appropriated by claim to the land on which the trees grow. However, the active cultivation of the crop in recent times has coincided with gender activism and participation in wealth creation and ownership of assets by women.

Overall, as a result of the unconscious or unintentional selection of activity by males and females, concentration of assets has skewed towards males. The skewed wealth distribution was also attributed to the fact that the males have had some formal education, very often lacking among females. As a result men are more powerful and dominant in household and community affairs.

5.2.4 Livelihoods Analysis of Social Groups

(a) Cocoa and oil palm farmers

This group is sub-divided into two - migrants and indigenous people. This division is important because it has implications for access to land. The indigenous people have the land as their main assets, but this is not available to the migrants who only own trees on a portion of their farms. This categorisation is also important because it determines the type of housing unit owned by the cocoa farmers. The indigenous people have brick and mud houses roofed in iron or aluminium sheets. Some may even construct their buildings with sandcrete blocks. On the other hand the migrants have their building roofed with thatch because they do not consider their stay as permanent, and spend more of their earnings in acquiring property in their places of origin. Beyond the
land and housing units, they own cutlasses, sickles, and a few domestic animals including chicken and small ruminants i.e. goats and sheep.

Cocoa farmers are confronted with the problem of seasonality of their incomes. The extent of the problem is illustrated by the choices that farmers make with respect to spending. A typical case cited was the need for farmers to postpone surgery to the harvest season when they are in a position to pay for the cost. Most farms are also old and need replanting; however, the farmers were advanced in age and are weak, and thus unable to replant at any meaningful rate. Farm labour is scarce and expensive. But agro-chemicals and spraying machines are even more unaffordable, making it uneconomical for farmers to spray their farms against cocoa pests/diseases.

Oil palm farmers have asset structures similar to those of the cocoa farmers. The vulnerabilities also centre on seasonality; however, unlike in the case of cocoa farmers where a guaranteed price is assured the price of palm fruits in season is often depressed. The absence and/or high cost of labour is also considered critical in the performance of the oil palm farmers. Labour savings devices were also absent from the community. Similarly farm inputs like fertilisers and agro-chemicals were also considered very expensive.

Both groups of farmers have similar desired outcomes. The respondents expect that government will come to support their efforts by providing some inputs, such as chemicals and other labour saving devices to enable them increase their output. They believe it is the only way to improve their earnings, live to a happy old age and bequeath some property to their children or support their children to acquire some basic skills.

(b) Food crop farmers

Food crop farmers were considered the most disadvantaged group in the community. However, majority of the food crop farmers have their own brick and mud houses and also access to family land, which they do not have to pay to utilise. Beyond their homes and land, their only assets include cutlasses and hoes.  

The group is faced with high cost of production due to high prices of farm inputs, particularly agro-chemicals and labour. However, their output cannot be preserved and output prices collapse when the crops are in season. Thus they work hard without the benefit of using labour saving ma-

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12 This finding is consistent with that of the GLSS study into trends in the incidence of poverty (1990/1-1998/9), which indicates a worsening situation for food crop farmers. The ownership of houses would suggest that food crop farmers had earlier enjoyed better terms of trade and had the means to build these houses, even though of low quality.
chinery and their output very often sells very cheap. Their incomes are not stable and they are not able to save enough to accumulate any assets. The greatest worry of this group is that the nature of crops produced would not ideally permit the farms to be passed on to dependants as income generating asset as in the case of cocoa and oil palm.

As with the other farmers, this group expects a better price for both farm inputs and their output. The group would also appreciate the supply of labour saving equipment by government to expand the size of their farms. But more importantly, the food crop farmers expect credit facilities from the government, as food crop farmers are not able to raise credit from the banks. The community members argue that when these conditions are fulfilled, they will be able to earn enough to take care of their basic needs, save and acquire some property, which they can pass on the dependants.

(c) Traders

The traders own typical brick and mud houses. In addition to this they may own kiosks, and tables on which they display their wares. This group is very conscious of the fluctuations in the fortunes of galamsey operators. They contend that when galamsey activities surge, sales are generally good and vice versa. At the time of low and/or declining sales traders are often tempted to sell their wares on credit, making them risk losing their capital. Trading businesses often collapse with traders losing all their investment when they sell goods on credit to galamsey operators who are highly mobile and migrate to other mining towns in the vicinity of Bompieso or even further away.

The desired outcome of this group is that small-scale artisanal miners should be assisted to make their operations more efficient and beneficial to themselves and the environment. This way, they will be assured of a vibrant local economy which will boost their sales. This will provide them with regular income part of which could be saved towards asset accumulation.

(d) Small scale miners (galamsey)

The small-scale miners are one group of people with limited assets. A large number of the artisanal miners are migrants and as a result are hesitant in investing in buildings in their new environment. Thus most of them live in rented premises. The most visible of the assets owned by this group are a hammer and a chisel. They sometimes possess dynamite which they use in blasting but acknowledge it is illegal to secure and use it. “Bashing rubber”, “shaking net”, washing sacks, wooden board, head, “sample tyre”, washing buckets and bowls, shovels are the other common
assets owned by the artisanal miners. Some also benefited from mercury retorts distributed earlier by the Small-Scale Mining Department.

The community and practitioners acknowledged that small-scale miners, as a group, are very vulnerable, in relation to health and safety risk, particularly for those who go underground. It was also acknowledged that it is very difficult to predict with any certainty the locations of ore-bearing rocks. Thus gangs or individuals can sometimes work for a considerable period of time without discovering gold-bearing rocks. During such unfruitful expedition, the members of this social group are exposed to hardship as they go without any income. On the other hand, in the event of the discovery of significant gold-bearing ore, word quickly goes round, followed by an influx of small-scale miners from other communities leading to the rapid depletion of the ore.

Perhaps the most dangerous trend in galamsey operation in the community is the visits to old adits to haul ores for crushing. So extensive is the practice that in the time past the Abosso Gold Fields Ghana Limited had to employ an experienced mining engineer to assist the artisanal mining operators with safety measures.

The physical dangers associated with this occupation are such that those engaged in small scale mining activities want to have fun whilst they have life. The implication of this mental frame is that they spend so much seeking pleasure to the detriment of doing any savings. Consequently, if as a result of ill health or any accident they were unable to enter into their mining pits, they slip into extreme poverty. The physical exertion involved in the activities undertaken by this group is such that as individuals advance in age and become weak they are unable to practice their trade.

It is important to observe that most of the people in the group already consider themselves poor. As a result of their inability to purchase pumps to dewater pits (or more correctly, to save towards the purchase of a pump), most artisanal miners are vulnerable during the raining season. The result is seasonality in earning.

Artisanal miners indicated that if opportunities are created for them to move into paid regular employment with a secured future, they would be happy to take these. However artisanal mining is part of their lives and if they could be supported with equipment, and prospected land this would go a long way to improve their incomes.
5.2.5 Role of artisanal Mining in the Village

Overall while the community accepts the vulnerability associated with small-scale mining, they argue that it is the mainstay of the local economy. However they quickly point to the fact that it is a risky undertaking and consequently advocated interventions that will make the work less hazardous and more sustainable. They suggested that if water pumps, equipment for detecting the placement of gold-bearing ore, smoke absorbers and other safety equipment are provided to the galamsey operators, their job will become organised and thus guarantee sustainability. Such a situation will lead to expansion of the local economy and all will benefit. Ultimately the expected outcome is that the community will make a better use of their natural endowment and reduce the prevailing poverty.

The community members argued that artisanal mining skills and the trade have been transferred from generation to generation. Consequently, they recognise artisanal mining not only as an occupation but also part of the cultural heritage of the community. In the absence of alternative employment opportunities, galamsey with all the associated risk, is a better occupation than engaging in robbery or theft. They argue however that the main beneficiaries are the licensed gold dealers (buyers) who are not resident in the community.

Also as a result of the increased number of galamsey miners in the community there is pressure on social infrastructure, particularly water. The community has three bore holes fitted with pumps as the natural rivers which constituted their main water sources have been polluted by the activities of the artisanal miners. The population of the community has also increased and social and moral conduct have degenerated. Immoral activities such as prostitution and drug culture are widespread among the unemployed. These often affect the situation with law and order and also the spread of communicable diseases. Community members indicated that they are aware of the fact that HIV/AIDS cases and the incidence of other sexually transmitted diseases are on the increase in the Wassaw West District, but could not relate the situation directly in their community.

5.2.6 Institutions and Processes

The most important institution in the community is the traditional leadership – the chief and his elders. The traditional authorities own a large portion of the land, which is the major resource in the community. Thus to have access to land one needs to consult the traditional authorities. Most disputes (litigation) in the community are at the first instance tackled by the traditional authorities. It is only when they are unable to resolve such disputes that they are reported to the police in Tarkwa who then process the case through the civil authorities and the judicial system.
Poverty eradication and sustainable livelihoods: Focusing on artisanal mining communities

The traditional authorities also collaborate with the town development committee and the unit committee to plan and work on the development of community projects.

5.2.7 Summary of Main Issues Arising in Bompieso

The Bompieso community is a rather deprived community with very heavy dependence on artisanal mining. Although the community is located in the heart of the rainforest with significant farming activities, the community believes that artisanal mining is the lifeline of the society. Therefore farming is only done by the aged and it is not considered as a viable alternative livelihood strategy by the youth.

The situation is so because apart from the land the assets that the people can identify are very limited. Timber and other natural resources are depleted and human capital in the form of acquired skills is very low. The large numbers of migrants who move into the community to take part in the artisanal mining exert pressure on housing, with the resultant increases in rent. Furthermore the large migrant population present in the community hinder processes and institutions from working effectively. Consequently, the cost of living in the community is high as the large number of migrants scramble for rooms to rent, creating a vibrant market for landlords who hike rents for accommodation in the community. Also, the high demand price of limited food produced in the community by aged farmers contributes to the high cost of living. Water resources are available but have been rendered unsafe for domestic use as a result of pollution by artisanal miners.

Limited local markets appear to have blurred the vision of the community members with respect to alternative livelihood strategies. Consequently, to induce them to consider alternative livelihood activities particularly in the farming sector may be an uphill task, unless this is demonstrated through pilot projects. Thus assistance to the community to regularise and make it a profitable venture appears to be the best sustainable development option.

The community members are keen to improve their livelihoods, but believe that government has to be the principal agent by which this can be achieved. Government interventions are expected in the supply of agricultural inputs; price support mechanisms for agricultural produce; credit; labour saving devices; and support to artisanal miners to reduce drudgery and risk to health.
5.3 Mpatuom

5.3.1 Background

Mpatuom has a population size of 4,140 comprising of 2,072 males and 2,068 females. It is situated in the Amansie-West District of the Ashanti region, approximately 7 kilometres to the south of Manso Nkwanta, the District capital. The settlement is located in the tropical rain forest. Agriculture and artisanal mining are the main land use activities. The major cash crops cultivated include cocoa and oil palm whilst food crop cultivation includes cassava, plantain, cocoyam and vegetables. Food crop cultivation is severely reduced due to the glut associated with their harvest, lack of access to credit for farming activities and reduced land availability as a result of concessions granted to mining companies.

The Bonte Gold Mine is engaged in the production of alluvial gold in the area but the company hardly employs local people because they do not possess the skills required. However, artisanal mining which has existed in the area since the 18th Century has increased in scope with active participation of migrants. Artisanal mining, in its regularised form as well as galamsey, is the main source of livelihood to several young people in the locality - both males and females.

The main features of the local economy are similar to that of Bompieso as cocoa production and, to a large extent, the artisanal mining sector, are seasonal activities with its highs and lows.

Infrastructure development in the community is low. Electricity from the national grid was extended to the community in March 2002 but the majority of households have not had the means to make house connections. There are four borehole water facilities fitted with pumps, two primary schools and one junior secondary school. The only access road to the community is quite motorable but untarred. The community has two designated waste dumping sites but these are removed from some sections thereby encouraging indiscriminate dumping of refuse. There are no public toilets but few households own pit/improved pit latrines. There is one private maternity home but a community-constructed clinic is yet to receive health personnel. There is a small market place where farm produce and fish are sold. The community has no postal service, communication service, Police service, and other infrastructure services that are desirable for sustainable livelihoods.

Reported trends showed increases in population size due significantly to fertility rather than in-migration. Land availability has reduced and has become more distant due to large portions granted as concessions to mining companies and as more persons resort to agriculture for livelihoods due to reduction in the near surface gold deposits. As farm output increases, the sector also faces rising marketing problems. The provision of electricity and borehole water has given
the community some more life and is further boosted by increased acquisition of skills as drivers, electricians, mechanics, etc. Housing was reported to be inadequate as a result of increases in population size. Basic school enrolment has been on the increase; yet the increase has not been matched with provision of adequate physical structures. Secondary and tertiary school enrolment among inhabitants has also not seen much significant increase because many basic school leavers are not able to proceed further due to weak performance and financial inadequacies of parents. Many community members were said to be able to access health facilities. However economic activities have reduced drastically over the years due to declining mining fortunes and other residual activities that it brings along.

5.3.2 Previous Work by NGOs/CBOs

The community has had no contact with any NGO.

5.3.3 Characterization of Different Social Groups

In the focus group discussions, the community members characterized the rich as that person who performs philanthropic acts. They expect the rich person to own a big house(s), a fleet of cars and be able to assist community members who are in financial need. Also the rich person should be able to donate resources towards the building of community infrastructure. In the light of these characterizations they perceive everyone in the community as poor.

