From Dust to Dollar

Gold mining and trade in the Sudan–Ethiopia borderland

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Cover image: Gold washers close to Qeissan, Sudan, 25 November 2019 © Mohamed Salah

This report is a product of the X-Border Local Research Network, a component of the FCDO's Cross-Border Conflict Evidence, Policy and Trends (XCEPT) programme, funded by UK aid from the UK government. XCEPT brings together leading experts to examine conflict-affected borderlands, how conflicts connect across borders, and the factors that shape violent and peaceful behaviour. The X-Border Local Research Network carries out research to better understand the causes and impacts of conflict in border areas and their international dimensions. It supports more effective policymaking and development programming and builds the skills of local partners. The views expressed do not necessarily reflect the UK government's official policies.

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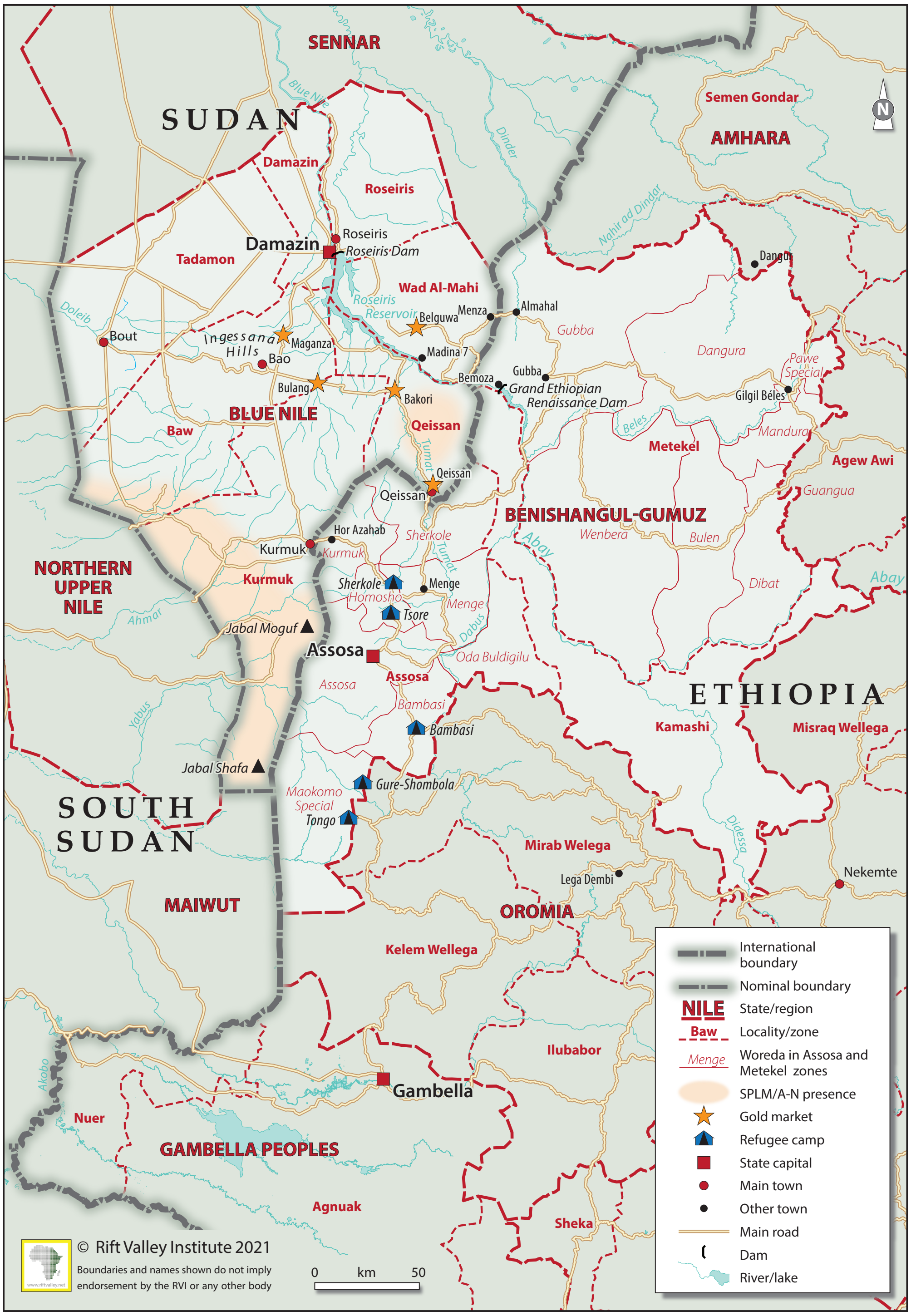
Contents

Blue Nile, Sudan and Benishangul-Gumuz, Ethiopia borderland



Base map data source: OpenStreetMap

Executive Summary

- In the Sudan–Ethiopia borderland—Blue Nile state and Benishangul-Gumuz region—gold mining has shifted from being part of a long-term, family- and community-based livelihood strategy to a short-term entrepreneurial pursuit. Mining is increasingly dominated by the private sector, with the military now a leading player in Sudan.
- Attempts by the governments of Sudan and Ethiopia to increase control over the circulation of artisanal gold in their borderland regions have largely failed. Instead, cross-border trade has increased, away from official pathways. The reasons for this are many, including price differentials, short-staffed and underfunded regional governments, and a lack of commitment to national laws vis-à-vis individual revenues.
- Centralized decision-making under authoritarian regimes in both capitals has generally prioritized controlling the flow of resources, rather than respecting local distributive logic and supply needs. This has resulted in the circumvention of policies formulated by central governments on cross-border trade on both sides of the border.
- Border demarcation has been the primary tool promoted to tackle problems, but it has generally been ineffective and ultimately aborted. Insecurity along the border has been addressed via militarization. These strategies have done little to address the fundamental issue that the border is the result of a colonial geopolitical deal between Britain and the Abyssinian Empire that ignored existing social relations and land property.
- However, while the Blue Nile–Benishangul-Gumuz borderland is not free from conflict, it provides an example of relatively stable cross-border relations that have been limited by regime-instigated civil wars and border restrictions imposed by central governments. Instead of addressing border permeability as a failure of control or security threat, such exchange relations may be considered as being in the spirt of the principles of the African Union Border Program that established in 2007 the basis 'that a boundary can be viewed as a "bridge" to facilitate interregional integration rather than as a "barrier" to block interaction'.
- Sudanese refugees from Blue Nile state—escaping the conflict between the SPLM-N and Sudanese government—became significantly involved in gold mining in Benishangul-Gumuz. This emerged particularly when the aid supplies to refugee camps in Ethiopia were reduced, forcing Sudanese to seek alternative livelihood strategies. Previous experience in the mining sector was initially seen as an advantage, but subsequently territorial sensitivity amongst Ethiopian mining communities made the Sudanese presence more problematic.

- The prospect of peace in Blue Nile following the government's deal with Agar faction of the SPLM-N means that Sudanese refugees may seek to return home. However, the mobility patterns and exchange relations developed over decades of war have become the norm for these communities. In this tri-border region—Sudan, South Sudan and Ethiopia—lives are often lived frequently crossing these official borders and this must be taken into account by humanitarian and development interventions.

1. Introduction

This report forms part of a sub-project of the X-Border Local Research Network, ‘Reconstructing trajectories through the Nile Valleys: militarized labour, livelihoods and resource flows in Central Sudanic Africa’.[1] This research stream examines the impact of militarized or military-dominated economic relations on different areas in South Sudan and Sudan, including cross-border dynamics in the trilateral borderlands with Ethiopia (Gambella and Benishangul-Gumuz). The studies in this sub-project interlink and produce a connected view of the flows of people and resources across in the wider Central Sudanic landscape. The core conceptual aim is a beyond-borders perspective on how old forms of economic, political and social control are reproduced and transformed across interregional networks and commodity chains.

This report focuses on the extraction and distribution of gold in the borderlands of Sudan and Ethiopia, in Blue Nile and Benishangul–Gumuz states respectively. It studies cross-border dynamics in both areas, and respective borderland and mining regimes in Sudan and Ethiopia, showing how gold mining and the gold trade in these borderland areas reflect long-standing exchange relations among borderland populations.

In Sudan, gold has developed into one of the main export goods over the last decade[2] and was hailed by the former Sudanese government as a replacement of the oil reserves that have been lost since South Sudan’s secession in 2011. Due to limited research on and access to the many different pathways of gold distribution, understanding of the gold trade in and out of Sudan is partial and underdeveloped. This is exacerbated by the fact that official export only accounts for about a third of the overall gold that is produced. Much of this exported gold goes to Dubai, where it is transferred to the global gold market. There are indications that much of the smuggled gold takes a similar path.[3]

The high ratio of unregistered artisanal mining activities coupled with untaxed cross-border trade, both in the artisanal and the industrial sector, reduces the resulting revenues reaching the treasury, in spite of several legal amendments and new regula-

1 See Nicki Kindersley and Joseph Diing Majok, *Breaking Out of the Borderlands: Understanding migrant pathways from Northern Bahr el-Ghazal, South Sudan*, Juba/London: Rift Valley Institute, November 2020; Nicki Kindersley and Joseph Diing Majok, *Monetized Livelihoods and Militarized Labour in South Sudan’s Borderlands*, Juba/London: Rift Valley Institute, June 2019.

2 The others are gum Arabic, cotton, sesame and oil.

3 Enrico Ille, ‘Complications in the classification of conflict areas and conflict actors for the identification of ‘conflict gold’ from Sudan’, *The Extractive Industries and Society* 3/1 (2016): 193—203; Enrico Ille, ‘International joint ventures in industrial gold mining, corporate social responsibility, and harm-production in Sudan’, *Africa Spectrum* 53/3 (2018): 33—64; Raphaëlle Chevrillon-Guibert, Enrico Ille and Mohamed Salah, ‘Pratiques de pouvoir, conflits miniers et économie de l’or au Soudan durant le régime d’al-Inqaz’, *Politique Africaine* 2020/2 (2020): 123—148.

tions issued since 2011. The prominent role of the military and other security forces in the gold sector also makes an assessment of the actual output of different mining sites difficult. Many Sudanese mining companies are directly or indirectly related to the Sudanese security apparatus, armed forces or high-ranking government officials.[4] Increasing involvement of the Sudanese Rapid Support Forces (RSF)—a powerful paramilitary group and key national security actor—further complicates this situation.[5] This context has contributed to the integration of gold into local, regional and international networks of wealth accumulation and corruption.

Since the late 2000s, gold mining has developed a strong attraction for labour migration across sectors. Agricultural labour has been markedly diverted to the mining sector, with the latter becoming integrated into overall livelihood strategies; for example, as seasonal labour between agricultural activities and as a parallel activity in mines that are close to population settlements. Selling gold is now an economic anchor on all levels: During the current economic crisis, where incomes, liquidity and money value have all been under severe pressure, possession of gold has helped stabilize both low-income households in need of additional income, and large-scale companies in need of foreign currency.

