

The politics of artisanal small-scale gold mining: the inverse relationship between formal and informal institutions in Ghana

Abdul-Gafaru Abdulai, University of Ghana (ghaaff2000@yahoo.co.uk); Lars Buur, Roskilde University (lbuur@ruc.dk); Paul Stacey, Roskilde University (pas@ruc.dk)

Abstract

Artisanal small-scale mining (ASM), much of it illegal, accounts for around 40% of gold production in Ghana. Despite a series of reforms aimed at formalizing ASM and maximizing the economic benefits from it, an overwhelming majority of ASM takes place on an illegal basis due to the tacit support for informal extraction by a range of state and/or ruling elite actors who gain directly from the persistence of informality and the illegal nature of extraction, or alternatively find themselves powerless to intervene. These dynamics give rise to political and developmental challenges for important state institutions that are unable to fulfil their formal mandates. At the same time, the illegal or illicit extraction of gold allows for the functioning of other formal institutions, such as competitive elections, and provides substantial revenues for party political clientelism and electioneering. This paper explores how disputes over the illegal extraction of gold reshape the workings of different state institutions. The paper specifically explores how reforms of the ASM/gold extractive industries are related to the illegal and illicit extraction of gold. We argue that focusing on the reform of extractive sectors makes it possible to understand how access to revenues and rents related to gold have evolved. In this paper, we explore the main mechanisms for the transfer of resource rents and point out who benefits and what the consequences are for the 'holding power' of different actors and the operation of key state institutions.