Community members were however classified into various social groupings that invariably tended to be economic in nature. The groupings identified were:

1. Skilled/Self-Employed
2. Unskilled Persons (Farmers)
3. Employees (Wage and Salary earners)
4. Traders
5. Unmarried adults/youth

The skilled/self-employed group was categorized to include artisans such as masons, carpenters, drivers, electricians, tailors, seamstresses, and hairdressers whilst unskilled persons were identified largely as persons engaged in agriculture. Farmers were generally sub-divided into cocoa farmers, oil palm farmers and food crop farmers. Employees (wage and salary earners) were identified to be teachers and, employees of Bonte Gold Mines and other mining firms in the district. Traders were mainly engaged in the retail of various items ranging from food to plasticware. The unmarried adults/youth happen to be put together because the community perceived this group as
vulnerable. Sex selectivity does not appear to underlie these groupings since both sexes are represented in all the groupings. However, females appear to dominate food crop cultivation, food trade and provision of personal services. The groupings also show the structure of the community with regard to existing economic activities.

5.3.4 Livelihood Analysis of Social Groups

(a) Skilled /Self-Employed

This group includes both migrants and indigenous people. In addition to tools, implements and workshops owned by some of them, the indigenous people may own land as their main asset. The success of economic activities of this group depends to a large extent on the returns to economic activities of other community members and this therefore determines its exposure to vulnerability. Subsequently, seasonality of activities as farming and small-scale artisanal mining affects the demand for the services provided by this group.

The desired outcome of this group is that artisanal mining should be assisted to become more efficient, secure and beneficial so as to enhance the incomes of persons involved. Invariably this will boost demand for their services and improve their income earning opportunities that will enable them to accumulate wealth and assets.

(b) Cocoa and oil palm farmers

This group comprises of migrants and indigenous people. Whilst indigenous people own land migrants lease the land for cultivation and cannot use the land for any transactions and their access to it is limited to the crops on the land. The migrants consider their stay in the locality as not permanent and as such hesitate in acquiring a more enduring immovable property even though some of them have lived in the community for several years, in some cases up to 40 years. The buildings they have therefore tend to be more of bricks and mud and have thatch roofing. The indigenous people on the other hand have brick and mud buildings roofed in iron or aluminium sheets. Some may even construct their buildings with sand-crete blocks.

Various other assets appear to be common to both migrant and indigenous farmers. For instance they all own cutlasses, sickles, and a few domestic animals including chicken and small ruminants i.e. goats and sheep. A few of them own spraying machines.

The vulnerability of cocoa farmers lies in the seasonality of their incomes, the bulk of which is received during the last quarter of the year. An income earned at that period is to be managed till the next main season. Any misfortune that befalls a farmer in the course of the year creates seri-
ous financial hardships. Farmers would wish to replant very old cocoa farms but do not have the strength to do that since they tend to be rather old. Farm labour is scarce and therefore costly and farmers are unable to hire. In addition to this, agro-chemicals used by the farmers are expensive and most of them cannot purchase their own spraying machines that will enable them to effectively and timely spray their farms to free them of pest and plant diseases. The combination of these problems appears to constitute a great disincentive to cocoa farmers who are often confronted with the dilemma of deciding whether to cut down cocoa trees and plant other crops or to retain the cocoa farms. The group believes that the provision of inputs to them on credit and granting of subsidies on agriculture inputs by the government will considerably help in reducing their difficulties and increase their income.

Assets patterns observed for oil palm farmers tend to be similar to those of the cocoa farmers. Oil palm farmers are also affected by the high cost of labour and farm inputs like fertilizers and agro-chemicals. The most cherished outcome desired by oil palm farmers however, is a mechanism that will guarantee an all-year good price for their produce as pertains to cocoa. Secondly it is also desired that government subsidize inputs like chemicals and labour saving applications that will increase their output. They expect that the quality of life for them and their families will be enhanced when their incomes have gone up.

**Food Crop Farmers**

This group comprises mostly indigenous female farmers who are mainly engaged in subsistence cultivation of crop such as cassava, plantain, maize, cocoyam and vegetables. Like other indigenous farmers their main asset is land. They also own basic farming tools as cutlasses, hoes etc. and small ruminants as goats and sheep, and some chicken. Since food crop farmers own very little assets it follows that women who dominate this group form a large portion of the disadvantaged.

The vulnerability patterns of food crop farmers are similar to those that pertain to most subsistence farmers in the country, the significant one being unfavourable prices resulting from inadequate marketing facilities and poor access roads. As a result, the choice has always been deciding between selling produce at cheap prices or letting the produce go bad. However the better of the two has always been to sell at any price offered because school fees and other household needs have to be provided for.
Their desired outcome is increased output to boost up incomes. They envisage that this can be achieved if they are offered credit facilities that will enable them to hire labour. In the focus group discussions it was argued that food crop farmers are worse-off compared to cocoa farmers who were often provided with some inputs and bonuses by government. They call for improvements in access roads so as to open up the area properly to buyers or to enable them transport their produce to areas that offer competitive prices. It is also the desire of female food crop farmers that they be given equal access to land and credit as their men folks who are in cocoa and other cash crops. They call for credit assistance to enable them to get into income generating activities such as oil and food processing.

(e) Employed/Wage and salary earners

This group was identified as small group and is made up mainly migrants. This group is considered the cause of the high rental value of houses in the community. Their assets tend to be household items as radios, television and furniture which the community members consider as luxuries. But stable incomes are considered their main asset.

There was not much to worry about this group with regard to vulnerability. However the few mine workers considered their jobs secured only as long as the mines operate at levels that will require their services but this could not be guaranteed. They would also like to see harmony with galamsey as conflicts could jeopardise their continued employment. For mine workers therefore the desired outcome was for the fortunes of the mines to flourish and for them to remain in work. For the teachers, the desired outcome was improvement in the social conditions of the community that will make life a bit more meaningful and for improvement in their salaries and conditions of service.

(g) Unmarried adults and youth

This grouping was seen mainly with regard to social relations. This group owns very little assets and is often dependent on the larger family. They were perceived as having freedom and reduced responsibility to strive towards assets acquisition but lack the advantage of spousal support towards livelihood efforts. Unmarried persons were said to be more vulnerable because they tend to lack social, financial and emotional support and this was viewed as being more pronounced for females who are believed to have more needs and therefore tend to depend on men for support.
Their desired outcome was to get married and benefit from spousal support that, in their opinion, reduces vulnerability. But they also intimated that they can only dream of marriage after they are gainfully employed.

5.3.5 Role of Artisanal Mining in the Village

Artisanal mining is perceived by the community as a major source of employment and income and that its level of importance should be viewed in the context that aside of agriculture there is nothing else for the young community members to engage in. Apart from income to the persons engaged directly in it and their immediate families, other members of the extended families get assistance. Galamsey operators contribute to development levies and they are also able to put up houses that become beneficial to the community. Historically, the community and adjacent settlements have a record of gold mining dating to the time of the Ashanti Empire. Thus the community has long derived a substantial portion of its wealth from gold.

Due to difficulties in getting portions of land for their operations galamsey operators who work in gangs of 3 to 5 more frequently stray into the concessions obtained by licensed small-scale and large mining concerns. The operations involve the use of tools such as pick axes, shovels, head pans, hammers and chisels, crush helmets, buckets and pumping machines. The last item is seen as the most important equipment. The activities peak during the dry season; during the rainy season many galamsey operators resort to agriculture for income.

The major problem identified included:

- the difficulty in acquiring land and space for galamsey activities mainly due to large areas given out to large-scale mining companies engaged in surface mining.
- the seasonality of the activity created by lack of appropriate equipment to overcome the soggy environment during the rainy season also constitutes a major obstacle to the operations.
- the labour-intensive nature of the activity exerts a lot of strain on the operators who also have to worry about injuries, often resulting from falling buckets and collapsing caves.

13 Note the contrast with other communities, like Bompieso, where because they are highly mobile and migrant, they do not put up houses locally.
14 This contrasts with Bompieso where the miners find agriculture unattractive, even in the rainy season when there is little mining activity.
The artisanal miners suggested that their activities are not destructive of the environment because they do not remove large stretches of the overburden as done by surface mining companies. They hold the view that since galamsey operators do not appear to have a mouthpiece their activities are “painted black”. This view is however not shared by some members of the community who suggest that galamsey activities can be destructive because trenches dug up do not get covered. There were other uncomplimentary views on galamsey operators. For instance they were described as a group of people who are very difficult to deal with, because they refuse to be organized under any set of regulations. Secondly, sheer survival instincts tend to make them aggressive and they are ready to strike when any attempts are made to stop them from their activities. They generally operate on daily survival basis and therefore any disruption in their activities is seen as threat to their survival. At the base of their aggression against any threat is their perception that they have a stake in the resources and the land within which they carry out their activities.

Suggestions to “tame” them included the need for them to be grouped into gangs with structured leadership and provided with equipment (including pumping machine - valued at $10 million currently). When this has been done, they can be made to acquire small-scale mining leases and charged to manage the environment more sustainably.

Trends in artisanal mining activities over the years have shown increasing numbers of persons involved and this includes both males and females; this has resulted from dwindling opportunities in other alternative means of livelihoods. Migrant inflows into Mpatuom have also shown a pattern of sustained increase as more young people travel into the community from near and far. The trend also shows dwindling resources with regard to available land for artisanal mining activities due to the granting of big stretches of land as concessions to large-scale mining companies for surface mining exploration.

The influx of migrant galamsey operators into the community has put pressure on available resources especially water, sanitation and housing in as much as it has affected the authority of traditional institutions in enforcing norms and moral behaviour. For instance it was suggested that promiscuity has been on the increase as young people free themselves of parental control. Furthermore community mobilization for work and development has become more difficult and ineffective as the “liberated” free style attitudes of galamsey operators influence the behaviour of indigenous people. Secondly, the extravagant nature of galamsey operators, and reduced food production have resulted in high cost of living in the community.
5.3.6 Institutions and Processes

Chieftaincy is the most important traditional institution and authority in the community and is represented by the Chief and his elders. The cohesion of the community and its development revolves around the chief and his elders and they elicit compliance, obedience and respect from community members. Indeed when family and individual disputes have defied solution at those levels, the chief and his elders become the final arbitrators at the community level and their decisions are respected. The traditional authority represented by the chief also holds custody of large portions of the land, which is the major resource in the community and one would have to approach him to have access to land. Any member of the community can have unimpeded access to the chief and his elders even as a first line of action.

The other notable institution is the Unit Committee, membership of which is elective. It is the lowest of the local administration structures. Its responsibilities involve planning and implementing community development projects in a complementary or collaborative role with the traditional authority. Unit committees may also settle disputes and conflicts and their decisions enjoy reasonable level of acceptance. Community members have free access to the unit committee and its members.

5.3.7 Summary of Main Issues Arising

Mpatuom, like many other rural communities, has agriculture as its main source of livelihood. Agriculture flourishes due to the climatic conditions but is adversely affected by lack of hired farm hands. Infrastructure in the community is underdeveloped, basic and inadequate in many respects. Agriculture has become continually less attractive especially to young people due to sustained low price of food produce and lack of credit for cash crop cultivation. Artisanal mining has therefore become a major alternative source of livelihood to both indigenous people and migrants. Cost of living is high as a result of in-flow of cash from galamsey activities, reduced food production and increased population size. The community perceives all inhabitants as poor and this perception may affect resource mobilization for development even though varying degrees of assets exist in the community.

The main vulnerabilities are concerned with fluctuations in farm incomes and the amount of land taken by mining concerns as concession. Their desired outcomes, is to enhance income and reduce poverty through improvement in agriculture and artisanal mining. Artisanal miners take up farming during the rainy season (particularly in respect of the indigenous people) and this makes a good case for improving both for supporting both activities to enhance their incomes.
BOX...

A VIEW FROM A SMALL SCALE CONCESSION HOLDER

The opinion of a legal small-scale miner who operates in the Mpatuom community may be relevant. The set up of the small-scale miner consists of a bulldozer, excavator, a dump truck and a processing plant. His operation which is compact appears highly mechanised compared to the manual operations of the galamsey operators. The processing unit which comprises a sizing trommel, generator, discharge conveyor and a sluice box cost approximately €50 million to set up. The running cost is anything between €2 million and €4 million a day. To set up his operation the small-scale miner received a substantial assistance and technical advice from the Small Scale Mining Department of the Minerals Commission.

From the experience of this legal small-scale miner, upgrading galamsey will require a number of interventions including:

1. Acquisition of land
2. Equipment to remove overburden and facilitate hauling of gold bearing ore.
3. An equipment to carry out the washing operation.
4. Initial capital outlay of approximately €10 million.

In his opinion access to land is critical to any successful upgrading of galamsey operations but galamsey operators are unlikely to be able to go through the processes which he outlines below:

- Identify an area with ore deposits (galamsey operations are particularly relevant in this process).
- Apply to Minerals Commission to confirm the availability of the area.
- Get the land properly surveyed and relevant maps prepared.
- Submit maps to Minerals Commission
- Submit copies of the Map to the District Assembly with the appropriate fees to obtain their “No Objection” after publishing notices in the District for 21 days.
- Complete a questionnaire for Environmental Protection Agency who may visit the site to verify validity of the facts presented after which they issue a certificate
- Re-submit all Maps, Clearance Certificate from District Assembly and EPA certificate to the District Office of the Minerals Commission, which forwards them to Head Office of the Minerals Commission.
- Minerals Commission reviews the application and receives a consideration fee of €250,000 ($30)
- The application is then submitted to the Minister for approval.
- Obtain title deeds from the Lands Department
- Apply to the Mines Department for digging permit.
- Enter the community to introduce the business to the traditional authorities and unit committee members.

Beyond this he thinks it is difficult for galamsey operators to raise the money needed to set up a prototype of his operation. The difficulties of acquiring the land and funding are made more complex by the behavioural characteristics of galamsey operators. They are difficult to deal with and manage. They prefer to operate freely than to be organised in any form and those actively engaged in galamsey may not agree to be in an arrangement that makes them employees.