In Blue Nile state, mining in general began to re-emerge as a significant economic activity in the early 2000s, especially given interest in iron and chromium in the Ingessana hills, which form a large area in the central part of the state.[6] While Blue Nile is now among the states with the highest estimated number of miners (after the major producers in Northern state and River Nile state), it also has among the lowest number of registered mines and stone mills, thus indicating a high proportion of so-called informal or illicit mining. This is supported by the estimated 70 per cent of gold that is brought abroad directly from Blue Nile state. Higher percentages are only found in South Kordofan and Northern state, which are also border states with high mobility.[7]

As has happened in Sudan, the political economy of mining sector in Ethiopia has also shifted over time. Between 1974 and 1991 (Dergue regime), government institutions were given the task to explore and develop the mineral wealth of the country in line with the government's ideology of state-driven development. In 1991, the downfall of the Dergue, and ascendancy of the Ethiopian People's Revolutionary Democratic Front (EPRDF) to power, saw the growth of a more market-oriented economic policy, which

4 An example is the Military Industry Corporation (MIC) that is owned by the Sudanese Armed Forces (SAF) and operates in several mining areas through subsidiaries.

5 Rift Valley Institute, 'Security elites and gold mining in Sudan's political transition', Juba/London: Rift Valley Institute, October 2019.

6 The area is home to one of the ethnic groups that is a crucial part of the Sudan People's Liberation Movement/Army-North (SPLM/A-N) Agar section.

7 There are no reliable statistics on artisanal gold mining in Sudan. These estimates are derived from statements and statistics of the Sudanese Mineral Resources Company (SMRC) office in Al-Damazin visited in March and November 2019.

influenced the mining sector as well. New mining regulations were rapidly introduced and the Ministry of Mining and Energy was put in charge of developing the mining sector.

But the mineral sector remained peripheral to the national economy. An assessment from the first part of the 2010s found it to contribute only 1.5 per cent to GDP, although 19 per cent of exports came from minerals.[8] A rapid increase in the global gold price after 2010 sharpened the attention of the central government in the sector, including how to control and regulate gold production and marketing. A central condition for such revenues, however, was a stronger grip on royalties and channels of distribution. In 2010, a new legal framework was introduced which complemented ongoing efforts of organizing artisanal miners into cooperatives. In 2013, an amendment strengthened the role of small and medium-sized enterprises, but the envisaged stronger integration of gold miners into the official channels of licences and trade did not materialize.[9]

This report shows how the mining developments in Ethiopia, in Benishangul-Gumuz regional state, in particular, have added significantly to cross-border gold mining and trade, partly reflecting pre-existing connections. Although shifts in the extent and organization of border control have had an impact on how miners and gold moved across the border, their mobility is marked by the persistence of social links and cross-border flows.

Through an analysis of gold mining and trade in the Sudan-Ethiopia borderland, the study examines recent developments in a region that is, to a significant extent, affected by but not limited by it. This report thus makes a contribution to a growing body of work that demonstrates how international border lines are only one aspect of social, economic and political life in the areas they cross. These lines are far from irrelevant, since border regimes actively interfere in the free exchange of people, goods and ideas. But they are just one part—often not the most important—of the multifaceted dynamics of boundary making and boundary crossing in these regions.

Methodology

The aim of this research is to examine the conditions of mineral extraction and distribution in the study area: What people, things and ideas are involved and mobilized during gold operations, especially across international borders? How does mining and mineral trade relate different actors and institutions to one another? What trade networks and markets are connected through the gold trade and how do they interact with existing border regimes?

8 Federal Democratic Republic of Ethiopia (FDRE), Ministry of Mines and World Bank Group, ‘Strategic assessment of the Ethiopian mineral sector’, Final report, 2014, 2.

9 Beyene Tadess, ‘Artisan mining operation and its economic values, Ethiopia’, Ethiopian Extractive Industries Transparency Initiative (EEITI), 2015, 18.

Qeissan, 25 November 2019, group interview © Moatasim Yousif Takana

To answer these questions, three field trips were organized and supervised by Mohamed Salah, a Sudanese researcher based at the University of Khartoum: 1) a scoping visit of seven days in March 2019; 2) two one-week preparatory field tours in June, July and August 2019 to establish field contacts; and 3) one four-week main field trip in November 2019 for interviews and direct observation.[10]

The fieldwork produced the following data for this report, organized with help of three research assistants:

- Quantitative data: Statistical data (number of sites, workers, volume of extracted and traded minerals).
- Qualitative data: Exploratory fieldwork (narrative interviews, participant observation), followed by semi-structured interviews (biographical interviews); images and audiovisual material, official documents and reports, news and other media reports.

Additional fieldwork was conducted by Tsegaye Birhanu, a political scientist at the University of Assosa in Benishangul–Gumuz, Ethiopia (with one field assistant). He carried out

10 This field research also included a survey with 3,571 miners, migrants and residents in four official gold markets (residential biography, income structure of involved individuals and households, perspectives on advantages and disadvantages of mining). Its results were not relevant to this report, but general findings were published on https://sway.office.com/1qWc0YcdBdXIjUbh.

20 interviews and made field observations in the districts (*woreda* in Amharic) of Sherkole, Kurmuk and Assosa from 12 February 2020 to 13 March 2020. The interviews were in the form of open discussions with miners, traders, officials and residents. Documents such as proclamations and guidelines regulating the mining sector and governmental reports were also collected from the regional office of Benishangul-Gumuz mining agency and its offices at zone and *woreda* levels.

2. The Blue Nile–Benishangul-Gumuz borderland

Throughout history, the Sudanese–Ethiopian boundary line has varied in its course and permeability, with significant differences between its northern, middle and southern segments. The northern areas around Al-Fashagga were and still are contested between farmers, armed gangs, armies and the governments of both countries.[11] The central areas around the River Nile, the Blue Nile/Benishangul-Gumuz borderland, have much more unproblematic exchanges and border crossings, especially among trans-border communities. The southern borderland areas of Gambella are socially and economically even more integrated, dominated by a low numbers of ethnic groups (Nuer, Anyuak) residing on both sides.[12]

Further inland, the situation is yet again different. In western Wad Al-Mahi Locality (*maḥaliyyah*) in Sudan, which was split from Roseiris Locality in 2012, Ethiopians are mostly seasonal residents as harvest workers. Intermarriage is very rare, in contrast to its eastern part at the border where there are Gumuz communities who straddle the border. Many Ethiopian workers entering Wad Al-Mahi are also not from directly across the border but come from densely populated areas in Ethiopia, especially those with Amhara and Oromo populations.

In other areas, cross-border movement stems from violent events and subsequent displacement. For example, Sudanese from southern areas such as Yabus in Blue Nile state fled into Ethiopia as a result of wars that broke out here in 1987 and 2011, and many still live in large refugee camps close to Assosa town and further south.

This study focuses on the segment of the Sudanese–Ethiopian border that traverses the states of Blue Nile and Benishangul-Gumuz, respectively, and more specifically the border districts of Qeissan in Sudan, and Kurmuk and Sherkole in Ethiopia. It redraws the recent history of this borderland, through the prism of population mobility and shows how gold extraction and distribution influence commercial exchanges in this borderland.

The two borderland states

Blue Nile state, located in south-eastern Sudan, was formed as one of the states reorganized by the Federal Governance Law in 1994. It is bordered to the north by Sennar

11 In November 2020, this escalated into an open confrontation between the Sudanese Armed Forces (SAF) and the Ethiopian army. The former moved into areas left by the latter who were restationed to support the government operations in the Tigray region.

12 Freddie Carver and Duol Ruach Guok, *“No one can stay without someone”: Transnational networks amongst the Nuer-speaking peoples of Gambella and South Sudan*, Juba/London: Rift Valley Institute, March 2020.

State, to the east and southeast by Ethiopia, and to the west and south by South Sudan. The overall area is about 38,500 km², with a population of 832,311, according to the 2008 census.[13] The state is run from its capital, Damazin, and administratively divided into seven localities (Damazin, Roseiris, Wad Al-Mahi, Qeissan, Kurmuk, Baw and Al-Tadamon).

More than a quarter of the Blue Nile state population counted in the 2008 census were internally displaces persons (IDPs) and refugees due to war just a few years later. In 2012, the Sudan People's Liberation Movement/Army-North (SPLM/A-N) Sudan Relief and Rehabilitation Agency numbered the population in its areas in Blue Nile state at 80,147 (of these, 64,550 were IDPs), with around 200,000 refugees in South Sudan.[14] This was added to by government-induced displacement as a result of both counter-insurgency measures and the heightening of the Roseiris Dam in 2013. A large part of the state population can now be classified as internally displaced, refugees or migrants.

Benishangul-Gumuz regional state, located in the western part of Ethiopia, is one of the nine regional states established by the constitution of the Federal Democratic Republic of Ethiopia (FDRE). It shares borders with the Amhara, Oromia and Gambella regions. The region also shares international borders with both Sudan and South Sudan. According to the 2007 national housing and census report, the region had a total population of 784,345.[15] Its population density is 14.5 km², which is well below the more densely populated regions of Oromia (104.5) and Amhara (117.4).[16] The region is sub-divided in to three administrative zones and 20 *woredas* (districts); the capital is Assosa town.[17]

Benishangul-Gumuz is mainly inhibited by the Berta, Gumuz, Shinasha, Mao and Komo peoples who, according to the constitution of the regional state, are considered indigenous to the region and thus the owners of the regional state.[18] Despite this stipulation, significant numbers of Amhara, Oromo and other ethnic groups live in the region. In addition, the region hosts 63,000 refugees in five camps (Sherkole, Tsore, Bambasi, Tongo and Bore-Shombula).

13 The growth rate is 4.1 per cent per year, with an unadjusted 2018 population projection of 1,643,697.

14 Benedetta De Alessi, 'The CPA failure and the conflict in southern Kordofan and Blue Nile states', UNISCI Discussion Paper 33, October 2013, 88.

15 Central Statistical Authority, *2007 population and housing census of Ethiopia,* Addis Ababa, 2012.

16 Mesfin Gebremichael, 'Federalism and conflict management in Ethiopia: Case study of Benishangul-Gumuz Regional State', PhD dissertation, University of Bradford, Bradford, 2011.

17 The current local government administration system in Ethiopia consists of regions (and chartered cities), zones, *woreda* (district) and *kebele* (municipality). The three zones in BGRS are Metekel (2007 population: 276,367), Asosa (2007 population: 310,822) and Kamashi (2007 population: 101,543); see Central Statistics Authority, *2007 population and housing census of Ethiopia.*

18 Revised Constitution of Benishangul-Gumuz Regional State 2002, Article 2.

The international border

The international border between Sudan and Ethiopia divides existing topographical and demographic connections. Despite this artificial division, numerous cultural, linguistic, marital and filial ties continue to span the border. Groups such as Gumuz and Berta share the borderlands and conduct social visits, market tours and seasonal labour trips as and when they see fit.

The formal Sudanese–Ethiopian border line stems from a 1902 agreement between the Anglo-Egyptian (British) colonial administration in Sudan and the Ethiopian Empire. It expressed the specific territorial relation between the two state formations after a turbulent nineteenth century. With the dissolution of the sultanate of Sennar and the integration of its southern areas into rival empires, its borderland status was both changed and confirmed between the lines of global geopolitics.[19] Throughout the post-colonial period, the border situation did not stabilize and reflected the ups and downs of bilateral relations between the central governments, including periods of support for each other's armed opposition movements.[20] Periodic rounds of bilateral negotiations failed to resolve contested borderland issues.[21]

Overall, the Sudan-Ethiopia borderland has maintained its role as a buffer zone, both in territorial terms and in bilateral diplomatic relations. The general tolerance for cross-border violations seems to be evidence of both central government's other priorities,

19 Bahru Zewde, 'Relations between Ethiopia and the Sudan on the western Ethiopian frontier, 1898-1935', PhD dissertation, University of London, London, 1976.

