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The Artisanal and Large-Scale Gold Mining Interface in Africa

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1. Introduction

This brief examines the dynamics of the interface between artisanal and large-scale gold mining in Africa. Conflicts (and, more generally, interactions) between artisanal and large-scale miners have increased precipitously in all corners of the region in recent decades. With few exceptions, tensions between these parties are triggered by the latter encroaching on to concessions awarded to the former to extract gold. Governments almost always intervene, enlisting the army, police or private security companies to remove artisanal mining groups from company concessions. This course of action, however, is impractical because it is typically associated with violence and human rights abuses. The message, therefore, is clear: more dynamic strategies are needed if tensions – or more importantly, interactions – between artisanal and large-scale gold miners are to be prevented in Africa.

One potential strategy that has gained popularity in recent years is the idea that artisanal and large-scale gold miners should *work together.* The idea that these parties can cohabitate and assist one another has been heavily promoted as a 'best practice' in a series of landmark documents. Notable examples include *Working Together: How Large-Scale Mining Can Engage With Artisanal and Small-Scale Miners*, a report published jointly by the International Finance Corporation (IFC) and international Council on Mining and Metals (ICMM);[1] the World Bank's *Mining Together: Large-Scale Mining Meets Artisanal Mining*;[2] and most recently, the World Gold Council's report, *Lessons learned on managing the interface between large-scale and artisanal and small-scale gold mining.*[3] Each of these reports lists a number of cases which their authors claim to be successful examples of miners cohabitating harmoniously. The examples tabled in support of this position are drawn from Africa and elsewhere in the developing world.

Proponents of cohabitation, however, repeatedly fail to take stock of the broader picture; they routinely overlook a series of temporal, economic and political factors in their diagnoses. When these are taken into account, it becomes clear why there are so few examples of gold mining companies having fully relinquished sections of their concessions to artisanal and small-scale groups in Africa. For a multinational gold mining company that operates across a number of different geographical settings, implementing, uniformly, a strategy of cohabitation that can be sustained, through economic and political turbulence, long term, is virtually impossible.

As will be explained, on the whole, claims made over the years by influential international organizations that artisanal and large-scale miners have cohabitated amicably are inaccurate, or at best, misleading and exaggerated.[4] The majority of examples cited in support of *successful*

[1] International Finance Corporation (IFC) (2011). Working Together: How Large-Scale Mining can Engage with Artisanal and Small-Scale Miners. The International Finance Corporation, Washington DC.
[2] World Bank (2009). Mining together: Large-scale mining meets artisanal mining. The World Bank, Washington DC.
[3] World Gold Council. 2022. Lessons learned on managing the interface between large-scale and artisanal and small-scale gol mining. World Gold Council, London.
[4] Hilson, G., Sauerwein, T., Owen, J. 2020. Large and artisanal scale mine development: The case for autonomous co-existence. World Development 130, Art. 104919.

cohabitation – at least in the case of Africa – are rather more reminiscent of *tolerance* or *live and let live*: companies simply turning a blind eye to ASM groups working on their concessions or ignoring their presence until it is absolutely necessary to take action. To date, there have been no examples of gold mining company operating in Africa voluntarily relinquishing sections of their concessions, with the explicit aim of providing a foundation for licensed artisanal and small-scale (mine) operators. This is unsurprising, as so many gold mining companies and their investors view ASM as a risk and threat to their operations; they communicate as much in their annual reports. Moreover, it will always be difficult to convince shareholders who are largely disconnected from the local context that releasing land, even if unused, to ASM parties, is good CSR and a key to improving relations with catchment communities. Even if shareholders can be convinced of the merits of such a move, navigating the contours of what are arguably some of the most complex managerial structures in the corporate world would be challenging, if not impossible. Specifically, most major gold mining companies operate through a series of subsidiaries which may have separate shareholder bases themselves. After filtering through the many contours and levels of a company, the decision made at corporate headquarters could, therefore, be heavily diluted, become radically different, and/or be simply inappropriate.

This policy brief seeks to rewrite the narrative on cohabitation of artisanal and large-scale gold miners in Africa. It calls on donors, companies, NGOs and host governments to intensify efforts to refocus their approach to mining sector reform and prioritize preventing what is referred to as the 'interface between large-scale and artisanal and small-scale mining'[5] from surfacing altogether and where it has, minimizing its presence. A detailed overview of the dynamics of a globalized large-scale gold mining sector is provided here, which underscores why cohabitation should not be viewed as a solution, nor encouraged, moving forward; it should rather be seen as little more than a stopgap. Cohabitation, a euphemism for *live and let live*, fails to provide artisanal and small-scale gold miners with the long-term security of tenure they desperately covet, as the agreements they broker with companies are rarely formal. The brief concludes by calling on host African governments and donors to focus their work on artisanal and large-scale gold mining relations on the latter's exploration phase. Here, deposits that ASM parties work can be delineated before they are parcelled out as part of concessions to mining companies.

2. Revisiting the Past and back to the Future

In August 1996, 52 artisanal miners were allegedly buried alive at the site that would become the Bulyanhulu Gold Mine in Tanzania. They were protesting the decision made by the country's Minister of Minerals at the time for artisanal operators working on the 52km^2 concession to vacate the area to pave way for the mine. Between 30 and 31 July, the locality's people were forced from their homes, without compensation, by government officials and the police. The 2000 artisanal miners operating on the concession at the time were targeted for removal, include the 52 operators who would lose their lives. They protested the decision on the grounds that former president Hassan Mwinya (in power from 1985 to 1995) had promised the site to ASM operators, a decision which the High Court ruled in favour of on 29 September 1995. The events that the abrupt reversal of this decision by the Minister of Minerals ultimately set in motion underscore why large-scale gold mining companies cannot be relied upon to cohabitate harmoniously with artisanal groups, and why such action should not be promoted nor viewed as a viable strategy moving forward.[6]

[5] World Gold Council, 2022, p. 6.