He is however convinced that since small-scale miners help the government by selling all their output to government they should be assisted to acquire the land and equipment to make their operations more viable.

Education is important to change the attitude of the galamsey operators if any intervention is to work
5.4 Atiankama Nkwanta

5.4.1 Background

Atiankama Nkwanta has a population size of 4,066 comprising of 2,098 males and 1,986 females. It is situated in the Birim-South District of the Eastern region and approximately 9 kilometers to the northeast of Oda, the District capital. The District capital is an active commercial centre, as is the case with most of the towns in the Eastern Region. The settlement is located in the Tropical rain forest. Forestry products (timber and bamboo), diamonds and sand constitute the main natural resources prevalent in the location. However, it was observed that timber is almost depleted.

Apart from settlement, agriculture and artisanal mining are the key land use forms. The major cash crops cultivated are citrus, oil palm and cocoa. Food crops cultivated include cassava, plantain, cocoyam maize and vegetables (garden eggs, okro and tomatoes). However, the production of cocoa in the community has declined considerably.

Small-scale diamond mining offers employment to majority of young males. However, there exists a substantial amount of female participation in the sector. Females work as food vendors at the small-scale mining sites. Sometimes they provide food to the miners in exchange for low-grade ores which have been processed earlier by the male miners. There are a number of young people resorting to artisanal small-scale mining legally in the concession of GCD, whilst others also work illegally in the concession - known in the local parlance as “smugglers”. Artisanal mining is their main source of livelihood and has been increasing over the years because agriculture has become less attractive.

Sales from cocoa and diamond-winning, though seasonal, have resulted in significant cash flow into the community. Similar to patterns observed for the other two communities, food crop farming is largely undertaken by relatively older people whose limited strength and resources do not permit expansion in their activities. Reduced food production coupled with cash flows especially from diamond production and influx of migrants has created a high cost of living for members of the community.

Infrastructure development is basic. Electricity from the national grid is extended to the community and several households have been able to access the facility. There are three borehole water facilities fitted with pumps and two streams (River Supong and river Tiakama) that complement as sources of water. Several households also own private wells and these appear to be the preferred

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15 The GCD is a state-owned diamond mining company which has seen declining fortunes in the last several years. It holds large areas in concessions and is slated for divestiture. The company operates a tributer system under which individuals and associations are given portions of the company’s lands (up to 25 acres) to carry out artisanal mining activities. It is not clear if future owners of the concession will carry on with the current tributer arrangement.
choice of the community for drinking purposes. The community has two nursery schools, four primary schools and two junior secondary schools. The main access road to the community from Oda is motorable though marked by several potholes and steeples. The community has two designated dumping sites, two public toilets and a few household pit/KVIP latrines. There is one private clinic and one private maternity home. A makeshift postal agency operates on selected days of the week and there is a market facility which lacks properly constructed stalls.

Reported trends indicate an increase in population size resulting more from fertility rather than immigration. Many individuals in the community were said to have acquired skills as drivers, electricians, mechanics, tailors, carpenters etc. but practice only on a limited scale known in local parlance as “totobidi”.

Land availability for agricultural purposes has reduced as large portions have been granted as concession to GCD for diamond winning. As in other mining communities, those in agriculture tend to be older as the younger ones prefer small-scale mining.

The respondents indicated that the provision of electricity and a limited number of borehole water have resulted in significant improvement in the quality of life. Housing was reported to be insufficient, thus hiking rents in the community. Though basic school enrolment has been rising, the quality of education was said to be on the decline and the conditions of school infrastructure as buildings and furniture were awful. The enrolment of the youth of the community into secondary and tertiary institutions remains relatively low.

The availability of the clinic, maternity home and a drug shop has improved access to health care for many, though costs have gone up considerably. There is a high incidence of malaria and sexually transmitted diseases (STDs) in the community. Sanitation has worsened over the years as toilet facilities and refuse-dumping sites have become increasingly inadequate. Decline in the operations of GCD, the diamond mining company at Akwatia, have had a crippling effect on other economic activities and the once active local economy is now very sluggish.

5.4.2 Previous Work by NGOs/CBOs

The community has only had some contact with USAID/Embassy of the United States in Ghana, who are funding the construction of a toilet facility in the community.
5.4.3 Characterization of Different Social Groups

The respondents in the focus group discussions (FGD) could stratify the community into two main social groups namely - the rich and the poor. According to participants in the FGD a wealthy person is one who owns a factory with employees, a fleet of commercial vehicles and houses, large savings in a bank, can afford to educate the children in the city to tertiary level. He/she must also be philanthropic, capable of building schools or post office or community center and other social infrastructure for the community. Following such definition, they concluded that no one was wealthy in the community. They intimated that their very presence in the FGD is a sign that they were poor. Poor people will readily listen to anybody with the hope that they may receive some good news, one participant noted.

Community members also believe that farmers, small scale artisanal miners, and other skilled artisans, form the three main identifiable social groups in the community.

5.4.4 Livelihood Analysis of Social Groups

(a) Farmers

With the decline in cocoa production in the area, citrus and oil palm are the main cash crops under cultivation. Vegetable growing was also acknowledged as a significant economic activity in the community as sufficient demand exists, because of the nearness to some of the big towns.

Farmers’ main asset is land. Chiefs, families and individuals own land in the community. A large number of the migrants are cultivating their own pieces of land. The indigenous people and the migrant farmers alike have their own houses built of brick and mud and sometimes sandcrete blocks roofed with thatch or iron sheets. The building materials used in this community depends on the individual’s financial capability rather than the migration or residential status.

The main vulnerability of farmers has to do with high cost of labour and other farm inputs like fertilizers and agro-chemicals, and the highly perishable nature of citrus, the main cash crop in the area. Rainfall is sometimes unpredictable with respect to the cultivation of food crops. The outcome of the foregoing is unstable and unpredictable incomes for farmers.

The desired outcome of farmers is therefore to secure a stable sizeable income that would permit them care for their families now and take care of themselves during old age. To this end citrus farmers in particular have formed an association which has as its ultimate object to secure a processing plant to extract juice. The FGD participants indicated that if this objective were achieved,
citrus farmers would be assured of a regular market and a stable price. Consequently, they would expand their output.

(b) The small-scale diamond miners

These are predominantly migrants and relatively young with virtually no assets. As young migrants their focus tends to be on acquiring money to take back home rather than in assets acquisition at their place of work. They are therefore transition-oriented and tend to adjust easily to very basic conditions and living arrangements. Thus most of them are in rented premises. The only assets they have are the tools they use in their work and these include: hammer, pick axe, shovel, head pan, washing sacks, wooden boards, etc.

In the local context small-scale diamond mining activities revolve around three principal actors. These are:

- sponsors;
- concession owners, and
- diggers (miners).

Concession owners are often members of the Small-scale Diamond Mining Association who obtain concessions from the GCD and are therefore owners of the land on which the mining activities take place. Usually they are allocated places the GCD has already mined. Concession owners may look for sponsors who pay for the cost of excavators hired to dig the deep trenches within which the diamond-winning activities can take place. Some sponsors were previously concession holders who accumulated enough wealth and have therefore moved up the ladder. The last tier is the galamsey operators (diggers) who carry out the day-to-day diamond-winning. They usually operate in a gang of not less than 5 members. Dugout trenches are divided into smaller units measuring 10 feet by 10 feet and each gang is allocated one unit within which to operate. The gangs are formed by the members themselves. It was observed that galamsey operators are forced into such arrangements because there was no free range of land within which they could carry out mining activities since the entire area belongs to the GCD.

Proceeds are divided into three equal parts – one-third to the concession owner, one-third to the sponsor and one-third to the diggers. It was pointed out however that diggers may pay an amount of ₵500,000 (about $65) to the concession owner for the allocation of a unit, and in that case the share of the proceeds is one-half to the concession owner and one-half to the diggers. In this case the concession owner shares his part of the winnings with the sponsor in addition to the ₵500,000 collected from the diggers.
Operators of small-scale mining suggest that the activity is risky and that all the actors involved share vulnerability especially since the activity hinges on luck rather than certainty of finding diamonds. Thus concession owners, sponsors and gangs could all lose in the process. Should there be an unfruitful expedition, all the operators are exposed to hardship and this is particularly so for the diggers whose life appears to be structured more on a day-to-day basis rather than on any long-term planning.

_Galamsey_ activities take place along river beds and in terraces. Activities along the rivers are severely constrained in the rainy season (May-July) when the pits get filled with water. However most of the miners move to the higher terraces in the rainy season when there is sufficient water to wash the ore. Being such a mobile force most _galamsey_ miners are able to work all year round, and do not find agriculture as an alternative.

The expectations of this group are – greater access to land, particularly GCD lands, and support to purchase items like pumps, protective clothing etc. They would also like the Minerals Commission to assist them in carrying out prospecting.

(c) **Other skilled artisans**

These are mainly youth who have undergone some training as mechanics, dressmakers, carpenters, hairdressers, electricians, etc. Their main assets are the typical rudimentary working tools used in their respective vocations. Some of them own kiosks from which they operate; however, majority operate from open spaces under trees.

The vulnerabilities of this group result from their inability to earn enough from their operation to sustain basic subsistence. FGD respondents suggest that most of them barely earn enough to feed themselves. The common expressions used to describe this state of affairs is “_totobidi_” or “_allah allah_”, literally meaning living from hand to mouth.

Their desired outcome is to be able to save enough to acquire the necessary tools that will enhance their practice and to earn sufficient income that would guarantee their future.

5.4.5 **Role of Artisanal Mining in the Village**

The assemblyman and the unit committee members, the chief and traditional authorities and the community all agreed that artisanal mining is and would remain the major pre-occupation in the community. However, they indicated that galamsey is no longer as lucrative as it was a few years ago. But while the old in the community lament the decline in the industry the youth perceive it as
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The youth indicated that without galamsey they might not be able to feed themselves, less so pay their way through basic education, suggesting significant involvement of children of school going age in the past. Fortunately, with the increasing awareness and the vigilance of the Small-scale Diamond Winners Association minors are being effectively excluded from operations in most galamsey sites. Respondents in the FGD, particularly the youth spoke of the large wealth that is generated in the galamsey sector. They indicated that through galamsey some have saved enough to purchase tickets and other travel documents to travel abroad and those relatively old have invested their surpluses in citrus, oil palm and vegetable farming. The youth argue that even though land is becoming scarce, diamonds will not get exhausted.

The major problem identified was the dwindling land for galamsey activities. The seasonality of the activity created by lack of appropriate equipment to pump out water from mining pits during rainy seasons also constitutes a major obstacle to the industry. Despite the use of earth moving equipment to remove the overburden the operations remain highly labour-intensive and exerts a lot of strain on the operators who often resort to the use of alcohol and hard drugs to take care of the stress.

The active artisanal miners also complain of the credit terms of sponsors who often pay for the earth moving equipment and advance money to them during their operations. The sponsors receive two-thirds of diamond output (one-third towards equipment and one-third towards the land, which he has leased from GCD). The sponsor may also exercise the first option to purchase the one third going to the miners at prices that may be lower than could be obtained elsewhere particularly if the miner had taken loan advances from the sponsor.

Artisanal miners also worry about the large trenches that remain uncovered and tracts of land that lie unreclaimed after their activities. They explain however that GCD takes a levy from them for the purposes of reclaiming land and therefore should assume responsibility for that.\(^\text{16}\)

5.4.6 Institutions and Processes

Chieftaincy is a significant institution in the community. In the Atiankama NkWanta community sub-chiefs in the community represent the various migrant groups that have come to settle in the area. These sub-chiefs assisted by the Unit Committee members lead all mobilisation of community members for development activities. As in other area the traditional authority represented by

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\(^{16}\) Under the tributary arrangement the large concession holder GCD, which is state-owned, remains responsible for any environmental malfeasance. However the company has not been fulfilling its obligations in this respect.
the chief holds custody of large portions of the land, which is the major resource in the community. Migrants who cannot afford to purchase land would have to consult with the traditional authorities to have access to land.

### 5.4.7 Summary of Main Issues Arising

Atiankama Nkwanta, like many other rural communities has agriculture as the major economic activity. While older people find some benefits in citrus and other cash crop cultivation, the youth are lured by the prospect of heavy winnings in mining. They find that people who own citrus and oil palm farms and property were themselves ex-miners, and would pursue the trade whilst they are still strong. Agriculture is not a viable option for them at this time.

The significant difference between artisanal miners in diamonds and those in gold mining in the two communities discussed earlier is the presence of sponsors and concessionaires who provide machinery and equipment to support the operations. The GCD concession on which most mining takes place, legally and illegally, has already been prospected and it therefore reduces the risk of not making a find. But the company is more favourably inclined to deal with the ‘big boys’ than with the gangs, and it would appear that the real beneficiaries from the activity are the sponsors and the concession owners, even though it must be acknowledged that they all bear their portion of the associated risks.