20 Since the 1980s, a source of contention has been the status of the Sudan People's Liberation Movement/Army (SPLM/A), which fought Sudan's central government during the Second Sudanese Civil War (1983-2005), and, as SPLM/A-North, again since 2011 when war returned to the region. Its presence in the Blue Nile—Benishangul-Gumuz border area was challenged by regional counter-movements, such as the Benishangul People's Liberation Movement (BPLM), who were boosted by support from Sudan and other movements, such as the Oromo Liberation Front and the Tigray People's Liberation Front. See John Young, 'Along Ethiopia's western frontier: Gambella and Benishangul in transition' *Journal of Modern African Studies* 37/2 (1999): 321—346. At the onset of the war in the Two Areas (Blue Nile and South Kordorfan)—Sudan's new southern border states after South Sudan gained its independence 2011—the Ethiopian borderlands were less accessible for the SPLM/A-N without support from the Ethiopian government. See International Refugee Rights Initiative (IRRI) and National Human Rights Monitors Organisation (NHRMO), 'A Crisis normalised: Civilian perspectives on the conflict in Sudan's Blue Nile State', September 2016.

21 In 2013, a shared Sudanese–Ethiopian border control force was announced but still awaits implementation, as does the work of the Joint Sudanese–Ethiopian Higher Committee (JSEHC). The only public appearances of this committee were infrequent meetings (e.g. 2013, 2015 and 2019) briefly reported in public media but without tangible results.

such as negotiations over the Grand Ethiopian Renaissance Dam (GERD) and relations with Eritrea.[22]

The dynamics have changed with the recent transition of governments in Khartoum and Addis Ababa, giving way to a much more confrontational course, especially in Al-Fashagga further north. Such bilateral confrontations exacerbate contradictions between strictly defined and demarcated national borders and cross-border societal relations. The following section takes a deeper look at these contradictions by contrasting official trade policies, natural and other constraints on mobility and the multiplicity of ties across the borderland.

22 Several incidents in September–October and December 2011, as well as in March and April 2013, of Sudanese Armed Forces (SAF) Antonov bombers hitting targets and killing citizens on the Ethiopian side of the border had close to no impact on bilateral relations, despite SPLM/A-North efforts to disrupt those relations. See International Crisis Group, 'Sudan's Spreading Conflict (II): War in Blue Nile', Brussels: International Crisis Group, June 2013, 40. Occasional cross-border operations of outlawed groups, such as the Benishangul People's Liberation Movement (BPLM), were also not effectively prevented, in spite of the tensions and violent events they proliferated in the borderlands. See Research and Evidence Facility: EU Emergency Trust Fund for Africa, 'Cross-border analysis and mapping: Cluster 3: Western Ethiopia-East Sudan', London: SOAS, 2016, 28; Gebremichael, 'Federalism and conflict management in Ethiopia', 290-293. The pattern of such groups being used by Sudan's central government as proxy counter-insurgency forces against SPLM/N-North continued as well. See International Crisis Group, 'Sudan's Spreading Conflict (II), 40.

3. Trade and mobility in the borderlands

Historically, the interface between the daily life of the borderlands and the central state largely occurred through trade routes, which facilitated local livelihoods and enabled the state's collection of revenues through taxation. But control to tax the movement of goods, and for state security, interfered with the mobility of local cross-border communities, which posed problems for local governance. While trade was thus an essential element of state-citizen relations, it was also severely curbed by administrative measures that hindered the development of exchange across the border.

The administration of trade relations

Trade in commodities between Sudan and Ethiopia has been and remains very limited. From a macroeconomic perspective, the commonality of the main agricultural products and emerging industries in both countries should have led to a strategy of joint marketing, rather than escalating trade terms. But after independence, Sudan has been oriented first and foremost to the Arab Common Market.[23] The later formation of the Common Market for Eastern and Southern Africa (COMESA, 1994) has made little headway in improving consumer trade between the two countries.[24]

It is useful to briefly note the differential treatment of international bilateral trade and local cross-border trade between Sudan and Ethiopia. Bilateral trade is governed in its relationship to central authorities and fiscal institutions. COMESA trade is administratively facilitated by separation of import and export value, as well as exemption from customs (as with conventional bilateral trade). It is also bound by Central Bank of Sudan (CBoS) and National Bank of Ethiopia (NBE) rules and bank transactions, such as letters of credit. Local cross-border trade functions by bilateral agreement (to ensure value equivalence between export and import) but does not involve the two central banks, operates without hard currency (according to official rules at least), does not require certificates of origin and has low capital requirements. Revenues from the taxation of local cross-border trade remain in the federal states where the border is crossed.

Cross-border trade is formally defined as uncertified commercial transactions between residents who live 90 km from the border on both sides, which are connected by custom points. This trade is generally based on local produce and fills mutual supply chain gaps for these residents. At least this is what is envisaged in the 2001 Protocol for Border

23 Taha Hussein Nur, 'The Sudan-Ethiopia boundary: A study in political geography', PhD dissertation, University of Durham, Durham, 1971, 180, 184.

24 As of 2018, Sudan's main trade partners are UAE, China, Saudi Arabia, Egypt and Russia (https://www.wto.org/english/res_e/statis_e/daily_update_e/trade_profiles/SD_e.pdf).

Trade between Sudan and Ethiopia.[25] Other framework provisions on the Sudanese side are the 1999 Regulation of Border Trade Organization (*lā'iḥat tanẓīm tijārat al-ḥudūd*), elevated to a law in 2004 and amended in 2010. At the state level, specific protocols guide relations between the two governments across the border. In particular, each state government has full responsibility to organize border crossing points and border markets, issue trade licenses and import–export permits, and provide infrastructure to facilitate trade.[26] The 2001 agreement also determined the pattern of successive market days in settlements at border crossings; for example, Kurmuk, Qeissan and Menza–Almahal, which were among the first border points where border trade as an administrative practice was introduced.[27]

On the Sudanese side, the 2010 amendment to the 1999 Regulation of Border Trade Organization framework outlined further administrative practices; namely, border trade registries and export–import forms with expiration periods. These new procedures also added reporting requirements to the CBoS and relevant line ministries, thereby undermining key elements originally designed to facilitate low-volume local trade.

In fact, the prevention rather than facilitation of cross-border trade is what characterizes recent bilateral trade history. For example, the Ethiopian Ministry of Industry and Trade maintained its 2001 policy that limits cross-border business transactions to ETB 2,000 and within 90 km from the border. This is detrimental to interest in official cross-border trade channels due to high inflation in both countries and the fact that the first major hub on the Ethiopian side, Assosa town, is outside the 90 km limit.[28] In 2009 the Sudanese government decided to close down cross-border trade, followed by a long, slow process of negotiating its resumption.[29] An April 2014 cooperation agreement, along with the participation of the Blue Nile state government and Sudanese traders in the December 2014 trade fair in Assosa in Ethiopia, was more symbolic than functional at that point.[30]

25 Khalil Muhammad Badr al-Din, 'Challenges of border trade between Blue Nile State and Benishangul Region', in *Border, peace and development issues in Blue Nile and South Kordofan states*, eds. Abd al-Ghaffar Muhammad Ahmad, Bergen: CMI, 2016, 24-27.

26 Badr al-Din, 'Challenges of border trade between Blue Nile State and Benishangul Region', 29-30; EU Trust Fund for Africa, 'Cross-border analysis and mapping', 16-17.

27 Haram Muhammad Badawi, 'The impact of prohibition of border trade on Blue Nile State in 2014', in *Border, peace and development issues in Blue Nile and South Kordofan states*, eds. Abd al-Ghaffar Muhammad Ahmad, Bergen: CMI, 2016, 45.

28 EU Trust Fund for Africa, 'Cross-border analysis and mapping', 16-17. It is close to the limit, though, as the asphalt road between Assosa and Kurmuk in Ethiopia, constructed in 2012, has a length of 97 km (field report of researcher, Tsegaye Birhanu, 2020).

29 Badr al-Din, 'Challenges of border trade', 23.

30 Badr al-Din, 'Challenges of border trade', 33-36. Cross-border trade decisions also appear to be made in an opportunistic, if not arbitrary fashion. In 2013, for instance, the export of onions and dates was allowed for four months by the Sudanese Minister for External Trade, apparently to convenience a major producer of these goods.

Another limiting aspect has been the overlap and encroachment of several authorities on cross-border movements, including internal security forces and army. The Blue Nile borderland remains an administratively neglected but militarily regulated area. This could still be observed in Qeissan in November 2019. A Sudanese trader with shoes, clothes and perfumes for the Ethiopian market had to acquire confirmation from both the head of security of the administrative unit in Qeissan and the head of military intelligence for the Fourth Infantry Battalion in Qeissan to receive a permit from the chamber of commerce.[31] Overall, continued security concerns mean that trade routes through Kurmuk and Qeissan remain severely suppressed, which continued to be the case in 2020.

But it is not only the combination of administrative and security measures that keep official trade on a low level, as the following sections on constraints on mobility and price differentials show.

Constraints on mobility

The topography of the borderland—rivers and mountains, in particular—both facilitate and hinder mobility.[32] Rivers, which in some circumstances can be like transport highways, are often bounded by gorges or high banks, which makes them difficult to access. While densely forested and heavy-soiled valleys hinder motorized transport, particularly in the rainy season, they also allow numerous paths to be taken on foot.