[6] Lange, S., 2008. Land Tenure and Mining in Tanzania. CMI Report, Chr. Michelsen Institute, Bergen.

According to follow-up investigations carried out by the Lawyers' Environmental Action Team (LEAT) of Tanzania, the artisanal miners who lost their lives ignored the minister's request to vacate the concession. They were, therefore, buried alive when their pits were filled by excavators belonging to Vancouver-based Sutton Resources, which, through its Tanzanian subsidiary, Kahama Mining Company Ltd (KMCL), was the concession holder at the time. For Barrick Gold, Bulyanhulu has been a constant source of aggravation since it acquired Sutton Resources in May 1999, for US$280 million; public scrutiny and criticism of Barrick commenced almost immediately after the Government of Tanzania awarded, only four months later, the company a lease to mine at Bulyanhulu for 25 years.[7] Not surprisingly, the company denied any wrongdoing at the site, its officials claiming that there was no evidence that the exhumed bodies were those of the artisanal miners who were allegedly buried alive. In May 2000, finance was mobilized from Barclay's Capital, CIBC, Citibank, Deutsche Bank, Dresdner Kleinwort Benson and SG for the project, with Canada's Export Development Corporation (EDC) and the World Bank's Multilateral Investment Guarantee Agency (MIGA) providing 99.5 percent risk cover on a US$200 million nine-year loan. The World Bank also concluded, from its own investigation conducted in 2002, that there was no evidence of malpractice linked to Sutton Resources. Nevertheless, Barrick Gold has since been burdened with a flood of criticism from local media outlets and caught up in countless legal battles with communities in and around Bulyanhulu. It has sought to neutralize the scrutiny through philanthropy, including permitting villagers to fasten faucets to its water pipeline, building roads, supplying electricity to villages and constructing schools.[8]

Bulyanhulu should serve as a cautionary tale for policymakers and donors seeking to prevent and diffuse conflicts between artisanal and large-scale gold miners in Africa. It is by no means an exceptional case: several gold mines in the region have an equally-complicated legacy, occupying a concession with a lengthy history of artisanal and small-scale activities. An important question the Bulyanhulu experience raises is: should gold mining companies be held accountable for the legacy they inherit? In the case of Bulyanhulu, whilst Barrick officials appear not to think so, 'Many Tanzanians still believe Barrick is responsible for deaths in 1996, though' – not that 'Barrick inherited it when it bought Sutton Resources'.[9] Other multinationals that have controlling shares in other major gold mines in Africa have inherited similar complicated legacies, including Gold Fields, Kinross, Newmont, Endeavour and (in other locations) Barrick.

The Bulyanhulu experience also raises another rather obvious question: can gold mining companies be relied upon to engage, let alone support, artisanal and small-scale operators? Their organizational and managerial structures suggest otherwise, as the typical multinational mining company operates through a series of subsidiaries and joint ventures – a point raised earlier. It is mainly Barrick Gold Corporation, which is headquartered in Toronto, which the NGO community and the general public has looked to hold accountable for past events at Bulyanhulu. The property, however, was initially managed by Acacia Mining, which began as a unit of Barrick in 2000, and was floated and listed as African Barrick Gold on the London Stock Exchange in 2010 (It was a sizable company, having taken control of other Tanzania-based projects Buzwagi and Tulawaka, through Barrick's acquisition of Pangea Goldfields Inc. in 2000, and North Mara, following the company's purchase of Placer Dome, in 2006). African Barrick Gold officially became Acacia Mining in 2014, and was reacquired in 2019 by Barrick which, as the majority owner, got shareholder approval to do so. This was part of a move to settle

[7] Lange, 2008.

[8] 'Give for the Gold', https://adamhooper.com/portfolio/2011/give-for-the-gold/ (Accessed 3 March 2024)

[9] 'Give for the Gold'; Robinson, A. 2001. Barrick rejects allegation of human rights abuse. Globe and Mali, 27 September 2001.

a longstanding tax dispute with the Government of Tanzania over Acacia Mining's devalued shares, which included a US$300 million payment.[10]

Even if the approach of Barrick Gold, a majority shareholder in Acacia Mining (Now registered as London-based Barrick TZ Ltd., Company 07123187),[11] toward ASM at Bulyanhulu and the other properties it controls in Tanzania was to change, who in the company would officials at the IFC, ICMM, the wider World Bank Group, World Gold Council and other proponents of cohabitation even approach with their plans? Management at the parent company in Toronto seems disinterested in or, at best, disconnected from, the situation on the ground; floating the idea of engaging and supporting, long-term, local ASM operators is unlikely to be endorsed by shareholders. Working with officials with Acacia Mining (Barrick TZ Ltd.) would appear be the logical choice but its role in overseeing operations in Tanzania is no longer clear. Officials at Twiga Minerals Corporation, purposely established in January 2020 by Barrick Gold Corporation and the Government of Tanzania, amid the fallout of the latter with Acacia, to manage North Mara, Bulyanhulu and Buzwagi, would need to be targeted. The company is jointly-owned by the two parties (84 percent Barrick, 16 percent Government of Tanzania) but its focus on CSR, executed under the auspices of a 50:50 economic benefits sharing partnership, is far more prescriptive. Its collaboration, therefore, has yielded more conventional community-oriented projects such as land restoration, healthcare, education and water provision.[12]