It was suggested that to reduce the vulnerabilities of the different social groups in the community interventions should include provision of tools and equipment to reduce risk and drudgery in mining and other activities, in addition to access to land.
5.5 Summary of the Main Issues in the Case Studies

5.5.1 Discussion of alternative livelihoods

It is apparent from the responses obtained that agriculture and mining constitute main livelihood activities in the community. Both are under-developed and manually undertaken and involve a lot of drudgery. But the two activities complement each other. Mining is best undertaken in the dry season and farming during the rainy season. Unfortunately due to the unattractiveness of farming as an activity very few artisanal miners in the community take advantage of the seasonality of the two activities. Dialogue with the communities suggests that they have very limited ideas regarding alternative livelihoods activities. Perhaps their vision of the market opportunities is the most limiting factor as exhibited by the responses in the text box below:

<table>
<thead>
<tr>
<th>RESPONSE TO QUESTIONS ON ALTERNATIVE LIVELIHOODS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Question: Besides what people are currently doing, are there other activities that people can engage in?</td>
</tr>
<tr>
<td>Response 1: Farming. Oil palm and vegetables like pepper, tomatoes, and garden eggs do very well. If we have support to spray crops to control pests vegetable farming is very lucrative.</td>
</tr>
<tr>
<td>Response 2: Not all the youth are interested in farming but they could also acquire skills in carpentry, driving, tailoring and also assisted to set up shops and communication centers. But we know people with artisanal skills are not getting employed and that is critical.</td>
</tr>
<tr>
<td>Response 3: Women can be engaged as hairdressers, potters and the water sellers, kenkey producers and petty traders.</td>
</tr>
<tr>
<td>Response 4: All these alternative activities can be effective if money machines, resource persons are available.</td>
</tr>
<tr>
<td>Response 5: If there is the means the women for instance enter into tie and dye and batik manufacturing, stone quarrying, trading, and gari processing. The women can be organized in cooperatives to produce the cassava and palm fruits. The most appealing and acceptable jobs can be the gari and palm oil processing because they are food and market is always available for food. Marketing of the palm oil and gari will not be much problem because they can be sold in other communities. Small scale processing machine will make the palm oil and gari more attractive.</td>
</tr>
</tbody>
</table>

Judging from the nature of activities that were mentioned it is apparent that apart from farming the local markets may not be big enough to support a more than a couple of trained persons. There are some community members with some of these skills who cannot practise for lack of demand for their services, suggesting that successful artisans may have to migrate from the community. However, any emphasis on farming as an alternative livelihoods activity should be conscious of the land use conflict particularly between mining and agriculture.

It is also clear that gender stereotyping in the choice of livelihood activities is still present in the community.
5.5.2 Service providers
There is very little interaction between the sectors at the local level. The Ministry of Agriculture provides extension service to farmers in the community by itself. However, due to the small numbers of extension staff services are often provided to those who express the interest. The Minerals Commission through the Small Scale Mining Department also provides technical advice to legal small-scale miners to help them improve gold recovery, occupational health and safety, minimise pollution of surface water and environmental degradation. No other institutional sectors appear to be interested in what happens in these communities. The community members indicate that the district assemblies do not show any concern for their plight and appear not to plan for them.

5.5.3 Social networks
Social networks are visible among the galamsey operators. The group solidarity is such that if a gang discovers a rich deposit word quickly goes round and several operators move to the site to mine until the ore is depleted. This process helps minimise the risk of going several days or months without any significant activities. A network of female food vendors who sometimes sell food to them on credit also supports the galamsey operators. Perhaps the network that could be exploited is the link between artisanal miners and the LBAs of the PMMC who often pre-finance the activities of trusted galamsey operators. This network is particularly important because it is often considered exploitative. Typically, the galamsey operators indicate that they earn anything from about ₦50,000 to ₦150,000 per week but it is also possible to realize figures in the neighbourhood of ₦1.5 million when one is lucky. However, because they are unable to plan effectively they depend on buyers who often advance money to them to take care of their food and other needs. These buyers in turn buy the gold from the miners often at their own price.

Among farmers, the group solidarity is not very strong but they often share ideas with the district best farmers selected in the community during the annual farmers' day competition. Traditionally adult children supported their aged parents either by helping on their farms or donating produce from their own farms. However, this role has disappeared as the youth enter into mining. The absence of support for the aged is more visible when galamseys move to new communities with the discovery of new ore.
5.5.4 Policy and institutional context

The rural development agenda in the 1990s has been characterised by two main themes: a strong emphasis on the environment and the protection of natural resources and a continued focus on macro policy, liberalisation, the role of government in relation to the private sector and the importance of effective public management. In Ghana this policies were manifested in the Economic Recovery Programme of 1983 and the follow up structural adjustment programmes. The pubic sector reform programme has decentralisation as one of its tenets. The decentralisation programme while bringing government closer to the people appears to most people as government abandoning its duties to the rural populace under the pretext of prudent economic management.

Another area of the liberalisation and economic management programme that had impacted the rural communities is the removal of subsidies on agricultural inputs. It has been argued that the policy of removing subsidies and liberalisation of the marketing of agricultural inputs have contributed significantly to the impoverishment of the rural communities as most of them cannot obtain credit to purchase these inputs from private distributors17.

17 ISSER (1992)
6 INSTITUTIONS AND MICRO-MACRO LINKAGES

6.1 Appraisal of Key Institutions on Artisanal Mining in the Birim-South District

As a follow-up to the survey carried out with some key stakeholders at Atiankama Nkwanta, an appraisal of the involvement of key institutions in the District capital (Akim Oda) was conducted to obtain their views in relation to the given assignment and confirm some of the findings in the communities. The following institutions were contacted:

- District Small-scale Mining Centre of the Minerals Commission
- District Assembly
- District Office of the Ministry of Food and Agriculture
- Diamond Winners Association

The following represents the findings of the team of Appraisers from the perspectives of the identified institutions:

6.1.1 The District Small-scale Mining Office

The office was set up to regularize operations of small-scale miners through the provision of technical advice and small-scale machinery among others. It has a working relationship with the District Assembly, but very little with the other agencies like the Ministry of Food and Agriculture.

Small-scale mining is considered as a major activity and therefore a provider of livelihood for those involved. The general perception of the activity by the public at large is that of a money-provider and therefore an area for investment to yield returns for domestic use as well as for credit to be used in other areas of activity (e.g. farming). The mining groups assign to the women the role of the last sorter and reward them with the relatively smaller-sized diamonds after the bigger diamonds have been sorted for the group by these women. The other livelihood activities for the community are in agriculture, especially oil-palm cultivation and citrus farming. Labour is however unavailable and when it is, it is expensive. The activities of the small-scale miners leave in its trail vices such as the prevalence of drug addiction and the HIV/AIDS menace.

Existing support schemes operated by the office include the collaboration with some Agencies to provide credit to identified members of the community to buy diamonds and the supply of water.
pumps on credit to registered small-scale miners. The rate of recovery of these credit schemes is however low and makes the scheme unsustainable.

The existing regulation that prevents small-scale miners from prospecting to geologically determine the mineral-richness of a location before actual mining commences was determined to be unfavourable and a main cause of environmental degradation from the activities of small-scale farmers. This is so because small-scale miners operate on a trial and error basis in anticipation of a big haul of minerals from what they suspect or believe was a potentially mineral-rich area of land.

The concern expressed was that from observations, it would appear that the prospecting results provided by mining companies in support of their mining lease applications do not reflect the true situation of the mineral deposits, and are overstated. This, it is believed, is to facilitate the acquisition of large tracts of land as mining concessions by the large mining companies.

Members of the community see diamonds as one of their main assets and are bent on undertaking artisanal mining, and the doubt was expressed that the youth would be interested in any other activities. Alternative livelihoods suggested included training to become masons, carpenters and electricians as there would be demand for their services from the District capital and other urban centres within easy reach of the community. These professions would be additional to their mining activities.

To regularise and reduce vulnerabilities for artisanal miners calls for the DA to acquire a concession and undertake prospecting for the benefit of the miners, and work closely with institutions like the Diamond Winners Association and the Small-scale mining office to regularize the activities of artisanal miners. It is anticipated that this measure will guarantee less risky jobs for members of the population and ensure regular revenue generation for the Assembly through levies and other taxes.

6.1.2 The District Assembly

The DA, as a representative of Government at the District level, is charged with the provision of basic infrastructure such as roads, education, water, market and health facilities and other social amenities that will enhance socio-economic development. The local government structure operates on the basis of a decentralized system in which governance and decision-making is devolved to the District level. Measures have been put in place to make the District the unit of governance that assumes the responsibility for planning and execution of programs. The outstanding aspect in
the decentralization process however is complete fiscal decentralization which will then make the DAs more responsive to the communities. The Assembly collaborates with the traditional authorities in the Districts and maintains a close working relation with the central government in the formulation and implementation of policies. Policy formulation initiatives at the District level are normally through a process of consultation. It has however had no input into mining policies.

The Assembly facilitates the provision of sources of livelihood for members of the community through the provision of credit facilities to undertake various activities. A recent initiative has been the acquisition of land for the implementation of a Government of Ghana/African Development Bank (AfDB) co-funded agricultural crop production project.

The DA is involved in the processing of applications for small-scale miners but it has had little to do with their operations as this is the responsibility of the Minerals Commission. It also collects regular fees from diamond concessionaires who pass on some of the fees to the diggers. The DA accepted that it should play a more pro-active role as the activity remains very significant in the local economy and is source of employment for the youth. It was of the view that the policies on the acquisition of land for mining should looked at again. For example the DA could identify a piece of land and seek funding for geological investigations to be done; if the results are good the land could be parcelled out to mining groups and their activities properly monitored.

The alternative livelihoods proposed included beekeeping, snail production, pig and other livestock production ventures. For most of the youth this will be done in complementarity with mining.

### 6.1.3 The District office of the Ministry of Food and Agriculture

The District has a strong resource base in the form of vast arable land used for the cultivation of food crops (e.g. cassava, maize, plantain, cocoyam and vegetables), cash/industrial crops (e.g. cocoa, citrus and oil palm) and livestock production (e.g. poultry, small ruminants, pigs, rabbits and grasscutters, and fish farming).

The District has a well-trained staff who oversee agricultural activities, and work through farming groups. Even though it does not work exclusively with resource-poor farmers, it pays more attention to this group to ensure the sustenance of their livelihood. Women were mostly engaged in the processing and marketing of agricultural produce (e.g. gari, oil palm, kennel oil).

The office is aware that available agricultural land has decreased comparatively due to competition with mining (both small and large scale). Agriculture suffers greatly from a shortage of farm labour.
The existing land tenure system is based on communal ownership under the supervision of the traditional authority. In some cases, government has acquired tracts of land that have been allocated as concessions to a mining company.

The MOFA is collaborating with the DA to undertake an irrigation project within the district for the benefit of interested rice and vegetable farmers. The project, cited at Gyadem, which is a few kilometres from the district capital, is earmarked for the local people. Interested farmers are required to contribute about 5% of the capital works on the land. However it was indicated that interest in the project from the community is low, possibly for some of the following reasons:

- Lack of capital to acquire portions of land;
- The project was conceived from Accra, and the DA was only asked to identify an area based on comparative advantage;
- Change takes time and people must be assured that new ways of doing things will work for them;
- Non-availability of farm labour; where it is available it is expensive;
- Fear that galamsey may destroy their farms if it established that the area is diamondiferous.\(^\text{18}\)

The District MOFA acknowledged that there are problems with the project but is aware that non-residents will be keen to join the scheme if they were given the opportunity. It is currently thinking of providing interested farmers with some capital.

Among some of the alternative livelihood schemes, the MOFA indicated, bee-keeping, snail farming, piggery, which are activities already being promoted under the Social Investment Fund (SIF), a component of the poverty reduction framework. It admits that not much has been done in these areas of activity, particularly in extension and marketing support arrangements.

### 6.1.4 The Diamond Winners Association

The Association was formed to regularize small-scale mining activities as well as the sale of diamonds in the diamond communities. The Association has made efforts to acquire ‘concessions’ for miners for two main reason: i) conflict prevention due to potential disputes over land, and ii) as a regulated source of livelihood.

The Association operates at the District level but have links with the national bodies responsible for the mining and sale of diamonds. The linkage of the Association with the traditional authority  
\(^{18}\text{It should be noted that galamsey miners can be so reckless and destructive that they often dig under people’s houses, destroy people’s farms/or buy them out etc.}\)
was described as weak. The membership is mainly sponsors and concession holders. Artisanal miners are not members; they however work with them on a production sharing basis.

The GCD has an arrangement with the Association in which part of the concession is given to them for mining by their members under an amicable agreement. The GCD provides the rules of operation (proper mining methods, first aid, health and safety, etc.) and supervises the activities of the miners belonging to the association. Measures have been put in place for the prevention of environmental degradation, and the GCD collects a levy from the Association to address this. The association believes that almost all of the diamondiferous areas are held under the GCD concession. They however conceded that very little work has been done to prospect for diamonds in other areas.

They consider that artisanal mining contributes a lot to the local economy, particularly in respect of employment. For example one large concession owner, using a bulldozer and excavator, has about 120 gangs working for him, with each gang consisting of 6-8 persons (total of 720 – 960 people). The numbers in artisanal mining have however reduced over the years as a result of low values and the hard rocks they are encountering. Each concession owner pays $240,000 to the DA annually, while each digger is levied $2,000/month.

In order to move small-scale mining forward, the Association believes there should be collaboration with the DA, Minerals Commission and the traditional authority to obtain land, carry out prospecting and if successful the land should be shared out among its members.
7 SECTORAL STRATEGIES AND IMPACTS

7.1 Introduction

In this section we discuss past, present and future policies and strategies for addressing the issues and challenges in the promotion of artisanal mining and well-being of miners, and also in creating alternative livelihoods within mining communities. In addressing the latter, one is mindful of the near unanimity of the communities in their perception of artisanal mining as an important contributor to the local economy, and therefore their desire for the up-scaling of the trade. It is also important to mention that in recent times both Minerals Commission and the large mining companies are increasingly using participatory approaches in helping to define the needs of communities and developing interventions. In the case of the mining companies this forms part of an increasing desire to be socially responsible in dealing with the socio-economic impact of their operations.