Some limited recent infrastructural investments have expanded the options for mobility and residence. In Blue Nile state in Sudan, the first bridge over the Blue Nile is still only as far as Damazin, the state capital, and people cross over with boats; for example, at Madina 7.[33] River transport, however, has been restricted by the construction of dams, such as at Roseires.[34] The only significant roadworks southwards were done in the 1990s, between Damazin and Kurmuk, by Osama Bin Ladin's Al-Hijrah Construction and Development Co; a planned extension further south did not happen, however, as the company was not paid by the government according to the agreement.[35] While an asphalt road was constructed from Assosa town to Kurmuk in Ethiopia, followed by a bridge to Kurmuk in Sudan, after crossing the border into Sudan there is thus nothing

31 Direct observation by Mohamed Salah, November 2019.

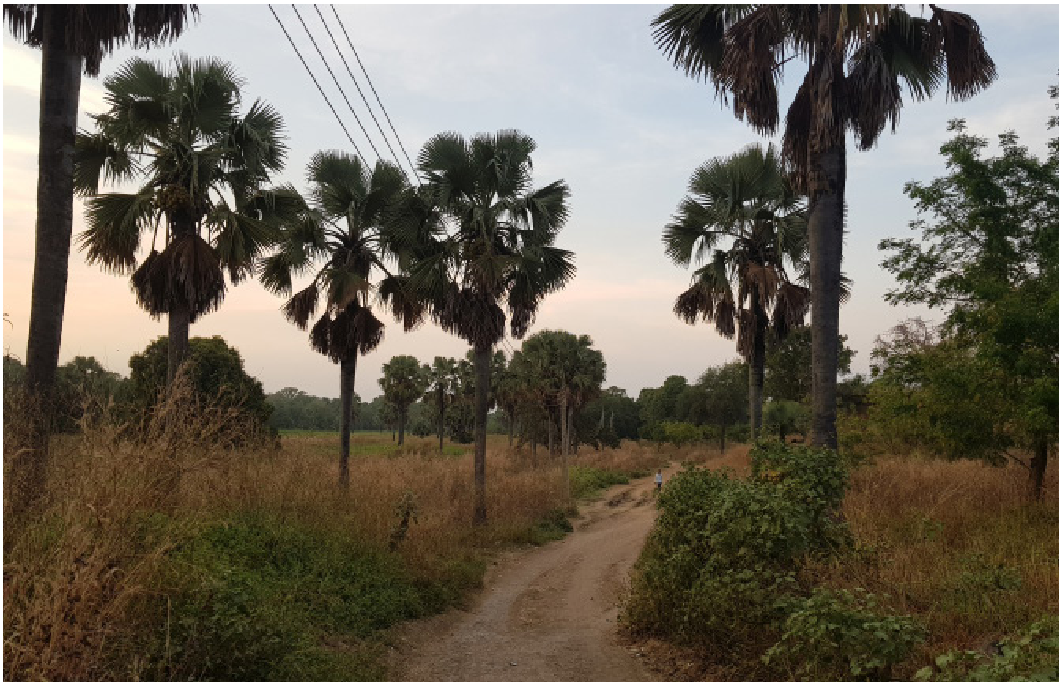
32 These are the rivers and creeks of Abay/Blue Nile, Tumat and Yabus, as well as the mountain ranges around Jabal Shafa (1,678 m) and Jabal Moguf (1,383 m), the latter outliers of the Ethiopian highlands (1,500 m and above).

33 Author observation, November 2019.

34 This is similar to what happened to previous waterborne trade routes to Egypt, which were severed by the Aswan High Dam.

35 Steven Spittaels and Yannick Weyns, *Mapping conflict motives: The Sudan-South Sudan border*, Antwerp: International Peace Information Service, 2014, 35.

but a dirt road. Other border crossings, such as Qeissan and Al-Mahal, are completely without paved roads.[36]



Dirt road close to the Sudanese-Ethiopian border, south of Qeissan © Mohamed Salah

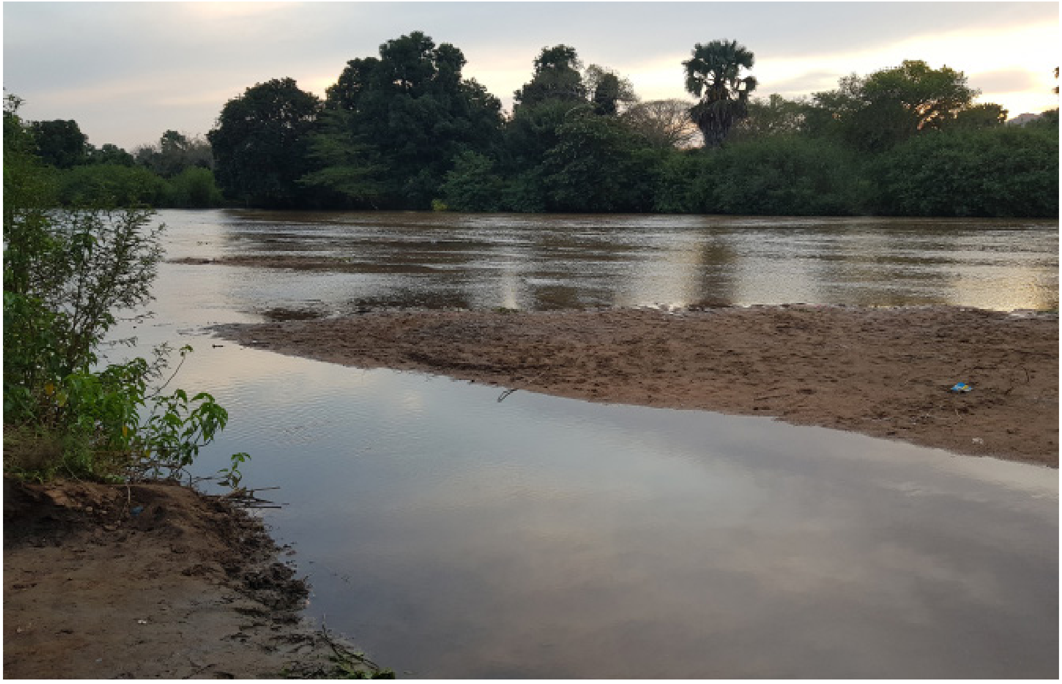
In Benishangul-Gumuz regional state in Ethiopia, the Abay/Blue Nile gorge, which is 4 km deep and several kilometres wide in some places, separates the northern and the southern parts of the state until 2012, when a 365 m bridge was constructed by the China Construction Company. Before the bridge, the Blue Nile gorge meant a 2,000 km detour for those who wanted to travel between the Metekel zone and the rest of Benishangul-Gumuz, including the regional state capital, Assosa town. This long detour meant it was often easier for officials to meet in Addis Ababa, which is only 687 km east of Assosa. The bridge shortened the distance to Gilgil Beles, the administrative centre of Metekel zone, to 378 km.[37] Most areas in Benishangul-Gumuz regional state were, however, barely accessible by motorized transport until the beginning of the 2010s.[38]

36 EU Trust Fund for Africa, 'Cross-border analysis and mapping', 19.

37 Nur, 'The Sudan-Ethiopia boundary', 177-178; Günther Schlee and Elizabeth E. Watson, 'Space and Time: Introduction to the Geography and Political History', in *Changing Identifications and Alliances in North-East Africa: Volume I: Ethiopia and Kenya*, eds. Günther Schlee and Elizabeth E. Watson, New York and Oxford: Berghahn, 17; International Crisis Group, 'Sudan's Spreading Conflict (II)', 2; Environment and Development Consultants (EnDev), 'Environmental and social impact assessment (ESIA) capacity building for local governments in Ethiopia', Addis Ababa, 2015, 38.

38 EU Turst Fund for Africa, 'Cross-border analysis and mapping', 7. Infrastructural improvements lifted road density from 11 km per 1000 km² in 1991 to 40.1 km per 1000 km² in 2015–16; in contrast, the national average across Ethiopia was 95 km per 1000 km².

The combination of administrative neglect and lack of connectivity had an interesting effect: the topographic conditions in the borderland facilitated mobility of people and goods away from official crossing points.[39] In addition, the high commodity prices resulting from infrastructural marginalization made unofficial cross-border trade much more attractive than official domestic trade, as the following section shows.



Khor Tomat, close to Qeissan © Mohamed Salah

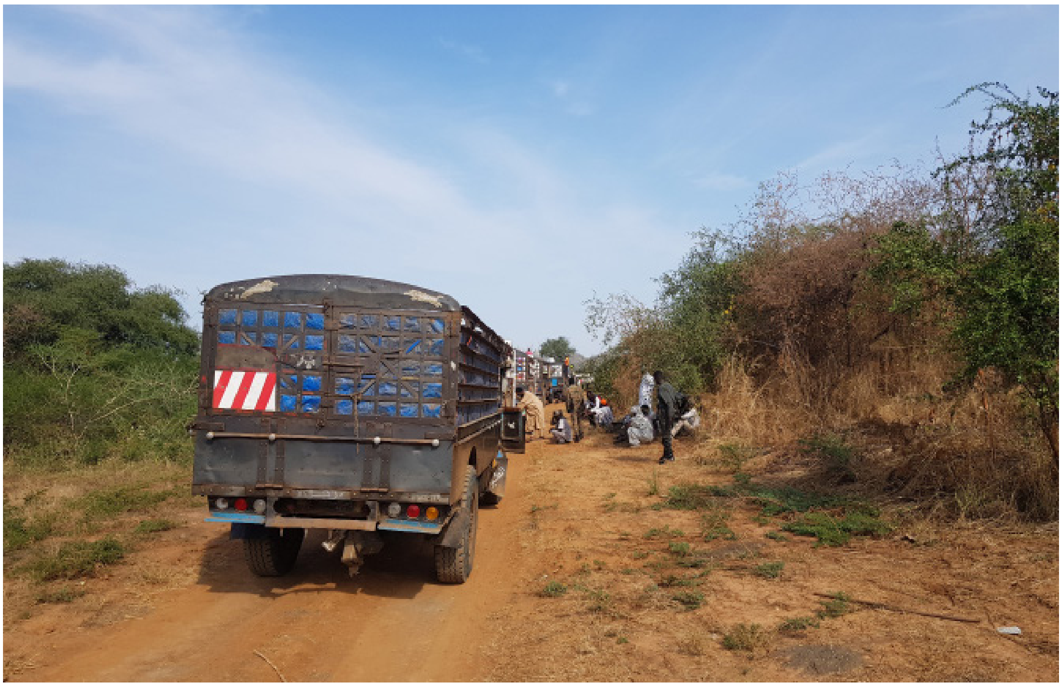
Price differentials and borderland trade

Poor connections within the respective Blue Nile and Beni Shangul borderlands increased prices of consumer goods from elsewhere inside Sudan and Ethiopia, respectively. This invites traders to access goods from across the border and to do so with as little extra costs as possible. But while cross-border trade has remained at a comparatively low level, it provides essential goods to the local population. Given that there is a real economic need for products in the borderland itself, there is some leniency towards traders by local border officials, who have little hope of extracting high tariffs and have concerns about stopping the flow of goods into the border region. In this context, laissez-faîre relations have developed at least since the 1970s between border officials, local leaders, lorry drivers, caravan leaders and traders, rather than obedience to the laws of a remote central government.[40]

39 This is a long border with border posts set at 100 km intervals, numerous tracks through hilly terrain, thick forests and so on, especially between Kurmuk and Basunda. Nur, 'The Sudan-Ethiopia boundary', 194.

40 Nur, 'The Sudan-Ethiopia boundary', 188-189, calling it 'corruption and nepotism', also 197.

The situation observed in the late 2010s has not changed very much. Due to the fuel and medicine crisis in Sudan since 2018 the presence of these goods in the cross-border trade from Ethiopia increased. From Ethiopia, a few traders work in the weekly markets. They bring oil and perfumes, and Ethiopian coffee and honey, all in small amounts. Larger-scale trade is not possible because the roads (including official ones) are so bad that lorries and sometimes even smaller pickup trucks often cannot travel on them, especially during the rainy season. Customs are mostly in place to charge small-scale levies, not because a bilateral trade balance is sought. Only a few goods are traded in larger quantities, such as the washing soap powder Wide, which is stored in huge heaps in Belguwa in Sudan; however, it is traded in small amounts at a time.[41]



On the road north of Qeissan © Mohamed Salah

On the Ethiopian side, low levels of industrialization and gaps in agricultural production in Benishangul-Gumuz were compensated for by spare parts, edible oil, sugar, salt and onions from Sudan. Sometimes, the same kind of goods crossed the border in different places, such as the Sudanese washing powder Wide, which is close to ubiquitous in Assosa and beyond in Ethiopia, and soap from Egypt coming to Sudan from Ethiopia. Similarly, shoes, perfume, fuel and gold found their way across the border in both directions.

