Artisanal and small-scale mining

Small-scale players with big impact

Mining has long been linked to environmental and social harm, especially for poor communities in developing countries. Pollution, environmental degradation and few lasting benefits for local people are just some of its downsides. Back in 2002, IIED collaborated with the international mining industry to explore how it could maximise its contribution to sustainable development — the Mining, Minerals and Sustainable Development (MMSD) project. This unique global dialogue was a game changer for the large-scale mining industry.

Uneven progress
An IIED review of MMSD “ten years on” showed that multi-stakeholder initiatives and good practice guidelines have proliferated. The International Council on Mining and Metals, representing the large-scale mining sector, has successfully filled many of the gaps in understanding and guidance that MMSD identified. However following the closure of the Communities and Small-Scale Mining initiative, the artisanal and small-scale mining (ASM) sector has no global body for representation, coordination and good practice development. Our review showed that good practice implementation across the mining sector remains poor, but ASM in particular has made little progress towards sustainability over the last ten years.

Small but significant
The ASM sector is a paradox — productive but overlooked, conspicuous yet economically and socially significant. It produces about 85 per cent of the world’s gemstones and 20–25 per cent of all gold.

VITAL STATISTICS

- 20–30 million: estimated number of people operating across 70 countries as artisanal or small-scale miners (compared with 3–4 million employed by large-scale mining).
- US$1,300: The current market price for an ounce of gold ($1,700 in 2012).
- 10–15%: the proportion of global gold supply produced by artisanal and small scale miners.
- 400 metric tonnes: the amount of airborne elemental mercury released by artisanal gold mining each year.

WHY THIS IS IMPORTANT

Governments in the global South are reasserting control over their natural resources for economic growth but often lack the capacity to ensure mining can contribute to sustainable development, particularly artisanal and small-scale mining.

But interest is growing. On the one hand, mining activities can cause severe social and environmental impacts, on the other, small-scale mining has significant potential for low-energy, efficient production of materials for a green economy, and for returning income to families and local economies. Some governments are attempting to formalise this kind of mining as a result.

But while the international community wants to halt mercury pollution and tackle small-scale mining’s links to conflict, their actions can inadvertently exclude legitimate small producers from the global market.

Some artisanal and small-scale mining organisations are finding new ways to expand market access through global certification schemes such as ITRI.
Its mines provide jobs and income for 20–30 million of the world’s poorest people (almost 10 times the number employed in the large-scale mining sector) and support the livelihoods of at least five times that number.

Governments’ and donors’ attempts to work with the ASM sector over the decades — from providing credit and training, to state-sponsored buying programmes and new regulatory measures — have typically failed to have big or lasting impacts. The reasons include weak incentives for ASM miners to engage (including weak representation in policymaking); regulatory approaches that don’t suit the sector’s constraints; weak government capacity to enforce rules, particularly at the local level; inadequate political will, time and finance (powerful vested interests entrench the status quo); and poor trust among different sector players, particularly between large- and small-scale mining.

Yet governments have a growing interest in the ASM sector. For example, in Ethiopia (about 500,000 miners) the government is organising the sector and a large World Bank project is under way. In Colombia (more than 15,000 miners) conflicts around access to land/minerals are increasing, but the government is revising its Mining Code and artisanal and small-scale mining policy, creating new dialogue on mining. In India (about 500,000 miners) a construction boom is driving gravel, clay, sand and building stone extraction — but as yet the small-scale sector is virtually unregulated and unsupported. All governments facing such challenges will benefit from shared experience.

Building on knowledge ‘both large and small’

With partners operating in Africa, Asia and Latin America, IIED has designed a knowledge programme for artisanal and small-scale mining that builds on our work on mining to date, and on informal natural resource actors. IIED has prioritised small-scale and informal enterprise in its new strategy, with special attention to how informal actors and policymakers can improve the institutions and governance of informal markets for inclusive green development. This focus on small scale will complement ongoing work on large-scale extractives and community engagement (which includes ASM communities). That ‘large-scale’ work includes research into free, prior and informed consent; grievance mechanisms; and transparency. The MMSD ‘ten years on’ work continues in 2014 with a pilot survey on citizens’ attitudes to mining in Zambia, which will be developed into a full survey and wider global project to inform mining policy ‘from the bottom up’.

Our work on informality and extractive industries will also contribute to our 2014–2019 change initiative on ‘Rights plus action’, which seeks to empower communities to be part of decision making about natural resource development, to realise their interests and rights, and to hold their governments and industry to account.

Looking ahead

Our five-year knowledge programme for the ASM sector aims to generate the know-how, skills, tools, advocacy and networks needed to improve policy and practice for the world’s artisanal and small scale miners. Our goal is to create a policy environment that supports more secure, dignified livelihoods for miners, that helps to empower them, that promotes collaboration within the sector, and that tackles its social and environmental challenges.

The programme’s core components are country ‘learning groups’, drawing together ASM policy influencers including miners themselves to better understand the sector and improve practice; multi-stakeholder ‘dialogues’ on contentious issues that bring the major sector actors around the table to find common solutions; an online ASM resource centre and virtual network to share learning across the sector and countries; and global policy engagement to achieve change at this level. IIED will coordinate the programme with in-country partners. We are currently fundraising for a mid-2014 start on this project and welcome inputs to shape the programme and mobilise resources.

Knowledge Products

The International Institute for Environment and Development (IIED) promotes sustainable development, linking local priorities to global challenges. We support some of the world’s most vulnerable people to strengthen their voice in decision making.

FIND OUT MORE

Our work on mining and extractive industries is undertaken by our Sustainable Markets Group and partners. Find out more about our work on artisanal and small-scale mining at www.iied.org/ASM and on extractive industries at www.iied.org/energy.

IIED 80-86 Gray’s Inn Road, London WC1X 8NH, UK | T: +44 (0)20 3463 7399 | F: +44 (0)20 3514 9055 | www.iied.org