7.2 Recap of the Issues and Challenges

In earlier sections we provided the official view of some of the ill-effects of artisanal mining, as well as the issues and challenges that require to be addressed through various policies and strategies. The current shortcomings include:

i) Continued illegal mining (galamsey)
ii) Little attention to environmental issues
iii) Lack or low level of mechanisation
iv) Lack of investment and working capital
v) Inefficient exploitation and processing practices leading to low mineral recoveries
vi) Lack of skilled labour
vii) Little regard to occupational health and safety
viii) Lack of managerial skills
ix) Child labour
x) Over-concentration on precious minerals

The focus group discussions with communities have also revealed the following factors which either impact the lives of members of the community in general or the small-scale miner/galamsey operator:

i) High cost of living in mining communities as a result of pressures on available accommodation from migrant artisanal miners, low agricultural production due to shortage of farm labour, etc.
ii) The youth’s greater attraction to mining in place of agriculture
iii) Lack of appropriate infrastructure, marketing, price support mechanisms and credit (among others) to support agricultural production
iv) Destruction of water bodies, and other environmentally destructive practices
v) Alienation from the land as a result of large scale mining activities
vi) Lack of access to lands for artisanal miners
vii) Lack of appropriate machinery and equipment
viii) Etc.

7.3 Some Notable Programmes and Interventions

Below we summarise some of the past and ongoing policies and strategies that have been taken to address some of the issues and challenges raised above.

7.3.1 Purchasing and Marketing
a) Authority to export gold through PMMC once a threshold quantity of 50 kg is reached
b) Exemption from payment of tax on income earned from small-scale mining for 3 years

7.3.2 Technical Support
i) Institution of hire purchase arrangement for small and medium size equipment to small-scale miners e.g. pumps, wheel barrows, sluice boxes
ii) Promotion of the use of mercury retort to enhance recovery and prevent damage to the health of miners
iii) Commissioning of prototype central treatment plant in Bolgatanga in the Upper West Region
iv) Geological investigation and demarcation of areas for small-scale mining

7.3.3 Policy Support in Improving Livelihoods in Mining Communities
a) Establishment of Mineral Development Fund (MDF) to recycle part of royalties paid by large mining companies to communities that host mining activities for development purposes. The fund is also used to undertake land reclamation in areas previously destroyed through small-scale mining activities
b) Requirement for a socio-economic impact assessment in new mining proposals

7.4 Towards sustainable small-scale mining and Poverty Reduction

The evidence within mining communities is that those who obtain licences for their operations receive support from the Minerals Commission. However those who work illegally in prohibited areas or on concessions of others cannot access such support and are the worst environmental of-
fenders. On the basis of the challenges facing the sub-sector therefore sustainable small-scale mining, and improved livelihoods in mining communities in the Ghanaian context demands, in addition to the existing policies and strategies:

i. The acquisition of concessions with resources in economic quantities
ii. A clear and unambiguous policy relating to (competing) land use between large and small-scale mining, and between mining and agriculture
iii. A clear indication of the role mining companies should play in the transformation of communities that host their operations
iv. Investment of receipts from mining e.g. receipts from the Mineral Development Fund, in other livelihood-sustaining ventures
v. Active encouragement of, and support for, non-mining economic activities, like mushroom and snail farming, export-oriented cottage industries etc.

7.5 Proposed Strategies and Programmes

The three key objectives for improving environmental and natural resource management for health and increased sustainable production, as part of the mining sector’s contribution to Ghana’s poverty reduction strategy are: i) encouraging private sector development in rural natural resources enterprises; ii) undertaking the reforestation of degraded forests, woodlands and abandoned mining areas; and iii) formulating and/or implementing relevant policies on natural resources and the environment, which has as one of its output the promotion of alternative livelihood projects to run parallel to, and replace mining after ore depletion.

Discussions with the Minerals Commission, the Chamber of Mines and other sector players, and a review of some of the mining sector’s policies and strategies towards poverty alleviation indicate some of the following objectives and planned interventions:¹⁹

7.5.1 Assistance to Small-Scale Miners

This focuses on resource availability, improved technologies, environmentally sound practices, diversification of opportunities and includes:

i) a review of technical reports submitted by exploration and mining companies with the view to assessing potential small-scale mining sites; demarcating and reserving areas with vi-
able mineral deposits for miners to acquire; undertaking further exploration to estimate reserves and grade of deposits; and monitor small-scale mining activities to ensure mining in only demarcated areas.

ii) adopting and improving upon existing mining/processing technology; organising workshops to determine modalities for providing equipment and machinery for miners; sensitising banks especially rural banks on investments in viable small-scale mining ventures; undertaking baseline studies of the areas to give guidelines on potential environmental impacts of the mining operation for good mine planning; teaching miners how to use the most appropriate and environmentally sound technologies for their operations; educating small scale-miners on occupational health and safety issues.

7.5.2 Promoting alternative livelihood projects to run parallel and/or replace mining after ore depletion

The Ghana Chamber of Mines and the Minerals Commission have conducted studies in communities in the catchment areas of large mines employing open pit techniques, detailing alternative livelihood activities for sustainable development in these communities. Some individual members of the Chamber have gone further to identify specific activities with market potentials. Activities to be undertaken in this area may include:

- updating existing study on alternative livelihood project, which have been identified;
- preparation of training programs for selected participants in alternative livelihood projects;
- organise workshops to establish a credit scheme for alternative livelihood project.

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19 Some of these objectives and interventions are outlined in the Minerals Commission’s draft proposals on improving environmental and natural resource management for health and increased sustainable production.
8 MAJOR ISSUES AND CHALLENGES

8.1 Community level

8.1.1 Assets

The three case studies provide us with an understanding of the assets that mining communities command, significant among them being land. The social, human, physical and financial assets available to the communities are not very significant and explain their own perception of their state of poverty. It is instructive to note, however, there is limited access to land for small-scale mining purposes as most of the land is held by large mining companies. A number of those pursuing their trade in artisanal mining do this illegally and are therefore unable to obtain support from official institutions.

Traditional authorities, who are custodians of the land, indicate the availability of land for agricultural purposes as an alternative to artisanal mining. It should be appreciated however that the Minerals and Mining Law confers on the holder of a mining lease the right to obtain access to the mineral by negotiating to pay compensation to the owner of the surface rights (farmer) for crops to be destroyed.\(^{20}\) This has implications for the type of crop or activity that can be undertaken and obviously has implications for planning for the future.

Substantial numbers of artisanal miners are migrant who move from place to place to pursue their trade; some make remittances home whilst the greater majority are ostentatious consumers when they have the means. The implication of this is that they hardly contribute to the social assets of the communities in which they operate.

8.1.2 Vulnerability

Mining communities are vulnerable to a number of situations. The following were revealed in the case studies:

a) seasonality of their farming and mining activities and therefore incomes;

b) price instability for their produce, particularly food crops, and lack of support from government;

c) high cost of living, hired labour etc.;

\(^{20}\) This fact is not very well-appreciated by landowners and has often been a source of conflict between communities and mining firms. On the other hand the payment of immediate cash compensation for crops to be destroyed often blurs the judgment of those affected. It is to be noted as well that where the granting of the lease precedes the commencement of the agricultural activity, then no compensation is payable.
d) discriminatory laws and policies that give undue advantage to large mining companies;

e) lack of access to land for mining purposes, equipment, etc.;

f) absence of any officially recognised financial intermediation structures that provide support for farmers and artisanal miners. (The latter particularly have to deal with financiers who lock them in a dependency relationship);

g) the drudgery and effort required for the activity and therefore the inability to continue in this beyond one’s youth; and

h) degradation of the immediate environment, including land and water resources

8.1.3 Livelihood outcomes and strategies

Mining communities would like to enhance their incomes and reduce poverty. They perceive their situation as one of poverty but are of the view that well-supported agricultural and artisanal mining activities will improve their livelihood outcomes. The communities perceive food crop farmers and galamsey operators as the lowest on the poverty ladder. The evidence is that miners earn between $10-20,000 from their toils daily, which is above the daily minimum wage for those in hired employment. However in view of the drudgery and insecurity associated with the trade many of them would prefer paid employment if this were available.

The communities see government as taking the central role in improving their lives by re-orienting policies that provide them with greater access to mineable land, price support for produce, access to finance, tools of trade, etc. They see the formation of groups as key to maintaining decorum in the activities of artisanal miners, reducing environmental degradation and accessing support, in particular getting access to land.

The communities could not look beyond their current spheres of economic activity – agriculture and artisanal mining – into areas that could possibly offer greater opportunities to increase incomes. This is because of the lack of knowledge and appreciation of such potential opportunities. In a number of cases the alternative livelihoods that are sought – hairdressing, driving, vulcanising, tailoring etc. did not look beyond the provision of service to their immediate communities.

8.2 Meso and Macro-Level

8.2.1 Poverty Reduction and Decentralisation

Poverty reduction is the main focus of Ghana’s medium term development strategy and the policies, programmes and interventions have been spelt in the GPRS 2002-4. DAs are expected to play significant roles in the programme and assume ownership of the processes. However they
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are severely handicapped in capacity and in resources as the centre still holds on to these. At the moment only 5% of national revenues are given to DAs to spend; all other expenditures at the local level are still centre-driven. In the case of mining, 10% of royalties paid by mining companies is recycled back to communities, with the DAs getting the largest portion (55%) of this. These funds have hardly been used by beneficiaries to reduce poverty as originally intended, and central government is still expected to undertake and lead poverty reduction interventions. This is probably because of the many competing demands on DAs resources. To achieve any meaningful success with poverty reduction requires the DAs to be empowered institutionally and financially.

8.2.2 Co-ordination between Various Levels

Discussions at the local administrative level indicated a lack of interest and in some instances apathy towards artisanal mining. The activity is recognised as a necessary evil that destroys the environment, promotes promiscuity and exposes the miners to severe dangers, and yet it keeps the youth out of crime. The perception one gets is that local authorities (excluding traditional rulers) are more interested in protecting the rights of large mining companies as opposed to pro-actively pursuing growth of the artisanal mining sector through DA-led interventions.21

In practice DA are involved in the processing of small-scale mining applications. However there is no sense of ownership and as in the case of communities, the Minerals Commission and the Ministry of Mines are seen as responsible for everything connected to small-scale mining. Small-scale mining centres set up in a number of districts however attempt to bridge the divide between the macro and the meso, and in conjunction with District Small-scale Mining Committees, maintain some decorum in the activities of legal miners. DAs appear to be more interested in projects with greater visibility – roads, clinics, schools etc.

Discussions also reveal little interaction/co-ordination between agencies at the local level, and in particular between the small-scale mining centres and the district offices of the Ministry of Agriculture, even though the competing demands for land for farming and mining would dictate that this should be the case.22

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21 One district level respondent believed that since most of the artisanal miners are migrant who contribute very little to the community, it does not make much sense to provide them with support. This is of course a myopic view and in any event makes a strong case for the DA’s active involvement in assisting their own communities.

22 For example during our interaction with the District Director of Agriculture in Oda, at which the Mineral Commission officer was present, it was learned that an area earmarked for an irrigation project to support rice growing was lying in the concession of the GCD, and was also diamondiferous. Caution was raised that the ‘supposed’ farmers for whom this project is meant might end up doing galamsey on the land. This fear was also raised as a possible reason why there had been little enthusiasm from the locals to make their contribution to acquire plots in the project.
Noticeably missing in artisanal mining communities is the NGO factor. One is yet to find an NGO involved in the organisation of artisanal miners for purposes of improving their trade.

### 8.2.3 Ownership of Ongoing and Planned Interventions

The study has indicated a number of policies and interventions aimed at improving small-scale mining being. However these are essentially being carried out by the Minerals Commission and do not seem to have any cross-sectoral input and more importantly, inclusion of mining communities. The challenge in pursuing any improvement in small-scale mining activities and creating alternative livelihoods is how well we could develop the appropriate institutional relationships and roles, and to create ownership at the local level.

### 8.3 Creating Alternative Livelihoods: Challenges

Based on a review of the various policies and programmes, consultations with the communities and relevant institutions, we may summarise the main challenges in up-scaling artisanal mining, creating alternative livelihoods or indeed improving current livelihoods, as the following:

#### 8.3.1 Creating awareness/visibility for artisanal mining issues

- What can be done to raise the visibility of artisanal mining issues (beyond its current largely negative image)?
- How can we mainstream artisanal mining into national data gathering?

#### 8.3.2 Land use

- How can we balance the requirements of mining with other competing land uses, particularly in areas of widespread mineralisation?
- What should be the limitations on mineral rights holders in pursuing their activities vis-à-vis farming activities?
- Should buffer zones (not accessible to mining companies) be created around communities to allow them access land for mining if they so choose?
- How do we define the large scale mining lease to limit it to the actual area required for mining over say the next 10 years?

#### 8.3.3 Financing alternative livelihoods

- Should the mining sector be responsible for creating alternative livelihoods and reducing poverty in mining communities?
- What should be the role of the active players – communities, traditional authorities, DAs, central government, mining companies etc.?
- How can the Mineral Development Fund be used to support interventions?
- What rural/micro financing arrangements can be used to support alternative livelihood schemes?
- What donor/NGO support can be brought into the scheme?

8.3.4 Institutional and implementation issues

- Which organisation should have primary responsibility for implementing the scheme – District Assembly, Minerals Commission, Ministry of Food and Agriculture, NGO?
- What should be roles of various bodies at the micro, meso and macro levels?
- What are the indicators for measuring the desired outcomes and how do we define these within a consultative framework?
9 RECOMMENDATIONS

9.1 Introduction

A number of policies and programmes have already been identified for the up-scaling of artisanal mining. These include actions in easing bottlenecks to acquisition of land for artisanal mining, and providing technical and financial support. The recommendations in respect of the up-scaling of artisanal mining are based on the realisation that most artisanal miners would like to continue in their trade. It is also recognised most areas currently worked by artisanal miners would not lend themselves to large-scale mining and will be better remain as such to offer employment to the youth.