In short, the lack of success of post-colonial official trade routes, including the one connecting western Ethiopia with Sudan via Kurmuk, does not mean a generally low level of contact between southern Blue Nile and Benishangul-Gumuz. Instead, trade routes that historically animated the territories—now subject to modern centralized

41 Direct observation by Mohamed Salah, November 2019.

states—merely became identified as contraband trade.[42] From a different perspective, these may be considered forms of exchange that continue in spite of the constraints outlined above, and thus a sign of the importance and resilience of cross-border relations, as the next section explains.

Borderland relations

When the international border was established, many communities did not move collectively to one or the other country; accordingly many communities straddle the border. This cross-border settlement pattern was also helped by the slow development of a regular governmental presence. Up to the 1950s the border town of Qeissan only had a police post, whereas the regional capital, first Roseiris and later Damazin, was the nearest government contact for these borderland communities.[43] Even in 2020, the presence of both central governments is evident in big strategic installations like dams, or military garrisons, or when local conflicts or conflicts between Sudan and Ethiopia caused either government to close or restrict borders.

Linguistic boundaries are sometimes more important markers of division, for example in the shared spaces of Gumuz, Berta and Arabic speakers in Sudan and Ethiopia versus those who are excluded from this regional and supra-regional *lingua franca*.

One example is the borderland around Menza–Almahal north of the Blue Nile.[44] Conversations with people from families who live on both sides of the border reveal interesting distinctions between different kinds of borders. For these people, a difference between Sudan and Ethiopia exists only as governmental procedure (*ijrā'ī*). A person living in Almahal (Ethiopia) goes to visit an uncle or aunt in Belguwa, not to Sudan. The existence of laws and registration is acknowledged but does not much occupy the mental geography or inner feelings (*al-šu'ūr wa-l-wijdān*). A person considers this a movement inside of his or her areas, inside his or her borders (*mutḥarrik fī ḥudūdū*), where there are no other borders with much relevance.

There is thus one geographical belt from Benishangul-Gumuz to Sennar where families inhabit a single social space across national boundaries and institutions: One cousin may be in the Ethiopian army, the other one in the Sudanese one; one day in Khartoum, the next in Addis Ababa; a house in Medani and another in Assosa town, and so on. A person buys perfumes, creams, etc. from the market in Almahal and brings them on motorcycle to Belguwa, where the same language is spoken.

42 Nur, 'The Sudan-Ethiopia boundary', 174, 186-7, also on mineral trade, 185-6.

43 One interviewee even claimed that security personnel only spoke with children in the past, to find things out, as adults were too unwelcoming to strangers. Interview with resident, Qeissan, 25 November 2019.

44 The following paragraphs are based on statements of a field researcher, who comes from the area (Bakori) and reflects on his own experiences and conversations during the fieldwork. Interview with field researcher, Khartoum, 22 January 2020.

The real border is considered Abyssinia (*ḥabašah*). People say, for example, 'We will go to the *ḥabaš*', to Amhara, Tigray and Oromo who are not part of their country (*waṭan*). If an Abyssinian woman, *ḥabašīyyah*, works in Belguwa (Sudan) as a tea seller, she is considered a foreigner, but if someone comes from Gubba (Ethiopia) and sits with a cousin and speaks in Gumuz, he or she is not a foreigner. In the same way, the Gumuz in Ethiopia interact with Oromo as foreigners, but sitting in Menza or Belguwa (Sudan), no one would presume they are from over there (Ethiopia), they are presumed to be from "here", the borderlands.[45] This blurring of boundaries is enacted and re-enacted on a daily basis by numerous people in the borderlands who live between Qeissan and Benishangul-Gumuz, and Blue Nile and Gubba, as traders, family members, and miners.

The terms with which border crossings are described are telling in this regard. For instance, a sheikh in Almahal stated that he constantly crosses over with 'citizens' (*muwāṭinīn*) and has citizenship in both countries.[46] The borders are never 'binding' (*mā 'indahā rabṭ*), as everybody involved is aware of cross-border family relations.[47] Accordingly, local border police are accustomed to accepting a wide range of reasons to cross the border, especially if someone is accompanied by someone else with an official status in the neighbouring country, whether Sudan or Ethiopia.

Insofar as legal channels go, passports are a prerogative of the central governments and require more prolonged stays and a convincing narrative of what binds the passport holder to the other country. But there is space for negotiation here as well: Those who are, from an administrative point of view, Sudanese can also make use of the presence of Arabic-speaking Berta in Benishangul-Gumuz to present themselves as Ethiopians and vice versa. If official recognition is sought, self-identification can thus be creatively adjusted to respond to administrative expectations in Ethiopia. The legal prohibition of dual citizenship in Ethiopia does not feature in these considerations.[48]

This indicates how international borders and border regimes are incorporated in social spaces but also transform these very spaces as they adjust to restrictions imposed on them. In the Blue Nile–Benishangul-Gumuz borderland, cross-border relations have not disappeared due to border trade policies but rather transformed into new ways of exchange and mobility. The regulatory restrictions introduced in the 2000s significantly

45 This also offers ample room for surprising anecdotes. One interviewee claimed, for instance, that an Ethiopian donkey cart driver in the market is a paternal cousin of Hassan Al-Turabi (1 February 1932—5 March 2016), who was a Sudanese Islamist politician crucial in the success of the 1989 coup that brought Omar al-Bashir to power. Interview with resident, Qeissan, 25 November 2019.

46 Interview with sheikh, Almahal, 18 November 2019.

47 However, the separation of South Sudan is mentioned in terms of changing this towards a more formalized process.

48 Interview with sheikh, Almahal, 18 November 2019. In a similar way, South Sudanese have a practice of declaring themselves Abyei Dinka when arriving in Sudan (although they may be Maban or Shilluk) so as to utilize the official claim of that region by the Sudanese government in order to legitimize themselves.

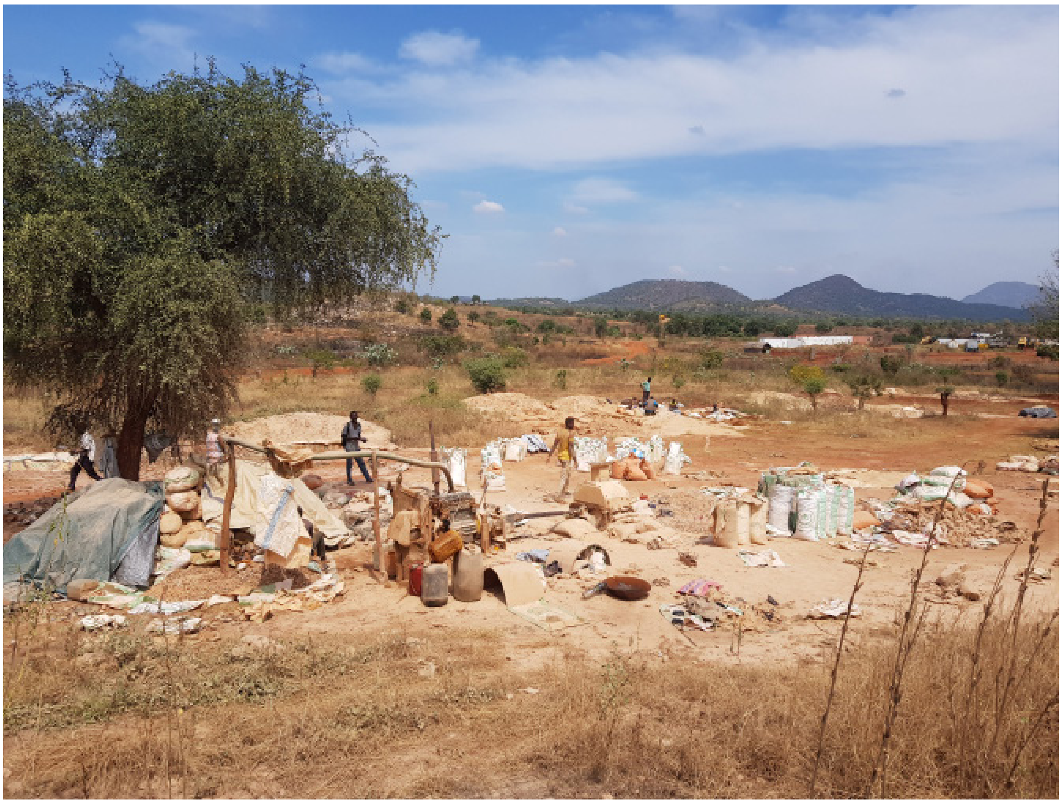
limited the mobility of goods, as other than the official border crossings cannot be used to move large amounts of goods. However, the mobility of individual persons—and the small amount of goods they could carry—continued relatively unhindered.[49]

The following chapters explain how this difference between the mobility of goods and the mobility of people is essential to present gold trade patterns. While central governments strive to regulate the gold sector—and thus increase their control over revenue flows in it—there are numerous incentives and means for local residents, miners and traders to circumvent such regulation. To some extent, this merely continues a historical struggle over opposing flows of resources—across the border or towards the capital. But the high environmental impact of gold mining and the high value of small amounts of gold add urgency to the matter, especially in times of economic crises: as governments hope to boost their budgets, households try to gain essential additional income.

49 EU Trust Fund for Africa, 'Cross-border analysis and mapping', 18-19.

4. Mining in the borderland

The following chapter describes the current developments in gold mining in the borderland of Sudan and Ethiopia. The two case studies used detail where and how mining takes place, how revenues are distributed, and how this is linked to historical and present state-citizen relations: the Qeissan (Sudan) study highlights the interplay between residents, migrant miners, military and other state actors; while the Kurmuk/ Sherkole (Ethiopia) study traces the gap between government revenue expectations and regulation of mining, and actual practices in the mining sites.



Part of Qeissan gold market with stone crusher © Mohamed Salah

Qeissan, Blue Nile state, Sudan

Qeissan is located on the eastern border between Blue Nile state and the Ethiopian region of Benishangul-Gumuz. At the end of the nineteenth century, it formed the northern extent of the sheikhdom of Benishangul under Khojali Adam and his son 'Abd al-Rahman aka Tur el Guri, as well as the southern extent of Ottoman expansion towards Abyssinia. It was part of an important trade route to Gubba, connecting inner Abyssinia with Sudan, a route important enough to feature centrally in the border negotiations between Britain and the Abyssinian Empire.[50] This trade route subsequently lost importance to new railroad connections to Qallabat/Metemma,[51] and was severed during World War II.[52] This also brought to an end a period of success for the trader-ruler class that had emerged in the nineteenth century and whose main commodities had been gold and slaves.

Similar to the Ethiopian regional state of Benishangul-Gumuz (see below) across the border, Qeissan lies close to gold-bearing areas.[53] External interest in local gold reserves can be traced back at least to the 1840s, when then governor of Sudan, Khalid Pasha, set up a camp with 3,000 men to protect the mechanical washing of gold-bearing sands supervised by Cairo-trained engineers.[54] Though this early industrial exploitation was brief, it presaged several long-lasting dynamics including: attempts to expand large-scale extraction projects into the region through superior extraction technologies (compared with existing artisanal practices); the different interests of central powers and local elites and communities; the organization of labour between quantity—of many slow manual labourers—and quality—of fewer but faster machines.