It is not the intention here to single out Barrick and its shortcomings in Tanzania. The objective, rather, is to use the case of Bulyanhulu to showcase why a multinational gold mining company cannot be relied upon to implement, let alone oversee the day-to-day functioning of, a program of cohabitation with artisanal groups. Similar challenges would likely be encountered with Colorado-based Newmont Corporation. Any push for the company to engage with ASM groups that have encroached on to its Ghana-based Ahafo and Akyem projects would need to go through its subsidiary, Newmont Golden Ridge Limited. Both properties are managed by Newmont Golden Ridge Limited, which is 100 percent owned by Newmont Corporation.[13] The same approach would need to be taken in Mauritania at the Tasiast Gold Mine, where artisanal groups have been working for many years. Toronto-based Kinross Gold Corporation has full control of the mine (100 percent ownership) through its subsidiary, Tasiast Mauritanie Limited S.A. (TMLSA), which was granted a 312 km² concession for 30 years, in 2004; production commenced at Tasiast in 2007.[14] As is the case of Barrick, however, It is unclear where dialogue about the local artisanal gold rush – which IFC officials claim commenced only recently, in 2016[15] – would be initiated with Kinross. On the one hand, Kinross, which regularly echoes this point when profiling its operations in Mauritania, does appear to have a policy on ASM operators. They are identified, Under 'Material ESG Topics', as a 'Community' stakeholder, with whom engagements senior management views as 'Contributing to the Advancement of the Sustainable Development Goals'.[16] On the other hand, Tasiast Mauritanie Limited S.A. (TMLSA) has a legacy of its own which Kinross Gold Corporation *inherited* when it acquired Vancouver-based Red Back Mining, which controlled the operation, for US$7.1 billion in 2010. Managers whose tenure predates this transaction, therefore, are in a position to provide a more representative and detailed assessment of the dynamics and history of ASM in Tasiast. They are ultimately in the best position to provide direction to proponents of cohabitation but their influence may, of course, be limited when it comes to designing a strategy of engagement with ASM because they work at a unit for which final decisions are ultimately made by the

[10] 'Barrick Gold, Tanzania strike deal ending Acacia tax dispute', www.spglobal.com/marketintelligence/en/news-insights/trending/cc8ibyolc3yoguvovetegg2 (Accessed 24 February 2024); 'Barrick and Tanzania reach proposal to settle country's row with Acacia', www.mining.com/barrick-tanzania-reach-proposal-settle-countrys-row-acacia/ (Accessed 3 February 2024); 'Barrick takes Acacia Mining back as buyout deal sealed', www.mining.com/barrick-takes-acacia-mining-back-as-buyout-deal-sealed/ (Accessed 28 February 2024); 'Tanzania: African Barrick Gold Targets Sh1.3 Trillion in Initial Public Offer (IPO)', https://allafrica.com/stories/201002250206.html (Accessed 1 March 2024).

[11] 'BARRICK TZ LIMITED', https://find-and-update.company-information.service.gov.uk/company/07123187 (Accessed 3 March 2024).

[12] 'Twiga', www.tanzaniainvest.com/twiga-minerals (Accessed 3 March 2024); 'Twiga Transforms Tanzanian Mining, Sets Standard for Industry', www.barrick.com/English/news/news-details/2023/twiga-transforms-tanzanian-mining/default.aspx (Accessed 22 February 2024).

[13] For details of the agreement between the company and the Government of Ghana, see 'The Republic of Ghana and Newmont Golden Ridge Limited: Revised Investment Agreement', Accra, 4 May 2015.

[14] 'Tasiast, Mauritania', www.kinross.com/operations/west-africa/Explore-Tasiast-Mauritania/default.aspx (Accessed 4 March 2024); 'Tasiast Mine', https://miningdataonline.com/property/128/Tasiast-Mine.aspx (Accessed 3 March 2024); and 'Tasiast Gold Mine', www.mining-technology.com/projects/tasiast-goldmine/ (Accessed 3 March 2024).

[15] 'Tasiast Mauritania', https://disclosures.ifc.org/project-detail/ESRS/41009/tasiast-mauritania (Accessed 4 March 2024).

[16] Kinross Gold. 2021. Kinross Gold 2021 Sustainability Report. Kinross Gold Corporation, Toronto, p. 24-25.

owner – in this case, Kinross Gold Corporation.

As the cases of Barrick, Newmont, Kinross and other multinationals, including AngloGold Ashanti, Gold Fields, B2Gold and Endeavour, reveal, the ownership and managerial structures of the gold mining industry now rooted in Africa is exceedingly complex, multilayered and spread across different regions of the globe. These companies should not be relied upon to engage ASM operators, for the purposes of developing and implementing cohabitation strategies: it assumes that it is in their interest to do so – it is not – and that their approaches to CSR are adequately streamlined and calibrated to ensure effective execution and long-term effectiveness, which does not appear to be the case. Ironically, multinational gold mining companies are structured to avoid taking on such a responsibility. Broadly, 'Subsidiaries are created to serve several business needs ranging from corporate structuring, developing new products and services, regulatory compliance, tax efficiencies and mergers and acquisitions, to expanding into new geographical markets', and 'As companies grow in size and diversify their operations in the domestic market or expand to overseas markets, the number of subsidiaries tend to increase and the structures of the companies become more complex'.[17] The world's leading mining companies 'rely on complex webs of interrelated subsidiaries', and on average have 95.5 subsidiaries each, some 'domiciled in low-tax and secrecy jurisdictions', established to 'sell minerals to each other at a discount or purchase goods, services and assets from each other at inflated prices in order to "transfer" profits to lower-tax jurisdictions from higher-tax ones'. In short, through subsidiaries, mining companies are able to build shareholder confidence by expanding into new markets, reducing their accountability to governments, diversifying their risk and generating insights on new marketing opportunities.[18]

At the same time, however, this setup is not a recipe for fostering a blueprint of cohabitation with small-scale gold miners. Before elaborating further on this point, however, it is instructive to explain why the interface between artisanal and large-scale gold miners may be viewed as an outcome of *policy inadequacies* or *inconsistencies*, and acted upon accordingly.