In respect of alternative livelihoods, it is to be said that artisanal miners have shunned agriculture because of their perception of the fortunes of farmers. They are unaware of the opportunities that exist that can provide more rewarding livelihoods. Therefore the interventions in this area are not only geared towards those are ready to go into agriculture but also to others as well. Appendix … raises the issues and challenges and provides an indication of the roles that all players at the micro, meso and macro should play in the pursuit of alternative livelihoods in mining communities.

9.2 Up-scaling Small Scale Mining

The following measures, in addition to those being implemented by the Minerals Commission, are recommended: [Refer to earlier sections]

9.2.1 Micro/meso-level

i) Promote the formation of artisanal mining groups, co-operatives and associations (through the good offices of traditional rulers, local level administration structures, community-based NGOs etc.)

9.3 Creating Alternative Livelihoods in Mining Communities

The recommendations are predicated on the following:

- creating opportunities for mining communities to engage in alternative means of livelihood outside mining;
- creating opportunities for other employment avenues to respond to situations of cessation of mining, retrenchment and industry slumps;
- creating an enabling environment that will allow mining companies and communities to co-exist harmoniously for private enterprise - small, medium and large - to flourish;
harnessing the synergies of various actors - Government, communities, mining companies, external support agencies, NGO's and private enterprise in ensuring sustainable livelihood in mining communities.

It is the view of the consultant that the mining sector (institutions and mining firms) should lead the way and also provide the resources for the creation of alternative livelihoods in the communities that host mining operations. In this respect the following activities may be identified:

9.3.1 Preparatory steps

- **Obtain baseline information on the poverty problem by:**
  1. providing an understanding of the state of poverty in the mining community;
  2. assessing the level and type of economic activity in selected mining communities;
  3. (broadly) assessing the extent of conflict in land use between mining companies and the community;
  4. assessing the current roles of various community level institutions whose activities respond to the needs of the community – water, electricity, health facilities, schools, mining companies, local authorities, traditional rulers etc.;

- **Review various options for addressing the issue of poverty/sustainable livelihood with the community in the areas of:**
  1. land use;
  2. identification of alternative employment and economic opportunities;
  3. identification of community needs to implement activities
  4. community participation in decisions relating to the socio-economic impact (and re-mediation) of mining projects on the community;
  5. expected role of central government/district authorities on the use of portion of royalties accruing to communities, and mining companies contribution

- **Identification of institutions and roles at the meso-level**
  1. (Ownership of the process by District authorities)
  2. Dissemination of information on any pilot projects undertaken
  3. Facilitation of land acquisition
Produce a set of institutional, technical, financial and other support measures/guidelines necessary for realising the objectives of the programme. This should include

i. guidelines for identifying and assessing the viability of alternative economic activities in mining communities;

ii. guidelines for community participation in the choice of appropriate activities;

iii. identification of sources of technical (extension) and training support and their relationship with the programme;

iv. identification of marketing and purchasing arrangements to support the scheme;

v. identification of micro-finance arrangements and institutions to complement the scheme;

vi. identification of (and guidelines for) obtaining funding for scheme (e.g. MDF, contributions from mining companies, HIPC funds, DA’s Common Fund etc.)

vii. Define fiscal incentives for mining companies that support the creation of non-mining employment

Implementation Platform

i) Establish a national Steering Committee with membership from:

   a. Ministry of Mines
   b. National Development Planning Commission (GPRS)
   c. Minerals Commission
   d. Ministry of Agriculture
   e. Ghana Chamber of Mines
   f. District Assembly (hosting mining)
   g. Traditional Ruler (from a mining community)
   h. NGO in community development
   i. Training/Entrepreneurial development institution
10 APPENDICES

Appendix 1: Terms of Reference for Assignment

Appendix 2: Roles of Various Players in Creating Alternative Livelihoods In Mining Communities

Appendix 3: Implementing an Alternative Livelihood Strategy In Mining Communities

Appendix 4: Key Contacts (See Also Workshop Report)

Appendix 5: Workshop Report
10.1 Appendix 1: Terms of Reference

Title of the project: RAF/99/023 - Poverty Eradication and Sustainable Livelihood: Focusing on Artisanal Mining Communities

Work Assignment:

As part of the Africa regional and multidisciplinary project, the contractor is expected to contribute to the formulation of viable policy options, leading to operational projects which would help in eradicating poverty in artisanal mining communities through the development of alternative auxiliary income generation opportunities (or activities), complementary to artisanal mining, and/ or through the up-scaling of the artisanal mining sector to an economically-viable activity.

The Contractor will receive the report of the multidisciplinary mission to Ghana (4-15 June 2000), and the methodology guidelines for the country livelihood study, inclusive of the expected report content. The contractor needs to be perfectly familiar with the principles of Sustainable Human Development (SHD), as well as the Sustainable Livelihood Approach (SLA). The Contractor must be fully acquainted with the methodology guidelines, and the participatory rural appraisal (PRA) as defined in the contract. This insight and experience should be concretely outlined in the Contractor’s proposal, as well as in the training plan for the surveyors.

Tasks to be implemented by the Contractor.

1. Select up to three representative artisanal mining communities: two for gold and for diamond. It is recommended that the sites be selected on the basis of community support activities by governmental institutions or civil society organisations.

2. Prepare the PRA case study interventions well to obtain a community-based (grass roots) information on the existing practices and livelihoods in the village, and their community, including their complementary subsistence activities. The methodology of this qualitative participatory survey/appraisal is based on the identification of focus groups and implies an easy access to the communities for trust building. The researchers are expected to have a good understanding of the Sustainable Livelihoods Approach, the methodology guidelines, participatory appraisal methods and a clear work plan. This work plan should include a clear process on how to access the communities, including preliminary contacts with organisations working with the communities, identification of entry points, etc. Prior to the surveys, a synthetic document should be prepared for each group of surveyors. This document needs to include available information on the populations as well as their livelihood activities. This document will be made available to the monitoring committee as well as UNDP and UN/DESA.

1. Implement the appraisal/surveys. Contact, seek and obtain inputs from the key artisanal mining representatives and stakeholders (government, donor agencies, mining companies, NGO’s, community-based organizations active in mining communities). Four days should be necessary for each community/site in order to carry out the above tasks.

2. Contact local authorities, at the various levels of government. The researchers should seek the views of the above authorities on the challenge of poverty eradication in the mining communities in a sustainable livelihood context. It is important to understand the impact of artisanal mining on rural development as well as identify other complementary or alternative income generating activities, farm or non-farm.

3. Proceed with the analysis of the PRA findings. At the end of each survey, the team or expert responsible for the exercise should make a critical assessment of the gathered information: identified problems; assessment of the capacity and constraints of the communities; possible development prospect within existing institutional and structural reality and the suggestions made by the local authorities and stakeholders. A separate report should then be prepared for each surveyed site. A fi-
nal syntheses will be prepared, in which the specificity as well as the commonalty of the sites will be highlighted.

4. Recommendations will be offered in a sustainable livelihood dynamic. These recommendations should specify the respective roles and responsibilities of the various actors: communities; local authorities; federal authorities; sectoral entities; civil society; donors; etc. These recommendations should be drawn from the analysis carried out at the three main levels of decision making.

5. Organise a national workshop in Accra to validate the recommendations as well as exchange views and recommendations with the project Steering Committee and the broad stakeholder community. In addition to sensitising the participants to the issues, the workshop can further enrich the recommendations by bringing in additional experiences.

6. Final reporting. The contractor will prepare a report (30 pages, plus annexes) based on the above-obtained findings and submit it to UNDP and DESA for review and clearance. The policy report will take into account the country’s economic and social environment, rural practices and customs and complementary subsistence activities. The report should propose operational programmes to ensure sustainable livelihoods of the targeted communities. Furthermore, the report should endeavour to make policy proposals, which can be applicable to other rural social groups.

7. Ensure the sustainable livelihood approach in the formulation of the policy options through continued sensitisation.

Means of Implementation.

1. By tasks.

Preliminary work: Secondary information on the selected communities, and their inputs in the region should be gathered. Preliminary contacts should be established with UNDP and the monitoring committee, as well as with entities involved in the targeted region in order to facilitate the access to the communities. The appraisal/survey team should be trained/briefed. The team leader or contractor will be responsible for this task: about two weeks.

Case studies – community appraisals: It is suggested that two teams be made operational (language, access) rather than one team for the two regions. Each survey should last one week.

Reporting on the survey/appraisal and synthesis: The findings and results should be structured into a well-organised report. Maximum one month.

Interviews: These are to be carried out with relevant stakeholders at the district, regional and national levels.

Recommendations and organisation of the national workshop. The recommendations, and the subsequent policy options for poverty eradication should be identified and prioritised in a sustainable livelihood framework. The draft report will be distributed to UNDP, DESA, the monitoring committee and the stakeholders prior to organising the national workshop in Accra. One month, and one day for the workshop.
## 10.2 APPENDIX 2: ROLES OF VARIOUS PLAYERS IN CREATING ALTERNATIVE LIVELIHOODS IN MINING COMMUNITIES

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<thead>
<tr>
<th>ISSUES AND CHALLENGES</th>
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<td>○ District Assembly&lt;br&gt;○ SSMP&lt;br&gt;○ MOFA&lt;br&gt;○ Associations&lt;br&gt;○ Other MDAs and NGOs</td>
<td>○ Ministry of Mines&lt;br&gt;○ MOFA&lt;br&gt;○ NDPC&lt;br&gt;○ EPA/WRC&lt;br&gt;○ ESA</td>
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### 1. Creating awareness for poverty and artisanal mining issues

**INTERESTS**
1) Higher visibility/sufficient attention to plight of members of galamsey communities as resource poor group<br>2) Outline feasible alternative livelihood activities or put measures in place to upscale artisanal mining

**DISTRICT ASSEMBLY**
1. Include artisanal mining activities in the development plans of the DA<br>2. Reduce incidence of encumbrance of lands by large mining companies<br>3. Acquire concessions for prospecting and allocation to small-scale miners<br>4. Harmonization of activities of all MDAs, NGOs and Associations<br>5. Identify alternatives livelihood activities that can be pursued outside small-scale mining<br>6. Provide assistance to miners in the formation of viable groups<br>7. Develop appropriate infrastructure (including markets and roads) to support agriculture especially

**ASSOCIATIONS:**
1. Miners should form viable groups that will work with the DA and appropriate institutions to facilitate access to land.

**LAND USE**
What should be the limitations on mineral rights holders in pursuing their activities vis-à-vis farming activities? Should buffer zones be created around communities to allow them access land for mining if they so choose? How do we define the large scale mining lease to limit it to the area actually required for mining over say the next 10 years?

**INTERESTS**
1. Acknowledge that small-scale/Artisanal mining can be an activity that could be improved<br>2) Access to mineable land to undertake small scale mining activities

**DISTRICT ASSEMBLY**
1. Land reclamation initiatives being pursued by the Minerals Commission and some mining companies for agricultural production should be mainstreamed into National policy.

2. Geological investigations and demarcation of areas for small-scale mining should be undertaken by the appropriate institutions before the land is given out to miners

3. Review laws on; a. mode of acquisition of concession (ie encumbering vast lands for long periods) b. access to land in mining concessions for competing, but alternative livelihood activities such as agricultural production.

4. Large concession owners should cede land to facilitate co-existence through licensing illegal small-scale miners as tributary miners on large-scale concessions (as practiced by the Ghana Consolidated Diamonds)

**FINANCING, MARKETING**
What should be the role/contribution of the active players –

**INTERESTS**
Credit support<br>Hire purchase schemes to acc-

**ASSOCIATIONS:**
1. Ensure viable groups that will work with the DA to facilitate access to credit, equipment etc. through self-mobilization at the community

**GOVERNMENT TO RE-ASSESS THE DISBURSEMENT OF THE MINERALS DEVELOPMENT FUND TO MAKE IT MORE RESPONSIVE**
**Poverty eradication and sustainable livelihoods:**
**Focusing on artisanal mining communities**

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<th>ISSUES AND CHALLENGES</th>
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|                        | o Traditional authorities, DAs, central government, mining companies etc.? How can the Mineral Development Fund (MDF) be used to support interventions? What rural/micro financing arrangements can be used to support alternative livelihood schemes? | o District Assembly  
 o SSMP  
 o MOFA  
 o Associations  
 o Other MDAs and NGOs | o Ministry of Mines  
 o MOFA  
 o NDPC  
 o EPA/WRC  
 o ESA |
|                        | O require tools of trade  
 Financial intermediation | District Assembly:  
 1. Tag activities of small-scale mining and alternative livelihood as placed in the development plan of District Assemblies to assured sources of funds e.g. President’s Special Initiatives  
 2. Facilitate the availability of credit to small-scale miners through the use of the mineral development fund  
 3. Serve as focal point for all MDAs and NGOs in the implementation of interventions and alternative livelihood projects to be funded using the MDF | to the livelihoods activities in small-scale mining communities.  
 2. Government in conjunction with the DA should develop guidelines on the utilization of Mineral Development Fund to include alternative livelihood activities |
|                        | NGO & Private Sector Finance  
 1. Partner District Assembly in raising and disbursing finance for small-scale mining and alternative livelihood activities  
 2. Operate micro-credit schemes in collaboration with the DA to support community members in undertaking various activities | Groups:  
 1. explore possibilities of and create opportunities of working with artisanal miners in districts  
 2. collaborate with DA in the disbursement of MDF to support artisanal mining and alternative livelihood activities  
 3. play lead role in identifying markets for the products of alternative livelihood activities (such as in agriculture) |
|                        | Interests  
 i) A well coordinated institutional arrangement that will facilitate the pursuit of viable livelihood activities  
 ii) Indicators will include the presence of alternative livelihood projects and a strong institutional support in providing key resources such as | i) The District Assembly should be the coordinating centre for all activities.  
 ii) Indicators will include regular interaction of key institutions at the District level to pursue the support of livelihood activities (both in mining and alternative areas) |
|                        | Interests  
 i) Central Government empowers the DAs to be fully in charge of District activities by ensuring fiscal decentralization to achieve a holistic planning and implementation regime.  
 ii) Functional stakeholders like the Minerals Commission and the large-scale miners should bridge the information gap between them and other stakeholders. |

4. Institutional and implementation issues

- Which organisation should have primary responsibility for implementing the scheme – District Assembly, Minerals Commission, Ministry of Food and Agriculture, NGO?
- What should be roles of various...
### ISSUES AND CHALLENGES

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| - Traditional authority  
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- MOFA  
- Associations  
- Other MDAs and NGOs | - Ministry of Mines  
- MOFA  
- NDPC  
- EPA/WRC  
- ESA |

- bodies at the micro, meso and macro levels?
- What are the indicators for measuring the desired outcomes and how do we define these within a consultative framework?