For most permanent residents in the area, mining had a double function of giving purchasing power for essential and other consumption items, and an extra resource in times of need, for example when food-crops have run out and additional food items have to be bought.[55] While gold trade was once essential for local rulers and imperial interests in the region, this represents the mineral's historically most continuous function. It also made gold mining of more than peripheral importance, as agricultural output remained generally low and unstable: small fields only provided the basic needs of sorghum, sesame, or beans (*lūbah*), which were augmented by animal products from roaming livestock. But even a few grammes of gold allowed whole communities to buy additional sorghum stocks, meat and other household needs, such as woollen clothes. Nevertheless, the gold output in and around Qeissan remained at a low level for most of the area's history.

50 Zewde, 'Relations between Ethiopia and the Sudan on the western Ethiopian frontier', 92, 96.

51 Alessandro Triulzi, *Salt, gold and legitimacy: Prelude to the history of a no-man's land, Belā Shangul, Wallaggā, Ethiopia (ca. 1800-1898)*, Napoli: Istituto Universitatorio Orientale, Seminario di Studi Africani, 1981, 125-127.

52 Tsega Endalew Etefa, *Inter-ethnic relations on a frontier: Mätakkäl (Ethiopia), 1898-1991,* Wiesbaden: Harrassowitz, 2006, 83-84.

53 This and the following paragraphs are based on eight interviews with residents, along with the author's observations, Qeissan, 24-26 November 2019.

54 R. L. Hill, 'An unpublished fragment of a manuscript concerning events in the Sudan, 1843-1848', *Sudan Notes and Records* 36/2 (1955), 118-119.

55 Gold featured in marriages as well, as dowries were also paid in gold.

Changes in scale, impact and profits

It is only in the last two decades that mining in Qeissan has seen significant transformation. Most importantly the nation-wide gold rush has brought people from all over Sudan to the area. This influx of external gold miners has brought two substantial changes to methods and organization: First, a change from small-scale washing of gold using water, with minor impact on the environment, to detectors and larger operations with a significant chemical footprint. Second, mining has changed from an individual household-based activity to heterogeneous groups, the profits of which communal representatives have tried to get a share of through taxes, as they perceived local resources to be depleted.[56]

In late 2019, there were a number of mining areas around Qeissan, although they did not reach the size of the other major mining zones in Blue Nile state. Whereas a so-called line (*khaṭṭ*) of mines could encompass over a hundred shafts in areas such as Belguwa, the Qeissan lines Gōsō 1 and Gōsō 2, for instance, had about 20 mines, with 8–10 miners working per mine.[57] Output is also generally comparatively small, with about 18–20 sacks (90 kg) of ore per month, depending on the season and terrain. Mines can turn out 1 kg gold in the rainy season and slightly more in the dry season.[58]

The prevailing techniques in areas around Qeissan are similar to those used in artisanal mining elsewhere. In addition to opportunistic discovery of surface gold, mines were initially not deeper than 2–3 m. During the 2010s, miners from western and northern mining areas introduced shafts that now reach 20–25 m, and in a rare case, one mine reached the water table at 75 m deep. At the same time, though now in decline, the search for surface gold also experienced an upward curve with the introduction of metal detectors, which are still a barely affordable item for most resident miners.[59]

The last decades saw stone crushing shift from manual labour to engine-driven sieves (*ġarbāl*) and mechanical stone crushers. Before 2018, there was only one engine-driven stone mill in Qeissan. The lack of infrastructure through the rocky surrounding areas

56 Another apparent change that has not been studied more closely in this area is an extension of women's mobility radius from fields and watercourses close to their houses to wider circles, such as markets. In general, they are equally involved in gold mining, mostly in gold washing as in other areas of Blue Nile state.

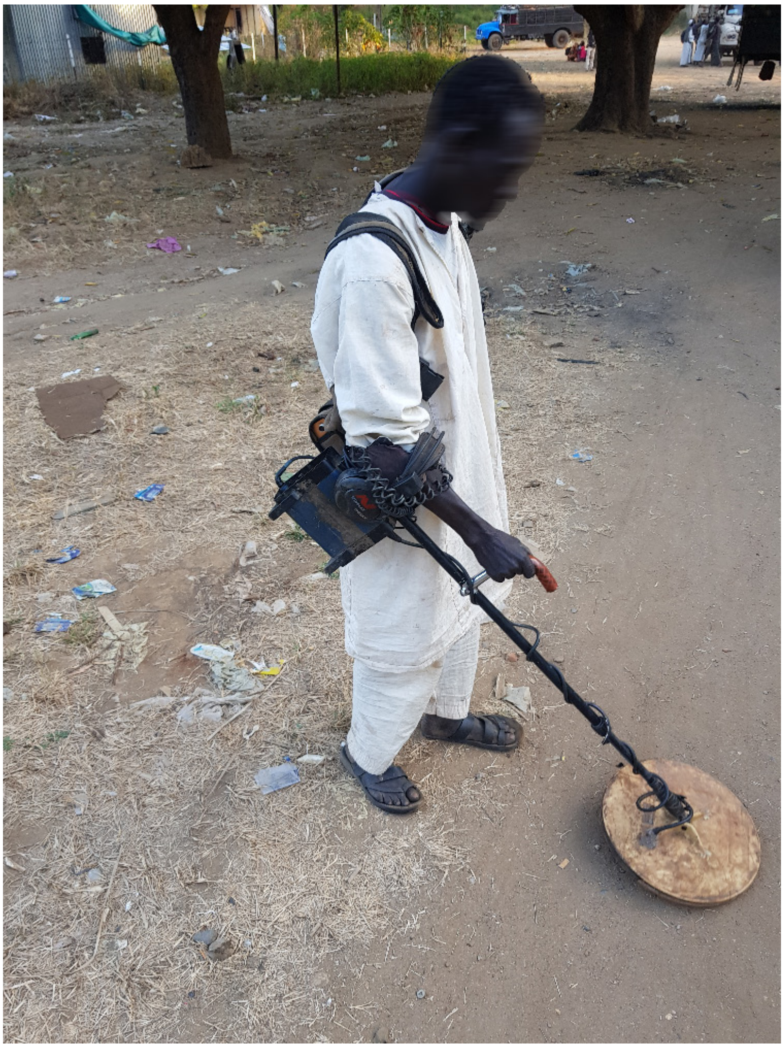
57 Miners generally work one shift (from 10 am to 1 pm), however, as coming and going takes several hours. The whole area may have about 400 to 500 miners off season and more than 1,000 during the main season.

58 In general, the dry season sees more mining than the rainy season. In the Qeissan area, this also interlocks with the agricultural season, as those searching for surface gold with detectors wait until the grass from the rainy season has been burnt down to prepare the fields. Although prospectors are allowed to search the fields, this is limited to 15 km (at most) from the settlement.

59 Costs for a metal detector quoted in Qeissan market in November 2019 are SDG 100,000 for the cheapest models (about USD 2,200, official rate), with the more expensive American models going up to SDG 600,000 or more. Observation by Mohamed Salah, November 2019.

made the transport of mechanized stone crushing equipment difficult and costly. Tractors, lorries and donkey carts were used as opportunities arose, instead of regular motorized transport as in other mining areas. Many stone mills have been installed directly at the mines now. After the rainy season in 2019, there were also three working machines in the Qeissan market.

Water is typically used to wash gold by turning the dust thought to contain gold in a wooden pan (*qadḥ*). Recently, however, mercury use was introduced. It is used without protective equipment, leading to direct skin exposure. In addition to common complaints (such as malaria and malnutrition), health issues prevalent in other areas where mercury is used consequently have begun to appear in Qeissan; for example, respiratory problems and urinary tract infections. The death of livestock, such as poultry, has also been related to changing mining practices.[60]



Gold miner with metal detector in Qeissan © Mohamed Salah

60 Derived from informal conversations during field research, Qeissan, 24–26 November 2019.

Control of profits

With the increasing availability of mining-related machinery and higher gold output, prices have also increased. One miner quotes the following cost structure per sack of gold ore (Table 1).

Table 1. Cost structure per sack of gold ore

Item	**Cost (in SDG)**	**Cost (in USD)**
empty sack	25	0.31
transport from mine to market	150	1.85
mill worker	250	3.08
mill worker assistant (*jarār*)	30	0.37
gold washing machine or basin worker	100	1.24
basin owner*	100	1.24
fee to communal leaders	150	1.85
Total	805	9.94

*Source: Interview with resident driver and miner, Qeissan, 24 November 2019. *Planned increase to SDG 150 in 2020.*

In November 2019, the local gold price was around SDG 2000 (USD 25) per gram. This meant that about 0.4 g of gold had to come out of each 90 kg sack of ore just to cover processing costs—an output far from certain. A combination of high processing costs and low productivity thus means that miners coming from other areas depend on sponsors to cover their debts for as long as necessary. In Qeissan, as elsewhere, this role was often played by in-migrating goldsmiths, who fund the miners and then subtract the costs the miners incur from the gold they have found, once the goldsmith has formed, weighed, classified and then purchased the gold from these same miners.[61]

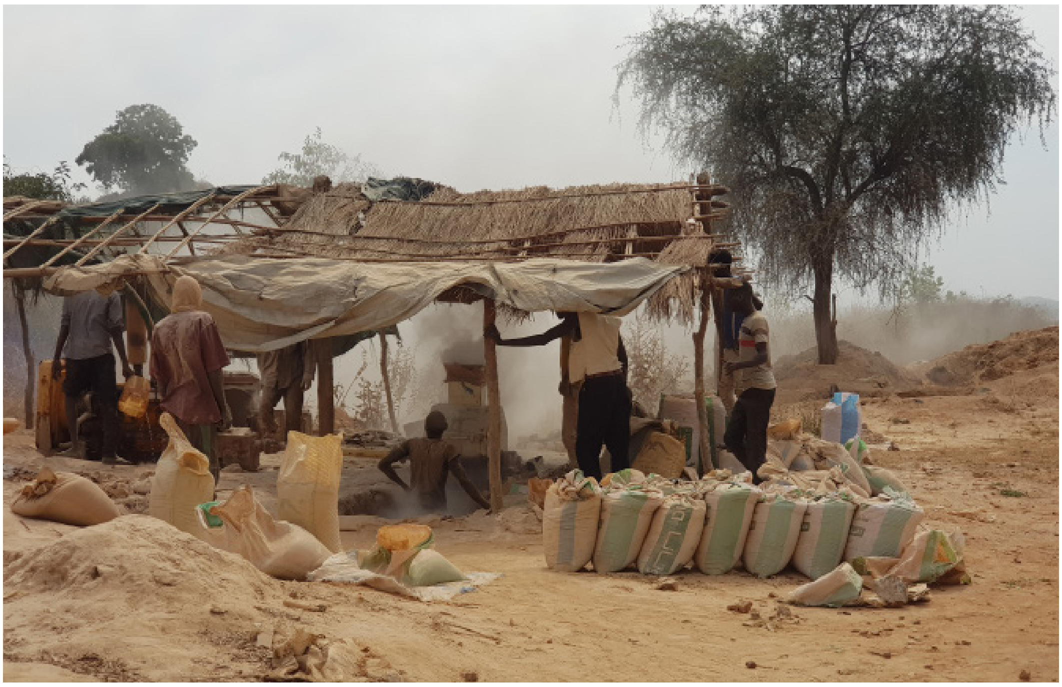
The fees to communal leaders (listed in the table above) indicates a growing sense among Qeissan's resident communities that they too should benefit from the increased levels of gold extracted by newcomers to the area. The fees were the result of a negotiation process that began with a demand that each miner entering Qeissan pay SDG 100 (USD 1.23) per day to local leaders, the sheikhs. In November 2019, an agreement was reached to increase this fee to SDG 150 (USD 1.85) per sack.[62] This was equivalent to the daily rates that the regulatory arm of the Ministry of Energy and Mining, the Sudanese Mineral Resources Company (SMRC), had established in gold markets elsewhere in Blue Nile state in the same year.