3. Rewriting the narrative on the interface: A long dawn-out picture

Officials at the World Gold Council describe the 'interface between large-scale and artisanal and small-scale mining' as an economic opportunity, making the case for 'Building constructive LSM/ASGM [large-scale mining and artisanal and small-scale gold mining] relationships'. To achieve this, it calls on mining companies to 'Move beyond a risk management mindset to consider how LSM/ASGM co-operation might generate business opportunities…through the creation of sub-contracting arrangements with ASGM groups (where this is technically and legally feasible and integrity can be guaranteed) as well as realising significant savings through, for example, reduced security costs'.[19]

What romanticized assessments of artisanal-large-scale gold miners' cohabitation overshadow, however, is how the interface referenced is the outcome of non-robust policy and entirely preventable. When the first wave of countries in Africa began implementing major mining sector reforms in the 1980s and 1990s, the main goal – at least in terms of how policy would play out – was to resurrect dormant and jumpstart additional large-scale, capital-intensive mineral exploration and extraction activities. Following publication of *A Strategy for African Mining*,[20] the World Bank's blueprint for mining sector reform, African governments would overhaul

[17] Deloitte. 2013. Governance of Subsidiaries A survey of global companies. Deloitte Touche Tohmatsu India Private Limited, Mumbai, p. 3.
[18] 'Exclusive database of multinational mining industry operations and technology companies', www.mining-technology.com/features/exclusive-database-of-multinational-mining-industry-operations-and-technology-companies/?cf-view&cf-closed; Natural Resource Governance Institute. 2016. Transfer Pricing in the Mining Sector Preventing Loss of Income Tax Revenue. Natural Resource Governance Institute, New York, p. 1.
[19] World Gold Council, 2022, p. 6-7.
[20] World Bank. 1992. A Strategy for African Mining. The World Bank, Washington DC.

legislation and economic policies with the goal of attracting the requisite foreign investment. This, however, would take place at the expense of ASM, formalization of and support for which would be heavily *deprioritized*, despite also being identified as a main priority of reform. Governments focused on expanding exploration activities, which entailed demarcating sizable concessions, covered by prospecting leases, to an array of domestic and international companies; mineral exploration activity is the backbone of large-scale mining and why governments across the world work continuously to sustain it.

In Ghana, the first country in Africa to implement mining sector reforms, by the end of 1998, some 237 companies (154 Ghanaian and 83 foreign) were prospecting for gold while 23 had been granted mining leases.[21] This figure remains high: at the time of writing, there were more than 300 reconnaissance, exploration and mining leases in the country linked to gold. [22] The 'interface' in Ghana, therefore, is, very clearly, *manufactured*: a result of a policy approach that prioritized the growth and sustaining of large-scale gold mining at all costs but which, at the same time, failed to adequately ringfence the territory needed to support licensed artisanal and small-scale operators. Critics of artisanal miners working illegally and encroaching on to the concessions of gold mining companies in Ghana, therefore, should view this development more sympathetically and holistically: with close to one third of its territory being in the hands of large-scale mineral exploration and mining companies, there are few available (vacated) lands to support licensed activity.[23] In Ghana, the licensed ASM sector has, effectively, been squeezed out by burgeoning large-scale gold exploration economy, the growth of which the government continues to encourage because it generates considerable revenue from doing so through permit fees and taxes. Moreover, and in line with the prescriptions contained in *A Strategy for African Mining*, which calls on governments to subject operators of all sizes to the same rules, the country's small-scale miners' quests to secure a license are further stifled by an exceedingly-complex application procedure and costly registration fees.[24] The situation facing small-scale miners in countries such as Zimbabwe, Sierra Leone, Mozambique, DR Congo and Liberia mirror that of Ghana: having limited access to land and being governed by inappropriate licensing procedures.[25]

When developments in the aforementioned Bulyanhulu case are examined through a mining sector reform lens, it becomes clear why events unfolded in the way they did. The removal of artisanal operators from Sutton's lease coincided with the Government of Tanzania's move to open up the country's gold mining economy to foreign investment. The presidential election in 1995 effectively became a 'stand-off over mining rights', which delayed action at Bulyanhulu. When the incumbent president Ali Hassan Mwinyi fell to Benjamin Mkapa, it marked the end of support for small scale mining and a transition to a more liberal economic regime. Prospective small-scale miners were denied legal claims (applications for Primary Mining Licenses declined) by the Commissioner for Minerals but at the same time, the number of prospecting licences awarded to large companies by the-then Ministry of Energy and Minerals rose sharply: from 132 in 1994, to 192 in 1996 and peaking at 351 in 1997.[26]

The new government conveyed its intentions early on in *The Mineral Policy of Tanzania*, 1997, in which it states 'the second-half of the 1980s in the 1990s marked a clear shift in favour of private sector development and market-oriented economic management' and 'Consistent with the reforms, the role of the Government has shifted from that of owning and operating minds to that of providing clear policy guidelines, stimulating private investment in mining and providing

[21] Aryee, B.N.A. 2001. Ghana's mining sector: its contribution to the national economy. Resources Policy 27(2): 61-75.