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<tr>
<th>5. Alternative Livelihood Activities</th>
<th>Interest</th>
<th>District Assemblies</th>
<th>Central Government to support DA in building the capacity of community members and the establishment of demonstration/pilot schemes</th>
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| - How can we ensure community acceptance of livelihood activities identified as profitable and sustainable ventures? | - Alternative livelihood activities identified must be socially acceptable and financially rewarding to members of the communities | i) Self-mobilization and the identification and ranking of alternative livelihood activities by communities themselves  
ii) Build capacity of community members through education to ensure that schemes are owned by communities  
iii) Establish Demonstration/Pilot schemes in collaboration with appropriate institution. | |
10.3 Appendix 3: IMPLEMENTING AN ALTERNATIVE LIVELIHOOD STRATEGY IN MINING COMMUNITIES

In view of the numerous constraints for developing the alternative livelihood activities, particularly in agriculture, it is recommended that the Minerals Commission, District Assemblies and other stakeholders form a strong coalition for the development of alternative livelihood activities in *galamsey* communities. The collaboration may take several forms:

i. Minerals Commission may lobby the District Assemblies, Mining concerns and the Ghana Chamber of Mines to advocate a more efficient use of the Minerals Development Fund for the benefit of mining communities.

ii. Minerals Commission (working in concert with the Ghana Chamber of Mines) may consider setting up a fund towards the support of sustainable livelihoods strategies. Subsequent to this, existing businesses may be identified and assisted to grow and absorb some of the youth in the *galamsey* communities. That is identifying individuals and groups with potential for success for assistance and investment advice. The fund so established can cater for various phases of business set up as follows:

• Sensitisation and mobilisation;

• Development of entrepreneurial culture and business principles; and

• Inventory credit (individuals and groups should make contributions as a measure of interest);

iii. Minerals Commission may consider helping the communities with the provision or improvement of infrastructure such as feeder roads and potable water since this will facilitate the development of alternative livelihood activities.

More specifically the following steps will be required to initiate a successful intervention programmes aimed at the development of alternative livelihood activities in the *galamsey* communities.

1. Form a Trust Company, or enter into an arrangement with an NGO with a track record in business development and project financing. Minerals Commission, Central Government, the District Assemblies, other identified stakeholders and international development agencies could be involved and encouraged to donate to the Trust Company. The Trust Company or NGO will also take up the role of entrepreneur development, group formation, group recognition test, group meetings and peer reviews. Other functions will include project development, business and project financing, financial management, leadership train-
ing, self-development, skill-based training and provision of other services to any scheme that may be established.

2. Conduct technical and financial feasibility detailing input requirements for the successful implementation of any alternative livelihood activity.

3. Determine the most economically viable and efficient farm size and production units in agricultural ventures and other activities respectively.

4. For agricultural projects the Trust Company would invite individuals or groups with access to land required to meet the minimum farm size and another acre to do subsistence food crops. As much as possible these lands should be located in the same geographical area to ensure that the farms could become contiguous units. When individuals negotiate for the land, they enter into the contractual agreement with the landowners setting the scheme administrators free of the difficulties inherent in large-scale land acquisition.

5. For other activities individuals will have to show they are capable of providing part of the set up required.

6. All participants be requested to acquire their own land or other inputs requirements as part of a self-selection scheme and entrepreneurship training to demonstrate their stake in the project (equity contribution). This should go along with a screening process that will ensure that the selected participants are business-minded individuals with a track record of farm business and other successful enterprises.

7. Selected individuals should be paid some minimal monthly allowance towards subsistence. This should be in addition to cultivating the 1-acre of land for food. This minimal payment should continue until the first harvest in the case of agricultural projects and when production takes off in other activities. The amount so advanced should be considered as 70% loan and 30% grant element with a minimal service charge of about 5% and annuity period of 5 years.

8. As the projects start yielding consistent cash flow, the payment towards subsistence is discontinued and loan recovery initiated by deducting at source as products and/or services are being paid for. This presupposes that the Trust Company will be involved in the sale of products.
### 10.4 Appendix 4: Key Contacts (See also Workshop Report)

1. **Minerals Commission**
   - Benjamin Aryee - Chief executive
   - B. Yakubu - Director, Small Scale Mining
   - Kojo Cleland - SSM Officer, Akim Oda Centre
   - J. K. Abbew - SSM Officer, Tarkwa Centre
   - E. Atiglah - SSM Officer, Dunkwa Centre

2. **UNDP Country Office**
   - Lene Andreasen - Program Officer
   - Paul Derigubaa - Program Officer

3. **National Development Planning Commission**
   - S. Cann - Chief Director
   - Mrs. Farhat - (GPRS Secretariat)

4. **South Birim District Co-ordinating Council**
   - Chief Director
     - Henry Y. Amesimeku - Dist. Budget Officer
     - Isaac Opare-Aboagye - Dist. Planning Officer

5. **Ministry of Food and Agriculture**
   - Obeng-Adu - Dist. Director
   - Courage Bonuedi - MIS Officer

6. **Ghana Diamond Winners Association**
   - Kwasi Boah - Bush Co-ordinator
   - Sam Larbi - Ag. Secretary
   - S. O. Lamptey - Tributer/Miner
10.5 Appendix 5: Workshop Report

Poverty Eradication & Sustainable Livelihoods - Artisanal Mining Communities

Wednesday 25, September 2002

1. BACKGROUND

The UNDP-ESA commissioned MIME Consult to undertake a study into Poverty Eradication and Sustainable Livelihoods with the objective of identifying and highlighting some of the key assets and areas of vulnerability to members of identified artisanal mining communities. These would serve as input into a broad policy formulation process on poverty eradication.

As part of the assignment, MIME Consult organized a one-day workshop which brought together various stakeholders in artisanal mining drawn from the Ministry of Mines, Minerals Commission, Ministry of Food and Agriculture, the District Assemblies, Artisanal and large-scale miners, NGOs, etc. to exchange views and enrich the recommendations of the report. The list of participants is attached as Annex 1.

2. OBJECTIVE OF THE WORKSHOP:

The workshop, which commenced at 9:30am with a self-introduction, had the following objectives:

a) to validate the findings of the consultants as presented in the Report
b) to sensitize participants to the issues relating to artisanal mining as raised by the Report
c) to propose strategies for the eradication of poverty in artisanal mining communities

3. CONDUCT OF THE WORKSHOP

3.1 Structure of the Workshop

The workshop consisted of presentations and group work during which participants had an opportunity to discuss the two thematic issues: up-scaling artisanal/small-scale mining and creating alternative livelihoods in artisanal mining communities. The original plan of having two groups discuss issues pertaining to the two thematic areas was not pursued with the consent of participants, majority of whom indicated their desire to be members of both thematic groups. The compromise therefore was for the whole group to discuss the identified themes in two separate sessions with
each session ending with the key recommendations in relation to each theme. The discussions were preceded by a presentation that highlighted some of the key issues identified by the study.

Workshop facilitation was done by Mr. K. A Quansah, a consultant and one of the principal actors in the regularisation of small-scale mining in Ghana. He was the Managing Director of the Precious Minerals Marketing Company at the time of the regularisation in 1989.

3.2 Keynote Address

In a Keynote Address, the Chief Executive of Minerals Commission Mr. Ben Aryee, recounted the history of artisanal mining and its contribution to the Ghanaian economy, noting that it was largely perceived as a poverty-driven activity. He also brought to the fore measures the Mineral Commission has put in place to make indigenous small-scale mining more sustainable. These included a draft Mineral Sector policy proposal that advocates making small to medium-scale mining predominant in Ghana. The measures also include the Commission’s push for the establishment of alternative livelihood or Local Economic Development (LED) projects over the last few years, and the intensification of the drive to provide small-scale miners with viable land on which to operate.

The full text of the address is included in the report as Annex 2.

4. PRESENTATIONS

4.1 Summary of Report

Putting the workshop in perspective, the Executive Director of MIME Consult and Leader of the project team, traced the beginning of the assignment to a UNDESA team that visited the country at the invitation of the Government and the UNDP in 2000 with the objective of producing a set of policy options and best practices for use by government, inter-governmental organizations and civil society at the macro, meso and micro levels eradicating poverty in artisanal mining communities. He noted that the results of the study endorsed some of the ideas government is consolidating into measures for implementation and thereby tasked participants to come up with recommendations that would assist in the policy formulation process.

To facilitate discussions, the Executive Director of MIME Consult presented a Summary of the Draft Report and later responded to some clarifications sought by participants. The summary of the report in Word format and the Powerpoint presentation are attached as Annexes.
4.2 Presentation by a Small-scale Miner

A licensed small-scale miner Mr. E. K. Agyeman, presented an overview of his operations to participants at the workshop to give them an insight into the activities of licensed small-scale miners in contrast to the activities of unlicensed small-scale/artisanal miners. His presentation centered on his mode of operation, his contribution to community development, some of the problems encountered, the relationship with institutions at the meso and macro levels and the unlicensed small-scale miners at the micro level and how these have impacted on his activities. This gave participants a practical indication of the linkages and activities that could be pursued in enhancing artisanal mining in Ghana.

4.3 Relevant issues raised during questions, answers and contributions

Participants sought clarification on various issues emanating from the presentations during ‘question time’ but to a large extent, the concerns that were raised formed part of the main discussions of the workshop. The Chief Executive of the Minerals Commission answered questions on policy issues raised by participants. Some of the issues raised were:

a. What is government doing to stop illegal mining (galamsey)?

_The response was that the issue is not stopping galamsey but one of assisting those who practice it - either as a carrier or default employment – to operate legally and reduce the hazards caused to themselves and the environment. The Commission is pursuing the alternative livelihood (AL) strategies to reduce the dependence on illegal and to ensure that communities survive after ore depletion. It is also prudent to ensure that these AL activities are not dependent on the mine for the same reason that when the mine collapses the communities are also going to be seriously affected._

_Some participants cautioned that we should not see galamsey as an evil practice, and cited its contribution to employment and the reduction in crime when the activity is ‘in season’._

b. What are some of the key interventions in AL?

_The experience with some previous hire purchase arrangements to assist miners failed as a result of the low recovery rates – about 25%. The Commission is identifying micro-funding institutions who can assist in this regard. There is however the need to develop the appropriate structures and institutional relationships to enable the objectives to be achieved._
The Commission is currently working with UNILEVER to develop oil palm under outgrower schemes as part of its AL strategies.

c. Mainstreaming gender in small-scale artisanal mining

A strong case was made that in addressing the issue of small-scale mining adequate attention should be paid to gender and the important role that women play in the trade.

d. Ongoing initiatives

A number of interventions and ongoing initiatives were mentioned by participants. Some of the relevant ones include those undertaken by the Chamber of Mines in the creation of AL, not just for mining communities but for mine workers as well to sustain their livelihood after separating from the mines; the initiatives by Resolute Amansie Gold Resources to create alternative employment in agriculture, fish farming; Abosso Gold’s assistance to scale mining groups. The emphasis of these initiatives is on education and capacity-building and the need to let the communities own the whole process.

Examples in the formation of groups and co-operatives as a means of accessing support and funding was cited by some of the participants. These include the Wassaa West Fish Farmers Association (a group consisting of persons who were previously involved in artisanal mining), co-operatives in the Wassaa Amenfi District which were mobilized for farming purposes and were able to access funding under the Social Investment Fund to increase their production etc.

e. Use of Mineral Development Fund by communities

The observation was made that communities and particularly those directly affected by mining operations of the large companies do not benefit directly from the MDF, as these monies are spent on projects at the district capital level. There was therefore a call for fairness in the use of revenues from the Fund and in particular for the creation of AL instead of covering recurrent expenditures and projects with high visibility but little impact on communities.