This demonstrates the competitive turn gold extraction has taken in recent years. In Qeissan, this was mostly a communal affair, as companies and governmental organs such as the Locality (*maḥalliyyah*) and the SMRC have close to no role in gold mining

61 Observation by Mohamed Salah, Qeissan, 24–26 November 2019.

62 Interview with resident driver and miner, Qeissan, 24 November 2019.

around Qeissan.[63] This also appears to reflect growing discontent over the lack of local benefit from gold mining, which dates back at least to the mid-2000s when the gold rush first started to affect the area. The new technologies for finding and extracting gold were obviously more effective than the older artisanal ways and visibly reduced gold reserves. The environmental damage from more invasive mining techniques, deforestation and mercury usage has also contributed to raising levels of local discontent.



Stone crusher close to Qeissan © Mohamed Salah

Local complaints now target in-migrating 'western' miners from Darfur and Kordofan. Earlier, however, initial conflict dynamics were focused on the Rashayda from eastern Sudan, who were one of the first proponents of the gold rush and were in Qeissan between 2006 and 2008. They operated in systematic ways previously unknown to local miners, with rows of ten men each carrying metal detectors and sweeping the area.[64] The subsequent depletion of surface and increasingly underground gold reserves limited mining activities and thus the future potential benefit to the local community in Qeissan.

63 The administrative levels in Sudan are state (*wilāyah*), locality (*maḥalliyyah*) and administrative unit (*wiḥda 'idāriyyah*).

64 In fact, the post-2005 demining campaigns introduced similar ways of surveying an area systematically. One resident pondered that they would have used the equipment for finding land mines in this way if they had been aware of its potential to detect gold. The term this interviewee uses is 'cleaning the ground' (*bi-yanaḍḍifū al-ariḍ*), which indicates that the resident population is not fully aware of what different devices can and cannot do; interview with resident, Qeissan, 25 November 2019.

This local depletion turned attention to adjacent areas with higher potential, especially areas under SPLM/A-N control. When war started in 2011, gold mining opportunities were thus strongly linked to the shifts in military control. For instance, a Sudanese Armed Forces (SAF) military camp in Umm Shaīfah, between Qeissan and SPLM/A-N territory, has been ostensibly established to protect Qeissan's residents but also marked the boundary between territories of gold extraction.

The militarization of mining, and the SAF presence in particular, has an ambiguous status in Blue Nile state. On the one hand, the army provides much-needed water (SDG 1,500 SDG [USD 18.50] for 10 barrels) and transport (SDG 150 SDG [USD 1.85] from the mine site to the mill, by tractor).[65] On the other hand, the gold mines border military zones that only mobile prospectors with metal detectors occasionally dare to enter.[66]

For the general population of Qeissan, the presence of the SAF elicits a mixed response. On the one hand, the military bases have largely kept fighting away from the residential areas. On the other hand, military personnel are seen as taking away local resources for their own benefit. As one interviewee bitterly noted, the tractors owned by the military that carry the gold ore of the migrant miners to the market have been financed with the gold that had been extracted from inside SAF's own military zones.[67]

Historical implications

Much of the social and political history of the region has been marked by trade connections and rule that is steeped in violence. Qeissan town, for instance, originated as a result of traders from areas further north, who took up permanent residence in the borderlands of Benishangul-Gumuz during the mid-nineteenth century.[68] Gold was a commodity that was central to this process. During this period, the expanding regional networks of traders (*jallāba*) based in the Nile Valley targeted these famously mineral rich areas for the exchange of goods but soon became involved in the extraction and trade of gold in ways that are discernible today.[69] For present descendants of these traders, their ancestors (*jidūd*, literally grandfathers) changed the character of exchange around this resource. According to these descendants, at that time, gold was merely gathered and only became a commodity for trade with the arrival of their forebearers,

65 This is in contrast to other areas, where the army is much more intrusive in the extraction process. In this area, only money is taken (not shares in ore), which is another indication of the low-grade gold coming from local production.

66 In at least one instance, this resulted in the confiscation of a mobile phone and the metal detector by army personnel. Interview with resident, Qeissan, 25 November 2019.

67 Interview with resident, Qeissan, 25 November 2019.

68 There was, however, also an ongoing process of in-migration that still persists. For example, one interviewee traced his family to 1920s in-migrants from Mahas in Kerma; interview with resident, Qeissan, 25 November 2019.

69 One of these networks was extended through adherents of the Khatmiyya Sufi order who forwarded local gold to the central markets in Medani and Khartoum; interview with resident, Qeissan, 24 November 2019.

who established the exchange networks around Qeissan and eventually integrated with longer-term inhabitants of the area.[70]

For those present-day residents of Qeissan who trace their historical lineage to mid-nineteenth century in-migrating traders, an essential element for their claims of social superiority often remains rooted in the role that they played opening up areas for trade, Islam and larger networks or regimes, of which they served as agents. This still remains the case even though their political power is dependent on their partial submission to larger state formations; for instance, by accepting National Congress Party (NCP) interference in local leadership. At the same time, these traditional or dynastic lines are often an important part in claims of communal representation.

The modern gold rush partly replicates the older patterns of how the central state and its agents interact with local hierarchies, but also challenges them. The increasing mechanisation of the industry, and integration into wider value chains, is comparable to the process by which the ancestors of local elites acquired a status of power, through trade and arrangements with larger state formations. But this time the low local returns vis-à-vis the more efficient work of outsiders (for example migrant miners and SAF) and economic dependence on outside traders and goldsmiths as well as mining's detrimental impact on the local environment, undermine the legitimacy of local elites as redistributors of wealth. A push for fees payable directly to communal leaders is has resulted.

Consequently, a larger role of governmental institutions, such as the SMRC, has been resisted by Qeissan's communal leaders. Resistance to SAF's role was less pronounced, due to the protection it is perceived to provide. But the reluctance to lose economic benefit to non-communal actors remains. This goes some way to explain the flourishing cross-border gold trade away from official pathways, to keep resources in the existing socio-cultural area of Benishangul to which Qeissan once belonged.

Kurmuk and Sherkole, Benishangul-Gumuz regional state, Ethiopia

A similar struggle over control of revenues from gold mining can be observed in Benishangul-Gumuz, though in a much more indirect way, as the central government has even less direct presence in the mining areas than is the case in Qeissan. As introduced in the last section, gold mining has a long history in the Benishangul-Gumuz region, but while the gold reserves were significant, they were often below expectations of imperial invaders. Local elites, often themselves migrants, built their wealth and authority through their monopoly of gold extraction, mostly through the exploitation of slave labour, which was what made artisanal mining in the area profitable.[71]

70 One of them said, '*kān al-nās bilimmū al-dahab sāy wa mā barifū yamalū bīhī shnū*' (The people collected gold for no reason and did not know what to do with it); interview with resident, Qeissan, 25 November 2019. Another resident claimed his ancestor Hassan Wad Al-Qasī as founder of Qeissan; interview with resident, Qeissan, 25 November 2019.

71 Triulzi, *Salt, gold and legitimacy.*

The gap between outsiders' and residents' expectations of the benefits from gold mining and trade still persists between industrial investors, the central and the regional government, and artisanal, communal miners. From an industrial exploration point of view, the Blue Nile-Benishangul borderland now lies between two highly productive industrial mines, Lega Dembi in Ethiopia (Oromia Region) and Hassaï in Sudan (Red Sea state). Nonetheless, commercial interest on the part of state and private investors remained limited so far. In early 2020, the Benishangul-Gumuz regional mining bureau mentioned only one large-scale production license, held by MIDROC Gold for a northern part of the region,[72] and one small-scale production license, acquired by Vintage Mining for Dangur *woreda* in Metekel zone.[73] Exploration for gold was said to be ongoing by Managem, Cripton, Nubian Gold and ASCOM; a Chinese company introduced refinery machines in Sherkole.[74]

The actual presence of these companies in the state was still limited and their activities remained obscure to the local officials in charge of the mining sector, although gold exploration licenses were known to have been issued for the *woredas* of Menge, Sherkole and Kurmuk. This shows not only how tentative mining companies' investment are in the region, but also the gap between central and regional decision-making on gold mining activities.[75]

There is a similar disconnect between expectations of state officials concerning the integration of artisanal mining into the national economy, and the actual ways gold is produced and distributed. In recent years, ambitious plans have been made to integrate gold production in this sector with legal pathways established by the NBE, in the aftermath of national policy changes after 2010. The regional mining bureau provided the

72 MIDROC Gold, owned by the Saudi–Ethiopian businessperson, Sheikh Mohamed Al-Amoudi, made discoveries in Bulen *woreda* in Metekel zone, where the company had held a license since 1997.

73 This is an Ethiopian company formed in 2014. The license allows for seven years of gold extraction of gold 1.1 km² in the *woreda.* The company cooperates with Russian experts in its operations.

74 Interview with official of the Benishangul-Gumuz Regional State Mining Resource Development Agency, Assosa town, 13 March 2020; interview with official of the Sherkole mining office, Sherkole, 18 February 2020. Compare with lists in Federal Democratic Republic of Ethiopia (FDRE), Ministry of Mines, and World Bank Group, 'Strategic assessment of the Ethiopian mineral sector', 24 and Ethiopian Extractive Industries Transparency (EEITI), 'EEITI report for the year ended 7 July 2014', Addis Ababa, 2016. In one interview, the company is called Chuwanja Fan. The only company officially listed for Sherkole was Donia Gonda Mineral Resource Co, with an exploration license from 2009, probably a sub-company or joint venture of Beijing Donia Resources Co. In an EITI follow-up report, for 2016–2017, the level of detail was greatly reduced and MIDROC was the only company listed with a license for Benishangul-Gumuz.

75 Interview with official of the Assosa zone mining office, Assosa town, 13 February 2020; interview with mining team leader at Assosa zone mining office, Assosa town, 13 February 2020. ASCOM was rumoured to have finally entered production after 13 years but this could not be verified by the mining agency.

following numbers on planned gold production and legal sales of gold to NBE agencies (Table 2).