[22] See 'Ghana Mining Repository – All Workplaces

[23] Hilson, G., Maconachie, R. 2020. For the Environment: An Assessment of Recent Military Intervention in Informal Gold Mining Communities in Ghana. Land Use Policy 96, Art. 104706.

[24] Kumah, R. 2022. Artisanal and small-scale mining formalization challenges in Ghana: Explaining grassroots perspectives. Resources Policy 79, Art 102978.

[25] Hilson, G. 2020. 'Formalization bubbles': A blueprint for sustainable artisanal and small-scale mining (ASM) in sub-Saharan Africa. The Extractive Industries and Society 7(4): 1624-1638.

[26] Cooksey, B. 2011. The investment and business environment for gold exploration and mining in Tanzania. Background Paper 03, Overseas Development Institute, London.

support for investors'.[27] It culminated, in 1998, in the passing of the *Mining Act* which, 'Guided by ideology emphasising the active role of fiscal policy as an instrument of economic growth…was very generous'.[28] To encourage foreign investment, gold mining projects were exempted from having to pay corporate income tax, a rule that was not repealed until 2010. Mining investors benefited from 100 per cent capital expensing and a 15 per cent threshold on unredeemed qualifying capital expenditure, meaning that even at a 15 per cent rate of return, they still did not pay corporate taxes. In summary, the 'very generous' fiscal policy in Tanzania at the time triggered significant influxes of foreign investment in, and accompanied growth of, the large-scale gold mining and exploration sector.

A study carried out by the African Development Bank[29] over a decade ago confirmed that, much like Tanzania, the rapid revival and transformation most countries in Africa experienced in the 1990s and early-2000s was owed to the implementation of 'very generous' fiscal policies. As reported by the study:

> Most of these mining codes have been enacted within the past 10 to 15 years, reflecting the recent implementation of the reforms mentioned in the previous section. For example, the high frequency of the 3% royalty rate for precious metals is a direct consequence of World Bank-led reforms. Other significant consequences of reforms, reflected in virtually all recent mining codes, include the lack of any restriction on foreign currency flows and the repatriation of profits, as well as the removal of custom duties on imported materials.[30]

The details of many of the 'very generous' fiscal regimes in place in major gold-producing countries in Africa are shared in Table 1.

[27] The United Republic of Tanzania. 1997. The Mineral Policy of Tanzania. Ministry of Energy and Minerals, The United Republic of Tanzania, Dar es Salaam, p. 3.

[28] Muganyizi, T.K. 2012. Mining Sector Taxation In Tanzania. Research Report 1, UK Aid, London, p. 9.

[29] Gaijo, O., Muambatsere, E., Mdiaye, G. 2012. Gold Mining in Africa: Maximizing Economic Returns for Countries. Working Paper 147, African Development Bank Group, Tunis.

[30] Gaijo et al., 2012, p. 18.

Table 1: Reformed mining codes in selected gold-rich countries in Africa, 1990s-2000s[31]

Country	Enactment Year of the Latest Mining/Mineral Code/Legislation	Maximum Duration of Mining Lease (all are renewable)	Maximum Duration of Exploration License (all are renewable)	Barriers to repatriation of profits?	Foreign currency restrictions?
Burkina Faso	2003	20 years	3 years	No	No
DR Congo	2002	30 years	Years	No	No
Ghana	2006 (amended 2010, 2015, 2019)	30 years	5 years	No	No
Guinea	1995	10 years	n/a	No	No
Ivory Coast	1995	20 years	3 years	No	No
Mali	1999	30 years	n/a	No	No
Mauritania	2008	n/a	3 years	No	No
Tanzania	1998 (amended 1999)	10 years or life of mine	5 years	No	No
Zimbabwe	2008	25 years	n/a	No	No

In gold-rich sub Saharan Africa, therefore, the 'interface between large-scale and artisanal and small-scale mining' frequently referred to by proponents of cohabitation should be viewed as a product of a policy approach that gives preferential treatment to the former but which does not afford similar rights and privileges to the latter. It is not an opportunity, given the very different needs and aspirations of the parties involved; rather, this 'interface' is an outcome that must be prevented at all costs.

4. An Unreliable Partner (A less-than-ideal Partner?)

A deeper analysis of the context in which large-scale gold exploration and mining activity in Africa has mushroomed over the past 20-30 years underscores even further why the euphoria surrounding cohabitation and claims that the interface presents 'opportunities' are unfounded. Large-scale gold mining companies simply cannot

