



Picks and Ploughs: Revitalizing Local Economic Development in Rural Sub-Saharan Africa

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Background

Artisanal and small-scale mining (ASM) in sub-Saharan Africa

- **Role in local economic development and poverty alleviation**
- **Low-tech, labour-intensive activity**
- **Precious minerals and stones**





Background



‘Expressions of Informality’

Background

- 20-40 million people directly in SSA
- 6 X more people depend on it for their livelihoods
- Contribute to national mineral outputs
- Why is the policy 'space' so small?

Objectives

1. To critically reappraise a 'farm-first' approach to rural development...
2. To cast light on the potential for a more 'integrated' approach, with special emphasis on an expanded role for ASM...
3. To identify ways in which to formalize ASM in...

Learning from Informality

- **Desperate need of innovative solutions**
- **Informality**
- **Prevailing economic conditions**
- **Globalization**
- **Informality**

Learning from Informality

- **Desperate need of innovative solutions**
- **Informality**
- **Prevailing economic conditions**
- **Globalization**
- **Informality**
- **Unlicensed ASM has grown**
- **Seasonally; income-earning**
- **Changing roles**
- **Linkages and Inseparable**

Policy Orientation 1

- **‘Farm focused’**
- **NEPAD, PRSP, MDGs**
- **Tenuous issue: ‘Employment’**

Policy Orientation 1

Ghana's First PRSP, *An Agenda for Growth and Prosperity*, 2003

'Ghana is predominantly an agricultural economy [and that]...the change of the archaic, near-subsistence agricultural economy into a progressive, dynamic, entrepreneurial and profitable business will bring about structural change and change to the spatial organization of the rural environment'...

(pp. 36–37).

Policy Orientation 1

Tanzania's Second PRSP Progress Report, 2003

‘...the poor are concentrated in subsistence agriculture...’ (p. 6)

Tanzania's Third (PRSP) Progress Report, 2004

‘...constraints facing agriculture require expeditious actions with regard to financing mechanisms, investment and provision of support services’...(p. 6).

Policy Orientation 1

Mozambique's First PRSP, 2001, *Action Plan for the Reduction of Absolute Poverty*

‘...low productivity in the family agriculture sector...[as a principal cause of poverty in the country, and outlines ambitious plans to expand activities through] ‘the support of rural extension programs based on specific crops and technologies, as well as improvement in the financial system’...(pp. 3-4)

Policy Orientation 1

- **'Farm focused'**
- **NEPAD, PRSP, MDGs**
- **Tenuous issue: 'Employment'**
- **Employment or involvement?**

Policy Orientation 1

In much of Sub-Saharan Africa, agriculture is a strong option for spurring growth, overcoming poverty, and enhancing food security. Agricultural productivity growth is vital for stimulating growth in other parts of the economy. But accelerated growth requires a sharp productivity increase in smallholder farming combined with more effective support to the millions coping as subsistence farmers, many of them in remote areas.

World Development Report 2008, *Agriculture for Development*

Policy Orientation 1

CSR and Social License to Operate

- **Community-level frictions**
- **Ghana, Tanzania, DRC**
- **Alternative livelihoods**
- **‘Re-agrarianizing’ ‘de-agrarianized’ areas**

Policy Orientation 2

- **Ghana: > 1 million small-scale gold miners**
- **Tanzania: > 1 million small-scale miners**
- **Mozambique: > 500,000 small-scale gold miners**



Policy Orientation 2

Not very...

Social and Labour Issues in Small-Scale Mining, ILO, 1999

Small-scale mining is bedevilled with too many regulations that are mostly designed to constrain it...There is therefore little incentive for small-scale mines to conform, particularly if the risks of being caught and of sanctions being applied are minimal. If small-scale mining is to be encouraged to operate legally, legislation must be (at least) even-handed in allowing small-scale miners access to suitable land for prospecting and mining activities. It must be “user friendly” as far as the issuing of permits and the granting of licenses are concerned—permits that provide clear security of tenure for a reasonable period so that small-scale mining can become established.

Policy Orientation 2

- No policy 'space'
- Regulations difficult to comply with
- Licenses costly
- Delays
- Large-scale mining bias
- Competing local-level actors

Really difficult = ↑ informality

Recommendations

Formalization Frameworks

1. Proactive 'Demarcation'
2. Pressure companies
3. Simplify the licensing system
4. Cool down with the agric
5. Agriculture = food security
6. Studying the synergies between the two

Questions?



- 1) How to proceed?**
- 2) Bread, stones or both?**



Thank You

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