



## Going for Gold : Newsletter 11

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Registration link is now open for the International Conference  
**“Between the plough and the pick: informal mining in the contemporary world”**:

<https://crawford.anu.edu.au/events/5965/between-plough-and-pick-informal-mining-contemporary-world?tb=download#tab>

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### Informal Mining and the ‘Formalisation Fix’?

*By Keith Barney and Kuntala Lahiri-Dutt*

This month’s ‘Going for Gold’ newsletter deals with the semi-regulated or outright illegal nature of much of informal mining, and the ‘formalisation fix’ that some states are now promoting, to better engage with, and regulate, informal mining. Michael Dwyer (2014<sup>i</sup>) amongst others, have used the idea of formalisation a policy ‘fix’ to illuminate the complexities that can arise with such efforts- in his case in relation to addressing land tenure conflicts in Cambodia. With small-scale gold mining, where the improvement of livelihoods assumes equal importance to the need for environmental care, the implications of formalisation also need to be closely investigated.

The question of the efficacy of the ‘fix’ arises because many jurisdictions are attempting different means of formalisation, as it increasingly becomes clear that existing legal frameworks are ineffective for managing the rush for gold, and for supporting appropriate social and environmental standards of care. This represents a clear shift away from the earlier initiatives that focused primarily on the provision of alternative livelihoods. Formalisation programmes in informal mining may benefit from lessons that have been learnt in other natural resource management sectors.

Let us emphasize that ‘informal’ commodity production and business are not always synonymous with illegality, or illegitimacy. In some developing countries, the majority of overall economic activity is conducted within the informal sector. In small-scale gold mining, some informal practices are viewed as broadly socially legitimate (for example, the avoidance of petty bureaucratic red tape), and some are traditionally accepted (such as miner’s values for distributing wealth within worker groups). Local people might view some mining practices as broadly acceptable, or at least necessary, even if they realise that they are problematic (for example, unsafe handling of mercury). Meanwhile, local state agencies and officials often play some role in facilitating, or profiting from, such informal economies. Considering these issues, one can say that there is both a sociology and a political economy of informal mining in developing countries.

Formalisation policies adopted by different countries can include legal land zoning and the awarding of community mining licenses and concessions; the formation of legal miner-groups; the implementation of labour regulations including the elimination of exploitative forms of child labour; initiatives for the safe handling of hazardous materials such as mercury; and a regulated trade in gold products. Countries experimenting with the formalisation of small scale and artisanal mining include African countries such as Tanzania and Uganda, and in Asia, in Mongolia, Indonesia and Cambodia. Other countries have less experience with formalisation—for example the 2011 Minerals Law in Lao PDR, stipulates that legal ASM must remain within defined limits of mechanisation. Some other jurisdictions (for example, India) define all small-scale gold mining as illegal as gold is classified as a ‘major’ mineral that can only be mined by major companies, thereby opening up the possibility for the administrative officials to periodically harass, arrest, and evict informal miners.



Gold panning on the Nam Kadding, downstream from the Nam Theun 1 Dam  
Credit: David Blake (2013).

Despite the diversity in regulatory approaches across Global South countries, where there is alluvial or shallow hard rock gold, almost by default, one finds local communities or migrants engaged in gold mining, whether legally licensed or not. Sometimes, these people pan for gold to supplement their household incomes, undertaking panning on days or seasons when they cannot find other work. Sometimes they quit farming altogether in an effort to live solely on gold mining. A few may form groups and become entrepreneurial leaders, mobilising the labour of others. The social and economic changes these emerging relations give rise to are complex, and yet to be adequately researched. There are some clear environmental, social, and health issues with informal mining. Yet informal gold mining undeniably plays a fundamental role in supporting many local economies. We do not yet know how changing power relations can affect the well-being of the poorest and the most marginalized who are digging for gold, sometimes at enormous personal risks.

The practical experience of countries seeking to ‘formalize’ informal gold mining merits detailed empirical research and close policy attention.

Our viewpoint is that while there is significant potential for formalisation policies to improve the recognition of local people’s actual mining practices, in and of itself, formalisation campaigns are unlikely to represent an easy policy “fix”.