31 Gaijo et al., 2012.

be relied upon to spearhead, let alone manage and oversee, a long-term program of engagement with, and support for, ASM operators. The first reason why is – and building on the legacy theme broached earlier – mergers and acquisitions.[32] When the dynamics of ownership in the mining sector are studied closely, it becomes clear why even the most cooperative of companies are unable to enter formal agreements with local artisanal groups and grant them the security of tenure they so desperately covet. The engagement strategy is simply unpredictable following each merger and acquisition; it could change radically, following an infusion of fresh ideas, or new management could elect to maintain the *status quo*. For example, Barrick, which has been heavily preoccupied with diffusing tensions with local ASM groups in Tanzania at not only Bulyanhulu but also its other sites (Geita and North Mara), its management adamant that it is not responsible for the problems inherited, potentially finds itself in unchartered territory in Mali, following the company's US$6.06 billion acquisition of giant Randgold, in 2018.[33] The Government of Mali is, by comparison, less involved in the day-to-day activities of gold mining companies than Tanzanian authorities were in the past. In the late-1800s, the (French) colonial government codified special rules for *orphaillage*.[34] It sought to confine artisanal groups to areas containing 'superficial deposits' to protect their 'customary rights' by restricting their digging to depths they could reach 'with their current procedures', and granting Europeans access to ore that 'escaped the reach of the primitive techniques of the natives'.[35] This *rule* has persisted, included and repackaged in successive mining codes and decrees that have since been implemented in the country. In Mali, artisanal mining is only permitted to take place in designated 'corridors' granted by traditional authorities; should companies decide to 'scale up' to the production stage, however, the expectation is that they will help identify a place for *orphailleurs* to work. For Barrick, the key difference between operating in Tanzania and Mali is that in the former, it had the backing of the state and, early on, the World Bank, in its efforts to separate itself from past events involving ASM operators on the concessions it gained control of. By comparison, in the latter, it is unlikely to have such backing: here, traditional authorities and local government officials are tasked with managing ASM. Should the company decide not to honour local arrangements and assist these officials with settling ASM groups, it is likely to encounter enormous community resistance and face major challenges, as senior government officers based in the country capital of Bamako rarely intervene in matters linked to *orphaillage*.

The key takeaway here is that gold mining companies are far too unreliable a stakeholder to entrust with kickstarting and managing an ASM cohabitation program in Africa. Each has its own legacy that increases in complexity with each additional merger or acquisition, which brings with it new ideas and approaches (Table 2). For a large-scale gold mining company operating in rural Africa, building relations with, let alone providing support outright to, ASM can be laborious and taxing, and requires studying the past to appreciate how matters were handled by previous owners. With few exceptions, the ASM engagement strategy will change unpredictably from owner-to-owner. In the case of Bogoso Gold Ltd. (BGL) in Ghana, for example, local artisanal operators reached an agreement with management to work the Prestea underground workings that the company could not mine profitably; the ASM community held the company in such high regard that it named the local park after its general manager at the time, Neil Stevenson.[36] Prestea-based ASM groups were deprived of these freedoms, however, after Colorado-based Golden Star Resources acquired a 70 percent stake in BGL in 1999 (it later acquired Anvil Mining's 20 percent stake). Management at Golden Star Resource would routinely coordinate

[32] Hilson et al., 2020.
[33] 'A closer look at Barrick's takeover of Randgold', www.capitaliq.spglobal.com/web/client?auth=inherit#news/article?id=46724989&c-did=A-46724989-10278 (Accessed 2 February 2024).
[34] Artisanal gold mining.
[35] D'Avignon, R. 2018. Primitive Techniques: From 'Customary' to 'Artisanal' Mining in French West Africa. Journal of Africa History 59(2): 179-197, p. 186.
[36] Hilson, G., Yakovleva, N. 2007. Strained relations: A critical analysis of the mining conflict in Prestea, Ghana. Political Geography 26(1): 98-119.

military sweeps of Prestea, despite not attempting to extract gold there through to 2017-2018, up until it sold the property to UK-based Future Global Resources, in October 2020.

Table 2: Major gold mining companies with subsidiaries in Africa

Company	Headquarters	Major African Subsidiary	Project Names	Country	Ownership (percent)
Barick Gold	Toronto, Canada	Kibali Goldmines SA	Kibali Mines	DR Congo	45
		Société des Mines de Loulo SA Société des Mines de Gounkoto	Loulo Gounkoto	Mali	80
			Bulyanhulu	Tanzania	100
		Société des Mines de Tongon SA	Tongon	Cote D'Ivoire	89.7
AngloGold Ashanti	Johannesburg, South Africa		Iduapriem Tarkwa	Ghana	100
			Obuasi Mines	Ghana	100
		Kibali Goldmines (SA)	Kibali	DRC	45
		Geita Gold Mines	Geita	Tanzania	100
			Siguiri	Guinea	85
Endeavour Mining	London, UK		Houndé mine	Burkina Faso	90
			Ity mine	Cote D'Ivoire	85
			Mana mine	Burkina Faso	90
			Sabodala-Massawa mine	Senegal	90
			Lafigué project	Cote D'Ivoire	80
Gold Fields	Johannesburg		South Deep	South Africa	100
		Asanko Gold Mine	Asanko Mine	Ghana	19.9
			Tarkwa Mine	Ghana	100
			Damang Mine	Ghana	100
Newmont Gold Corp.	Denver, Colorado		Ahafo Mine	Ghana	100
			Akyem Mine	Ghana	100
Kingross Gold Corp.	Ontario, Canada		Tasiast	Mauritania	100
B2Gold	Vancouver, Canada		Fekola Mine	Mali	100
			Otjikoto Mine	Namibia	100
IAMGOLD Corp.	Toronto, Canada		Essakane	Burkina Faso	90

Even the most accommodating of companies are unwilling to fully cede territory to ASM. The experience of Gold Fields in Damang, also in Ghana, is often showcased as an example of a successful partnership between ASM operators and a company. Between 1993 and 1996, Ranger Minerals ran an exploration program, which led to the discovery of the Damang deposit. The government issued Ranger a license to mine gold here, despite the overwhelming evidence of the move being made at the expense of local artisanal operators. When production commenced, to diffuse local tensions, Ranger launched a 'Live and Let Live' program with ASM groups, partitioning sections of its concession to them, and even equipping individuals with ID cards to deter in-migration. When the gold price increased, however, the company began removing operators, which once again caused friction with the local community. To its credit, Gold Fields, after acquiring Ranger in 2002, tried to repair the relationship with the community, and also allowed them to work areas of its concession but were removed, beginning in 2008, when the gold price began to rise precipitously, and the deposits once viewed as uneconomic to work by the company were suddenly viable.[37]