There should be clear guidelines on the use of the fund, which should be binding on all beneficiaries.

f. Role of District Assemblies

There were suggestions that DAs should be committed to factor in the activities of small-scale miners into their development planning. This way all organizations at the district level will be pulled together under one umbrella to carry out the appropriate interventions.
g. Land Reforms

Some participants noted that the creation of AL will require a serious look at the present land tenure practices and bring in reforms in order to promote agriculture.

h. Review of aspects of the Small-Scale Mining Law – Environmental concerns

This was seen to be overdue and one area that was identified relates to the size of land made defined for small-scale mining. The EPA representative believed that the size helps some of the miners to avoid meeting the requirement for an Environmental Impact Assessment (EIA) by taking a number of concessions of size 25 acres and below. If such concessionaires were made to take larger areas then the EPA could demand EIAs from them. Some participants on the other hand felt that, while the requirements for proper environmental management were important, the cost of doing the studies are being small-scale miners. The matter should therefore

5. DISCUSSION OF THEMATIC ISSUES

The two boxes below raise some of the questions that were put before participants to deliberate upon. It is instructive to note that participants made some strong cases for small-scale/artisanal mining based on the following:

- It is a viable alternative for employment for most youth who are coming out of school, and its multiplier effect is tremendous;
- Almost all the foreign exchange it generates is returned to the country as opposed to the situation with large scale-mines;
- But for small-scale/artisanal miners there would no viable

<table>
<thead>
<tr>
<th>GROUP WORK: IMPROVING SMALL-SCALE/ARTISANAL MINING</th>
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<tr>
<td>• Creating awareness/visibility for artisanal mining issues</td>
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<tr>
<td>- What can be done to raise the visibility of artisanal mining issues (beyond its current largely negative image)?</td>
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<td>- How can we mainstream artisanal mining into national data gathering and planning?</td>
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<tr>
<td>• Land use</td>
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<td>- How can we balance the requirements of mining with other competing land uses, particularly in areas of widespread mineralisation?</td>
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<td>- What should be the limitations on mineral rights holders in pursuing their activities vis-à-vis farming activities?</td>
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<tr>
<td>• Financing and equipment support for small-scale/artisanal mining</td>
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<tr>
<td>- What should be the role of the active players – communities, traditional authorities, DAs, central government, mining companies, private sector etc.?</td>
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<td>- How can the Mineral Development Fund be used to support interventions?</td>
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<tr>
<td>- What rural/micro financing arrangements can be used to support SSM?</td>
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<td>- How can miners be organized to access support?</td>
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<tr>
<td>• Institutional and implementation issues</td>
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<tr>
<td>- How do we get District Assemblies to assume ownership of programmes and interventions and to mainstream artisanal mining into their planning?</td>
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<tr>
<td>- What capacity building needs will be required?</td>
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<tr>
<td>- What should be roles of various bodies at the micro, meso and macro levels?</td>
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Poverty eradication and sustainable livelihoods: Focusing on artisanal mining communities

jewellery industry in the country, as they constitute the source of supply through the PMMC. All the produce from the large mining companies are exported.

### ALTERNATIVE LIVELIHOODS

**QUESTION 1**

How can we ensure that the communities accept alternative livelihood activities identified in their environment as profitable and sustainable ventures?

- Demonstration/Pilot Schemes, Micro Credit Schemes, Infrastructure development, Group Formation/co-operatives
- Capacity building

**QUESTION 2**

What should be the role/contribution of the various stakeholders in making sure communities adopt sustainable livelihood strategies?

- individuals, communities, traditional authorities, DAs, central government, mining companies etc

### 6. RECOMMENDATIONS OF THE WORKSHOP

The workshop sought to answer some key questions raised in the report and during the presentations, the responses of which formed the basis for recommendations. The summary is as follows:

#### WORKSHOP RECOMMENDATIONS

<table>
<thead>
<tr>
<th>Thematic Area</th>
<th>Discussions</th>
<th>Recommended Measures</th>
</tr>
</thead>
</table>
| **Alternative Livelihoods** | a. How can we ensure community acceptance of livelihood activities identified as profitable and sustainable ventures? | • Education that schemes are owned by communities  
• Build capacity of community members  
• Demonstration/Pilot schemes  
• Establish micro-credit schemes  
• Groups/Associations formation to facilitate access to support  
• Self-mobilization and the identification and ranking of alternative livelihood activities by communities themselves  
• Situate small-scale mining and alternative livelihood in development plan of District Assemblies to ensure ownership. Tag activities on to assured sources of funds e.g. President’s Special Initiatives  
• Undertake land tenure reforms in relation to agriculture  
• Develop guidelines on the utilization of Mineral Development Fund to include alternative livelihood activities  
• Develop appropriate infrastructure (including markets and roads) to support agriculture |
| **Up-scaling Artisanal Mining** | a. Raising Visibility of Small-scale/Artisanal Mining | • Miners should form strong umbrella Association to work with appropriate institutions. Assistance and direction should be provided for the formation of these groups  
• Include artisanal mining activities in development plans of District Assemblies |
| | b. Land-use: creating access for small-scale mining | • Large concession owners to cede land to facilitate co-existence through licensing illegal small-scale miners as tributary miners on large-scale concessions (as practiced by the Ghana Consolidated Diamonds)  
• Land reclamation initiatives being pursued by the Min- |
### Discussions

<table>
<thead>
<tr>
<th>Thematic Area</th>
<th>Recommended Measures</th>
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<tr>
<td>erals Commission and some mining companies for agricultural production should be mainstreamed into National policy.</td>
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<tr>
<td>Geographical investigations and demarcation of areas for small-scale mining should be undertaken by the appropriate institutions before the land is given out to miners</td>
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### Role of Different Actors

<table>
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<tr>
<th>Discussions</th>
<th>c. What should be the role of the different actors?</th>
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</table>

### 7. CONCLUSION

The workshop was determined to be a valuable experience as it offered participants the opportunity to exchange ideas and make contributions towards the improvement of the Report. Even though there could not be enough time to fully exhaust the issues, some participants considered the event as one of those few instances in which an attempt has been made to actually listen to those who are involved in the trade. More importantly, it provided the forum for various stakeholders to learn of some of the developments in the small-scale mining sector. It also provided the forum for these stakeholders to jointly consider how to improve small-scale mining activities and alternative livelihoods to small-scale mining that could be undertaken by members of these communities.

Attendance was good even though no representative from the principal sponsor of the whole project, the UNDP, could attend.
### WORKSHOP ANNEXES

#### 8.1 List of Participants

<table>
<thead>
<tr>
<th>No.</th>
<th>Name</th>
<th>Organization</th>
<th>Address</th>
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<tbody>
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<td>QUEST</td>
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<tr>
<td>26</td>
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<td>27</td>
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<td>28</td>
<td>Noble Wadzah</td>
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<td>32</td>
<td>Nii Quaye-kumah</td>
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<tr>
<td>33</td>
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<tr>
<td>34</td>
<td>Frank Annor-Kessie</td>
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<td>35</td>
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8.1 Address by Chief Executive of Minerals Commission

KEYNOTE ADDRESS BY CHIEF EXECUTIVE, MINERALS COMMISSION
WORKSHOP ON POVERTY ERADICATION AND SUSTAINABLE LIVELIHOODS: FOCUSING ON ARTISANAL MINING COMMUNITIES IN GHANA;
MIKLIN HOTEL, SEPTEMBER 25, 2002

Mr Facilitator,
Executive Director of Mime Consult Ltd.,
Nananom
Representatives of Stakeholders,
Distinguished Ladies & Gentlemen.

I am particularly pleased to be called upon to present the keynote address at this very timely workshop. This workshop is to discuss the report on a work by Mime Consult Limited entitled: Poverty Eradication and Sustainable Livelihoods: Focusing on Artisanal Mining Communities in Ghana. I have known Mr K S Manu (the main consultant for the work and) the Executive Director of Mime Consult, since I started my working life – first as my boss and then in other capacities but always being diligent and insightful in his work. This work, I believe is therefore not an exception.

In a recent draft Mineral Sector policy submitted for Government consideration, the Minerals Commission proposed making small to medium scale mining the predominant forms of mining in Ghana. Also, the Commission has been pushing for the establishment of Alternative Livelihood or Local Economic Development Projects over the last few years. And again, in the last few months we have intensified our drive to provide small scale miners with viable land to operate on.

All these with one goal: to make indigenous small scale mining more sustainable; completely in line with the theme of this workshop.

Mining, of especially gold, pre-dates the advent of the European adventurers of the late 1800s. These were largely artisanal workings, predominantly of gold and diamonds in the hinterland, and salt along the coast. From its humble beginnings when it came into prominence in the late 15th century, when gold was secured through the repeated washing of beach sands and gravels with fresh water after violent rains, the indigenous (artisanal) mining of gold steadily improved through difficult times up till the late 19th century. This progress however became stunted and stagnated at that level; and what it is today is virtually what it was in the early 1900s.

Why? One may ask. A number of reasons, but significantly, it is noted that our colonisers had it in mind to control the source of gold. Certain laws passed from the early 1900s with this objective however contributed
significantly towards the underdevelopment of the sector. And subsequent post-independence legislation was rather benign to artisanal small-scale mining.

It was to address this, if you may, “unfavourable” attitude of the formal sector to artisanal small scale mining that small scale gold mining was regularised and the streamlining of the small scale mining sector as a whole was initiated in 1989.

Other reasons cited for regularization have included:

♦ Provision of employment in rural areas and thereby also reducing rural-urban migration;
♦ Absorption of some of the workers retrenched from large-scale operations.
♦ Regulation of the activity to ensure that acceptable mining practices are employed, with minimum damage to the environment;
♦ Provision of a ready, streamlined market for the minerals produced by small-scale miners, thereby reducing the incidence of smuggling of precious minerals but increasing its contribution to formal sector production, foreign exchange generation etc;
♦ Stemming the tide of illegal mining operations on concessions for large-scale mining companies; and
♦ Stimulating rural capital formation.

Clearly the essence of regularization was therefore not just the sustainability of the sub-sector, but the broader sustainability of the communities in which such activities take place.

Mining is Ghana’s single largest gross foreign exchange earner, providing some US$691.4 million during 2001. Of this, gold accounted for some 90%.

Understandably, Ghana’s small-scale mining sector is dominated by gold mining (accounting for some 67% of all small-scale mining – World Bank). The small scale mining sector contributed 6.4% of total gold earnings and over 95% of total diamond earnings in 2001.

It is estimated that in Ghana, with a GNP per capita of some US$ 390, an average small scale miner could earn up to US$ 7 per day; in other words, US$ 1,820 annually.

This would be quite a good performance by small-scale mining, we may say.

Again, while the World Bank notes that:
♦ “Small-scale mining is a largely poverty-driven activity, typically practiced in the poorest and most remote rural areas of a country by a largely itinerant, poorly educated populace with little other employment alternatives.”
♦ And also, the World Bank estimates that some 13 million small-scale miners operate under harsh and risky conditions with only minimal incomes in about 30 countries.
Various estimates of the number of small scale mine workers in Ghana range between 50,000-300,000. With estimates of 4-9 dependents per small-scale mining worker, there could be 200,000-2.7 million people – directly or indirectly - depending on small-scale mining in Ghana. Thus, such mining, directly or indirectly, generates economic activities which are poverty alleviating.

Notwithstanding its positive contribution to the economy of Ghana over the years during which it has existed, contemporary small-scale mining is not without its own attendant problems, challenges and constraints, which impede its capacity to become a fully sustainable activity.

The key such problems have been classified as:

- Environmental problems;
- Problems associated with illegal operations, or “galamsey”;
- Problems with inefficient operations; and
- Socio-economic problems.

Of these the environmental impacts and land-use conflicts are the most significant. This has largely manifested itself in the form of its negative impact on the physical environment; that is, deforestation and land degradation as well as water and atmospheric pollution. Mercury pollution from amalgamation and subsequent burning also needs special mention here.

It is noted however that illegal miners, whose operations by their very furtive and clandestine nature are not amenable to being monitored by the field officers, are the cause of the most severe forms of environmental damage resulting from small-scale mining. Also the haste with which such miners carry out their ‘hit and run’, operations makes them more susceptible to accidents leading to injuries and “hushed” fatalities while causing undue environmental damage. The question then is, why illegal mining?

This is largely, due to:

- Land-use conflicts between large- and small-scale mining;
- Lack of Information on potential yield of concessions granted legally; and
- Lack of viable alternative economic activities.

Then also, operationally inefficient mining and processing methods have led to reported recoveries of as low as 25 – 40% of the in situ mineral content.

But a more fundamental issue is that of the entrenched poverty which may be attributed to a lack of viable alternative economic activities. Social vices are also a prevalent means of biding spare time.

The work you will be discussing had its genesis in the mission of a 3-man UN Department of Economic and Social Affairs team led by Beatrice Labonne, which visited Ghana at the invitation of Government and UNDP in June 2000, and had as its objective to produce a set of policy options and best practices, for use by gov-
Poverty eradication and sustainable livelihoods:
Focusing on artisanal mining communities

Government, inter-governmental organizations and civil society at the micro, meso and macro levels, that would contribute to poverty eradication in artisanal mining communities.

Taking cognizance of the aforementioned challenges to making communities associated with small-scale mining sustainable, it is gratifying therefore to note that, in addition to the measures currently in force, the study endorses some of the ideas Government is consolidating into measures and streamlining for implementation.

I will particularly like to mention

- Pre-licensing exploration;
- Provision of enhanced extension services; and
- Facilitation of the development of viable and attractive alternative economic activities, which I find that the report highlights.

I trust you will discuss these and others that come up and formulate/propose recommendations which would assist us in policy formulation aimed at the three pronged goals, which alone can lead to sustainable livelihood for the communities in which our largely artisanal small-scale mining sector operates; that is:

- The upgrading of the operations of small scale miners from the subsistence artisanal level to some extent of mechanization;
- Ensuring efficient and environmentally friendly operations; and finally
- The provision of alternative livelihoods to mining.

I believe you realize that your recommendations should be applicable in Ghana and should be applicable to other ASM areas of especially the developing world, as well.

Finally, to the UN Agencies, I wish to thank you for sponsoring this very timely study and, on behalf of similarly place small scale mining countries, assure you that the results would not be in vein.

To all participants: I wish you insightful and fruitful deliberations.

May God bless you.