### Why do we suggest this?

Based upon the research in our project to date, we observe how formalisation programmes could be limited by an inability for informal miners to navigate legal frameworks in practice. For example, the documentation required for formalisation might assume literacy, or an ability of the rural laboring poor to actually engage with state officials and bureaucracies outside of a dependency or a coercive relationship. Entrenched structures of social exclusion and vulnerability can thus limit who can actually participate in a formalisation process. Secondly, in some contexts, agrarian class formation, as well as extensive ecological degradation caused in part by informal gold mining, can work to eject new populations out of agriculture or non-extractive livelihoods, and into dependence upon mineral extraction. These people may live and work under extremely harsh conditions. Third, in some places, the linkages between small to medium-scale, mechanized and capitalised mining, and local elites and political patrons, could work to undermine the enforcement of a formalized regime. One can consider other actual or potential policy pitfalls.

Indeed, social property relations in the informal mining sector, and ongoing rural-agrarian capitalist transformations in developing countries, are highly complex, context-dependent, and much greater in scope and scale than any particular (often donor-supported) formalisation programme.

To adequately conceptualise the complexities of ASM and its relationship with formalisation, we argue for moving beyond the notion of informal mining as an “economic sub-sector” of large-scale mining. Rather, researchers and development practitioners need to shift the frame of analysis— into the realm of how ASM intersects with contemporary agrarian transitions, and as well as with local political-economic power relations.

Well-managed, flexible formalisation policies based upon externally funded pilot programmes can (and often do) offer good ideas and policy ways forward (see for example, the work of the Swiss Agency for Development and Cooperation in Mongolia: [http://www.sam.mn/info\\_en.php?url=intro](http://www.sam.mn/info_en.php?url=intro)). Yet, mainstream development organisations are rarely positioned to intervene into the complexity of agrarian class and political power relationships. A fuller response to the problems associated with informal mining also requires connecting with a rights-based framework (as the SDC project in Mongolia identifies)— including promoting the capacity for mining workers to advocate on their own behalf through collective action and organization— within the context of a downwardly accountable state apparatus. Ultimately, these social changes are likely to come about primarily through engaged social advocacy and political struggles. Donor-based formalisation programmes could therefore seek to understand and engage informal mining in a politically informed manner, and, where possible, to be responsive to the miners’ and rural people’s own social movements and collective mobilisations.



- Mongabay: *Mining the heart of the Mother of God: Peru's gold rush claims more forest*. 4 August 2015  
<http://news.mongabay.com/2015/08/mining-at-the-heart-of-the-mother-of-god-perus-gold-rush-claims-more-forest/>
- Phnom Penh Post: *Going straight in the 'forest of gold'*. 1 August 2015  
<http://www.phnompenhpost.com/post-weekend/miners-going-straight-mondulkiris-forest-gold>
- Nancy Lee Peluso. "The gold farmers." *New Mandala*. 17 July, 2015.  
<http://asiapacific.anu.edu.au/newmandala/2015/07/17/the-gold-farmers/>
- Thanh Nien Daily: *Illegal gold mining ravaging farmlands in Vietnam's Central Highlands*. 25 May 2015.  
<http://www.thanhniennews.com/society/illegal-gold-mining-ravaging-farmlands-in-vietnams-central-highlands-43804.html>
- Geographical Magazine: *A major Geographical investigation looks at the devastating environmental and debilitating health effects a Thai gold mine is having on a village in Loei, and at how a group of determined villagers are fighting back*. 20 July 2015.  
<http://geographical.co.uk/people/development/item/1178-gold-diggers>
- Video: *Fields of Mine: Na Nong Bong, Loei province, Thailand*  
<https://vimeo.com/29811141><sup>i</sup>

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<sup>i</sup>Dwyer, Michael, B. (2015). "The Formalization Fix? Land Titling, Land Concessions and the Politics of Spatial Transparency in Cambodia." *Journal of Peasant Studies*.  
<http://www.tandfonline.com/doi/abs/10.1080/03066150.2014.994510#.VdLhf3iQdUR>