The Ranger Minerals/Gold Fields experience is evidence of how proponents of artisanal–large-scale mining collaboration may need to be a bit more prudent in their long-term diagnoses. Damang is, to a large degree, showcased unrepresentatively and even irresponsibly in a raft of publications as a shining example of successful cohabitation and cooperation between artisanal and large-scale gold miners in Africa. This includes the aforementioned *Working Together: How Large-Scale Mining Can Engage With Artisanal and Small-Scale Miners,*[38] *Mining Together: Large-Scale Mining Meets Artisanal Mining*[39] and *Lessons learned on managing the interface between large-scale and artisanal and small-scale gold mining.*[40] What the Damang case rather reveals is that such a partnership is only achievable under exceptional circumstances, specifically when mine management decides to be sympathetic and accommodating – they are not compelled to – and, a point raised elsewhere, at times when the gold price is low, which typically leads companies to suspend their operations until the market recovers. This was precisely the case when Gold Fields intervened: up until 2003, the gold price was less than US$300, forcing many companies to suspend their operations, consolidate and/or auction assets. It was simply unprofitable to mine, thus rendering it possible for companies to *tolerate* artisanal workings on their concessions, circumstances which – and as the case of Damang revealed very clearly – of course changed when the price of gold began to recover. Most of the examples of *successful cohabitation* cited are, much like Damang, typically drawn from times when there were low gold prices and when the dynamics of mine ownership were markedly different. The broad consensus among management at major gold mining companies operating in Africa is that it is the responsibility of host governments to prevent encroachment of artisanal and small-scale operators on their concessions. With host governments showing little interest in addressing the interface that legacy inadequacies have created, why would foreign companies commit to forging long-term partnerships with ASM groups?

This leads to a second point that proponents of cohabitation have overlooked in their assessments: how gold mining companies perceive artisanal and small-scale operators. Most operating in Africa view ASM as a major risk, a position that is made very clear in company reports and on their websites.[41] Analysis is normally prefaced with positive language or phrases that suggest management recognizes the economic importance and livelihoods dimension of ASM but they typically follow this up using

[37] Aubynn, A. 2009. Sustainable solution or marriage of inconvenience? The coexistence of large-scale mining and artisanal mining on the Abosso Gold Fields concession in Western Ghana. Resources Policy 34: 64-70; Teschner, B. 2013. How you start matters: A comparison of Gold Fields' Tarkwa and Damang Mines and their divergent relationships with local small-scale miners in Ghana. Resources Policy 38(3): 332-340.
[38] IFC, 2011.
[39] World Bank, 2009.
[40] World Gold Council, 2022.
[41] For an elaboration of risk in this context, see Hilson, G., Owen, J. 2024. Legacies and lessons learned: An assessment of artisanal and large-scale mine relations in developing countries. Journal of Rural Studies (in preparation).

words that portray the sector negatively, such as 'risk', 'illegal' and 'illicit'. They also draw attention to some of the more poorly-understood issues commonly associated with the sector such as child labour, health concerns and environmental degradation. For example, Newmont Corporation acknowledges, on the one hand, that 'artisanal and small-scale mining (ASM) and its associated value chain support the livelihoods of an estimated 100 million people (according to the World Bank)' but on the other hand, quickly discredits this statement by emphasizing how, at the same time, 'ASM can pose significant security, safety and environmental risks to ASM miners, communities and to Newmont and our workforce'. On the latter point it highlights 'risks that include the use of mercury in unregulated gold processing, which can cause serious health issues and contaminate community water sources[,]…significant security risks, and potential business continuity risks, when those engaged in ASM trespass onto Newmont's concessions', and how 'ASM has also been associated with forced and child labor.[42] It uses similar language to describe the situation at its Ahafo project in Ghana, reporting that 'Illegal artisanal and small-scale mining (ASM) can pose significant security, safety and environmental issues', and 'At our Ahafo South mine in Ghana we face persistent illegal mining encroachment'.[43]

Other gold mining companies operating in Africa publish equally-critical assessments. Kinross Gold, for instance, when profiling the situation at its Tasiast project, refers to its 'security management system' which, its officials claim, 'is consistent with the Voluntary Principles on Security and Human Rights'. It then goes on to mention how, in 2021, 'on average about 55 individuals were detected inside the Tasiast fenced areas on a daily basis' and that its approach to addressing the concern has been 'continued engagement with authorities and local communities regarding ASM, focusing on protecting people and assets and managing impacts'.[44] AngloGold Ashanti report much of the same, claiming that in Tanzania, 'ASM and illegal mining has been endemic in the Geita region', and that 'aggression and confrontation from illegal miners was experienced'; in Ghana, 'protection of mine tenements has been embedded in the security agreement established as part of the Obuasi redevelopment project, and is within the context of government's constitutional responsibility to ensure the rule of law and to protect the country's infrastructure as it deems appropriate'; and at its Sadiola and Yatela operations in Mali, 'invasions [from illegal miners] have been limited to non-operational pits, although the risk remains that they could extend to rehabilitated waste rock dumps'.[45]

In summary, proponents of cohabitation believe large-scale gold mining companies should partner with and support local artisanal operators, and more importantly, are willing to do so. With the ownership of operations being in a constant state of flux and companies identifying ASM as a major risk, however, such a strategy is clearly inappropriate in Africa.

