



Going for Gold : Newsletter 9

Crawford School for Public Policy
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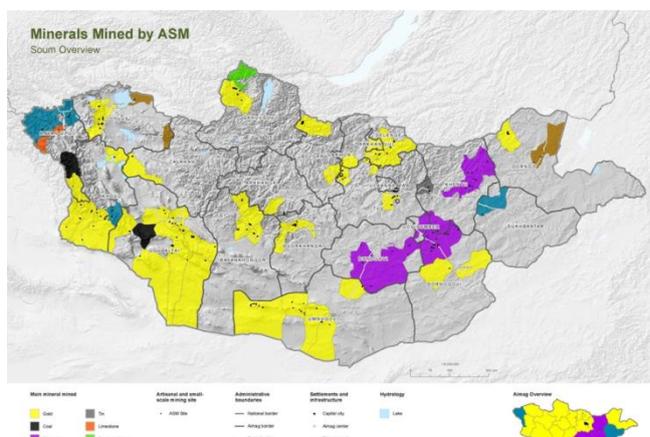
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Gold from the Gobi

One of the Chief Investigators of ‘Going for Gold’ project, Dr Kuntala Lahiri-Dutt, has just returned from Mongolia after a short fieldwork-cum-business trip on invitation of the Swiss Agency for Development and Cooperation (SDC). In Ulaan Baatar, Kuntala attended a [two-day Symposium](#), on the establishment of a Knowledge Hub on SDC’s program on artisanal gold mining in Mongolia. The Sustainable Artisanal Mining (SAM) Project has promoted human rights-based approach to raise awareness of both miners and local institutions on their rights and obligations. Kuntala has a previous relationship with the SAM project through her previous research into the mainstreaming of [gender in sustainable community livelihoods in mining](#).

In Ulaan Baatar, Kuntala also participated in a one-day workshop organised by colleagues at the Centre for Social Responsibility in Mining, University of Queensland (UQ) at the Ministry of External Affairs, Government of Mongolia. As part of the workshop, a handbook entitled [Responsible Mining in Mongolia: Enhancing Positive Engagement](#), was released. This publication is the outcome of an Australian Government funded project that UQ holds jointly with Kuntala.



The trip was an excellent opportunity to learn more about the Mongolian ‘El Dorado’. Since 1995, gold mining has emerged as one of the most dynamic sectors of the Mongolian economy and is the current focus of many international mining companies operating in Mongolia. Currently 94 percent of the mining concerns in Mongolia are producing gold. Following this, nomadic herders also took up artisanal gold

mining, often carried out informally. These herders ended up creating a remarkable gold rush, extraordinary in its extent and the scale, resulting in important livelihood transitions for the herding communities. According to Robin Grayson, in 2003 there were at least 100,000 artisanal miners in Mongolia; together representing about 20 per cent of the country’s labour force. The associated gold traders, shopkeepers and restaurant owners can be added to this figure to get an idea of the extent of the economy.

The first artisanal gold mining rush in Mongolia is supposed to have started from 1999. The numbers of ‘wildcatters’, or groups of herders who have left their homes and occupations to dig and sift for gold on a part- or full-time basis, kept on growing since then.

The contributing factors for the exceptional gold rush are many and varied. During a meeting with Kuntala, Dr Urantsooj Gambosuren, the Chairperson of the Centre for Human Rights and Development summarised four reasons: unemployment or insufficient income from traditional activities (such as herding); a series of severe winters that resulted in livestock mortality particularly for the smaller herders; the rapid spread of larger mines that also use poor technology leaving nearly 30 % of the gold in the tailings; and the high commodity price that made gold digging attractive. One can say that the need to survive and build a livelihood drives many of the poor in Mongolia to take up informal gold mining to supplement cash-based incomes.

In the Mongolian context, it is important to understand the term ‘informal’ assumes the shroud of illegitimacy, almost unnecessarily because the country has a very large informal sector. Almost half of its population, for example, live in informal, squatter settlements locally called the ‘Ger District’ around the capital city, Ulaan Baatar. One can say that the Ger District is an ‘informal city’, which is poorly serviced and whose residents are not seen to be at par with the rest of the city-dwellers. Like the term ‘Ger District’, the informal miners of Mongolia have added two terms to the dictionary of extractive industries: ‘ninja miners’, who move stealthily, and whose green-coloured gold panning plastic buckets on their backs make them look like ninja turtles, and ‘XAMO’ or ‘small scale miners’. This reflects that some miners and local governments have made progress towards formalization since the 2010 amendments to the Minerals Law by the Mongolian Parliament.



It was a relief to see that the relentless efforts of the SDC have had an impact on the way of thinking about informal mining in Mongolia. Although informal mining is legally recognised, there are limitations such as land access, and high taxes for miners, that create regulatory obstacles. Consequently, the very idea of extending the concept of informality in mining seems strange to many actors involved in mining, the state has at least notionally begun to recognise that such mining cannot be wished away. The SDC has been working through locally based ‘partnerships’ between a number of groups that comprise an NGO and that can apply to the *soum* (a rural district) governor to get access to small and scattered deposits of minerals. This request is scrutinised by the Citizen’s Platform at the *soum* level, and then by the Mineral Resources Authority of Mongolia (MRAM), and the miners are then allowed access to the minerals. Similarly, official trading of gold, mined artisanally, was approved by law in 2014. This approval made a huge increase in the contribution to the National Treasury - from a

meagre 3.2kg in 2013 to 3.2 tons in 2014. However, these legal and procedural changes do not offer any certainty with regard to the extent of the government's commitment to acknowledge and normalise this kind of mining.



Photo credits: SDC and Dr Kuntala Lahiri-Dutt.

Lastly, we are happy to announce to readers that online registration is now open for the international conference organised by Dr. Kuntala Lahiri-Dutt and Dr. Keith Barney: “Between the Plough and the Pick: Informal Mining in the Contemporary World”, November 5-6, 2015 at the Australian National University. To register, please visit: <https://crawford.anu.edu.au/events/5965/between-plough-and-pick-informal-mining-contemporary-world?tb=download#tab>.