5. Rewriting the Narative: Pushing for a Reset

Proponents of cohabitation have diagnosed the interface rather superficially. They are hopeful that a compromise can be reached between artisanal and large-scale gold miners, and in doing so have misdiagnosed past collaborations and failed to properly understand the circumstances under which these came to fruition. In the case of Africa, multinationals with operations here should be pressured to release lands that they are not using for subsequent demarcation to ASM parties. The conflicts or more diplomatically put, interface, that persist between the two parties in the region should be seen as the product of policy failure. Research has shown that most people engaged in ASM in the region do so informally

[42] Newmont Corporation. 2020. Focused on Value. Driven by Purpose: Newmont Corporation 2020 Sustainability Report. Newmont Corporation, Greenwood Village, p. 75.
[43] 'ASM updates at Ahafo, Ghana', www.newmont.com/sustainability/Newmont-Responses/default.aspx (Accessed 2 February 2024).
[44] Kinross Gold. 2021. 2021 Sustainability Report. Kinross Gold, Toronto, p. 68.
[45] AngloGold Ashanti. 2018. Sustainable Development Report 2018. AngloGold Ashanti, Johannesburg, p. 66.

because, as already explained, it is costly to obtain the requisite permits, license application procedures are excessively bureaucratic and most land has been demarcated to companies.

Greater emphasis must be placed on preventing conflicts between artisanal and large-scale gold miners and more broadly, interactions between these parties, altogether. As both ASM groups and companies are targeting, for the most part, different gold deposits, the solution is largely geological; the key, therefore, is ensuring that the former is able to access the terrain they covered legitimately. Asking gold mining companies to release sections of their concessions that contain the alluvial and shallow hardrock deposits that can only be worked profitably using manual implements and low tech machinery after they have been demarcated is unlikely to achieve the desired results. Even the most accommodating of mine managers would need to convince shareholders, many of whom are likely unaware of the dynamics at the site level. Companies should still be pressured to release unused portions of their concessions, as the World Bank is attempting to do in Cote d'Ivoire; but the key takeaway from this policy brief is that this should not be viewed as, nor relied upon, as the main strategy for diffusing tensions between ASM parties and companies operating in gold-rich sections of Africa.

Moving forward, donors, host governments, NGOs, the World Gold Council and other proponents of cohabitation must focus on the critical *large-scale exploration phase,* which again, is the foundation for capital-intensive gold mining to expand. In each gold-rich country in the region, therefore, most of the land that has been demarcated as concessions for mining has been leased to prospecting/exploration companies: in Liberia, there are currently 465 exploration licenses, each up to 1000 km^2 in size; in Ghana, 175 prospecting licenses (each not exceeding 750 contiguous blocks) and 47 reconnaissance license (no more than 5000 contiguous blocks);[47] and DR Congo, the Mining Code (Act 007/2002, 11 July 2002), as amended by Act 18-001 of 9 March 2018, allows a company to secure an exploration permit up to 471 km^2 (and it can possess up to 50 such permits). As exploration/prospecting permits are short-lived (generally, between one and three years), it is important to connect with holders, secure the relevant information, and 'block out' the areas that contain the deposits coveted by ASM parties. As exploration companies openly use existing ASM operators as 'pathfinders' to pinpoint gold deposits, this should not be too onerous.[48]

Nor should 'blocking out' areas for ASM, as most countries have in place policies implemented specifically for this purpose. In Ghana, for example, the Minerals Commission launched, in May 2009, its *Designated Areas for Small Scale Gold & Diamond Mining in Ghana*,[49] a list to which it continues, to the present, to add sites. In DR Congo, the Mining Code provides for the establishment of 'artisanal exploitation zones' (AEZs), which are accessible to individuals or groups in possession of research and exploitation permits, and individuals who have purchased a 'carte d'exploitant artisanal' (artisanal mining authorisation card).[50] A similar setup persists in Mali, where only those in possession of a gold washer's card can work in designated mining 'corridors'.

Whilst these policy frameworks are weak, they very importantly exist. The next very crucial step is aligning each more closely with the large-scale gold exploration space. This would go a long way toward rewriting the narrative on the artisanal-large-scale gold mining interface and ultimately providing a pathway for both very different sectors to coexist autonomously.

[46] 'Ministry of Mines and Energy, Liberia - Online Repository', https://liberia.revenuedev.org/map

[47] 'Ghana Mining Repository', https://ghana.revenuedev.org/map (Accessed 30 March 2024). In Ghana, a block is 21 hectares.

[48] Luning, S. 2014. The future of artisanal miners from a large-scale perspective: From valued pathfinders to disposable illegals? Futures 62: 67-74; Fritz, M., McQuilken, J., Collins, N., Weldegiorgis, F. 2018. Global Trends in Artisanal and Small-Scale Mining (ASM): A Review of Key Numbers and Issues. International Institute for Sustainable Development, Winnipeg.

[49] Minerals Commission. 2009. Designated Areas for Small Scale Gold & Diamond Mining in Ghana. Minerals Commission, Accra.

[50] Geenen, S. 2014. Dispossession, displacement and resistance: Artisanal miners in a gold concession in South-Kivu, Democratic Republic of Congo. Resources Policy 40: 90-99.

[51] World Bank. 2019. Mali Governance of Mining Sector. Project Appraisal Document, The World Bank, Washington DC.

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POLICY BRIEF