Table 2. Artisanal gold: Planned production and sales (2015–2019)

Year	**Planned gold production (in kg)**	**Gold sold to NBE (in kg)**
July 2015–June 2016	1,500	985.9
July 2016–June 2017	1,900	406.0
July 2017–June 2018	1,300	43.9
July 2018–June 2019	1,000	54.3

Source: Benishangul-Gumuz Regional Mining Bureau, March 2020

The shortfall between planned gold production and gold reaching the NBE indicates that a sizable amount of gold was brought initially to the NBE agency. This is reflected in the increase in planned production, which was reduced over the next two years when it became clear that gold producers were not committed to the legal pathway of gold distribution. Voluntary compliance with the laws and regulations defined by the central government would have been essential, though, as neither the federal nor the regional authorities had any means to enforce them: The lack of investment in infrastructure also meant lack of efficient control. Paved roads and electricity are largely absent from gold mining areas in Benishangul-Gumuz regional state, such as the *woredas* of Sherkole and Kurmuk (although to a lesser extent).[76]

Mines and mining in Benishangul Gumuz

Gold is produced in all the three zone administrations of Benishangul-Gumuz regional state. Except for Pawe *woreda*, the remaining 19 *woredas* are all gold producing. The areas that border Sudan and South Sudan, which include 9 of these 19 *woredas*, are where gold mining and trade in gold are actively taking place.[77]

According to observations made by different studies between the late 1990s and the early 2010s, alluvial gold was the primary type of gold sought in these locations, and the search for gold moved along streams, valleys and catchments. The main gold mining season is during the dry season, starting October, until the beginning of the rainy season (February–April). The search for gold can also extend into the rainy season, when water is more plentiful and students break from schools and universities. Since the dry period

76 EU Trust Fund for Africa, 'Cross-border analysis and mapping', 8.

77 This includes the *woredas* of Mao Komo, Gubba, Dangur, Assosa, Kurmuk, Sherkole, Menge, Homosho and Oda Buldigilu; the latter six are all in Assosa zone. Interview with official of the Assosa zone mining office, Assosa town, 13 February 2020. See also: Tadess, 'Artisan mining operation and its economic values, Ethiopia', 10.

is also the hottest of the year, working hours are in the morning and in the late afternoon.[78]

Few people who pan for alluvial gold do so for more than six months at a time. Because the work is repetitive and only brings slow returns, it does not hold the attention of miners for long. Critical shortages and shortcomings of mining sites further deter long stays. For seasonal miners, agricultural seasons determined the time they can invest in mining.[79] The specific rhythm and organization of labour thus differs according to the personal situation and goals of a given miner.

The physical and social structures of the mining operation also play a role, and this is where changes in present practices can be observed compared to studies conducted until the early 2010s. Two sites were visited in February 2020, Melahu in Sherkole *woreda* and Dulshatalo in Kurmuk *woreda*, and observations and accompanying interviews offer deeper insight into these practices.[80]

Similar to the mining sites in the Qeissan area, the two mining areas were located in poorly accessible areas without paved roads or telecommunication networks; electricity is only provided by generators.[81] In Melahu, mining operations were subsequently largely manual. It was common for shafts of 40 m to be hand dug, with only a few miners having access to jackhammers that are powered by the generators.[82] Transport was even more difficult than in Qeissan, given the absence of motorized vehicles and even pack animals; for example, a miner in Dulshatalo described how they must carry crushed gold ore on their shoulders for 40 minutes to reach the mills.[83]

But the existence of shafts also indicates a change in the social structure of mining sites. Sherkole *woreda*, for instance, is highly specialized in gold mining, with no significant farming activities in its 19 *kebeles* and children dropping out of school to enter into

78 The tropical climate is prone to human and animal diseases, such as malaria, and the height of the dry season (November–April) brings water scarcity and average temperatures of 28–34 degrees Celsius. See Ethiopian Roads Authority, ‘Feasibility study and environmental impact assessment for Assosa-Guba Road Project: Final Environmental Impact Assessment’, Addis Ababa, 2001, 42; Tadess, ‘Artisan mining operation and its economic values, Ethiopia’, 26.

79 Tadess, ‘Artisan mining operation and its economic values, Ethiopia’, 29.

80 Melahu in Sherkole *woreda* is closest to Sherkole town, with a direct road connection to Qeissan, and close to Assosa town via Menge. Dulshatalo in Kurmuk *woreda* is closest to Hor Azahab town, with a direct road connection to Kurmuk and Assosa town.

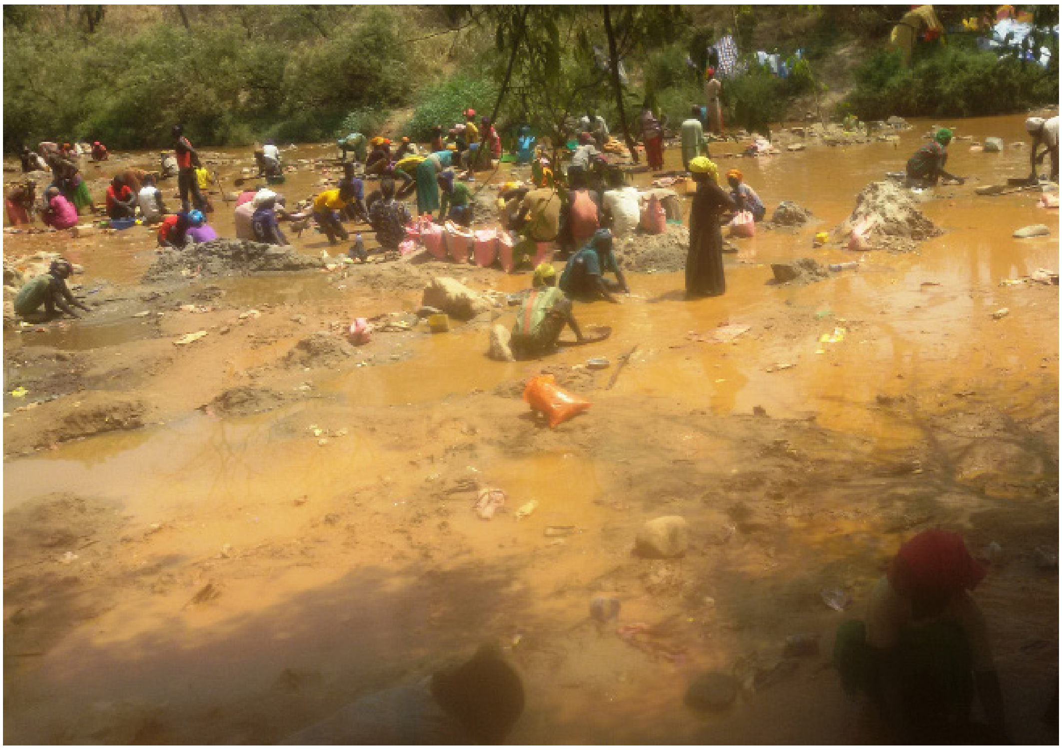
81 Interview with miner from Duleshatalo, Assosa town, 11 March 2020.

82 Interview with official of the Assosa zone mining office, Assosa town, 13 February 2020; interview with Sudanese miner, Melahu, 18 February 2020; interview with miner from Melahu, Assosa town, 10 March 2020. A mechanic selling gold production equipment and doing repairs on such equipment across Assosa *woreda* clearly states that he acquired most of the equipment from Sudan via Qeissan. He had learned the trade from his father. Interview with trader and mechanic of gold mining equipment, Assosa town, 24 February 2020.

83 Interview with miner from Duleshatalo, Assosa town, 11 March 2020.

mining activities.[84] With an overall population of about 25,000, each of the 19 administrative units has its own gold producer cooperative, licensed at the regional level by the mining agency, with a concession of 2 hectares of land for exploration and production.[85]

But family- and cooperative-based panning with the broad participation of women, children and elders has begun to give way to individual miners or groups of men digging shafts. Where there was only alluvial gold before, relatively easy to wash, depleting findings shifted the work to underground mines, a much more physically demanding task.



Gold washing in Tumet river, Melahu © Tsegaye Birhanu

Families washing gold together at the river are thus increasingly replaced by male-dominated mining sites. At the same time, no economic alternative arose for families thus disadvantaged and, as a consequence, not just the dependence on gold mining but also women's dependence on income produced by males can be expected to increase.

84 One interviewee indicates that a weed problem had reduced agricultural activities in Kurmuk, Sherkole and Menge *woredas*, further deepening dependence on gold mining and purchasing food items from nearby producing areas, such as Assosa, Homosha and Oda *woredas*. Interview with trader and miner, Assosa town, 11 March 2020.

85 Interview with official of the Sherkole mining office, Sherkole town, 18 February 2020; interview with official of the Benishangul-Gumuz Regional State Mining Resource Development Agency, Assosa town, 26 February 2020. Melahu had a total of six cooperatives active side by side—the most important employer in the area; interview with miner from Melahu, Assosa town, 10 March 2020.

The cooperatives were also intended to regulate operational details, such as the use of chemicals. When mercury was introduced around the mid-2000s, its use was only permitted for licensed cooperatives; it still remains illegal for individual artisanal miners to use chemicals in the washing process.[86] Effectively, this cannot be enforced, however, due to a lack of monitoring capacities.[87] The practice may have an even worse environmental impact than in the Sudanese mining areas, as much of the gold washing takes place in running water, such as Tumet river in Melahu, a tributary of the Blue Nile.[88] In fact, a goldwasher in Melahu stated that they acquired mercury from Sudan, thereby bypassing regulatory systems in Ethiopia.[89]

State regulation and organization of the mining sector

To some extent, societal dynamics moved here in a similar direction as government policies. The Ethiopian licensing scheme classifies gold miners into unlicensed individuals, licensed entities (especially cooperatives), small or large-scale special producers and private companies.[90] In sparsely populated areas with a high level of mining activities, cooperatives were the main form of governmental attempts to extend control over extractive activities. Some of these cooperatives specifically targeted local development, such as the cooperatives for unemployed youth organized by a government revolving fund.[91]

The first half of the 2010s saw a remarkable but largely unannounced shift in how Ethiopian legislators envisaged the sector to be organized. According to the Mining Operations Proclamation (No. 678/2010), a license for artisanal mining could be acquired for three years, to be extended twice for a maximum period of nine years (Art. 32/3). The priority remained the most intensive and extensive exploitation of mineral resource, so a license could be revoked and compensated or relocated if another licensee appears better equipped to achieve that goal in the specific location (Art. 32/5–7). A 2013 amendment introduced the differentiation between artisanal mining and special small-scale mining, where the former is defined, in Art. 2/2, as 'a mining operation carried out by individuals or small and micro-enterprises which is mostly of manual nature and does not involve the engagement of employed workers'. Special small-scale miners are upgraded artis-

86 Interview with mining team leader at Assosa zone mining office, Assosa town, 13 February 2020.

87 Interview with official of the Benishangul-Gumuz Regional State Mining Resource Development Agency, Assosa town, 26 February 2020.

88 The gendering of tasks follows similar lines, as women are most prominent during the washing process, while digging and trade are male tasks. This means that the health effects of mercury use are also gendered.

89 Interview with gold washer, Melahu, 18 February 2020.

90 In fact, if licensed small-scale producers successfully pass a review on an annual audit report, they can be designated as small-scale special producers, which allows them to import gold production equipment duty-free. Interview with official of the Benishangul-Gumuz Regional State Mining Resource Development Agency, Assosa town, 26 February 2020.

91 Interview with official of the Assosa zone mining office, Assosa town, 13 February 2020.

anal miners or small- and micro-enterprises that can demonstrate 'financial capacity to employ modern machineries and equipment in such operations'.

The most significant change was, however, that artisanal mining licenses were reduced to a maximum of two years without option of extension (Art. 34/3–4), while special small-scale mining licenses could last 10 years with one extension by 5 years (Art. 35). Reporting requirements were also made stricter, with monthly report of production numbers and quarterly sale to licensed agents (Art. 36). This also implied a close-to dismissal of cooperatives of artisanal miners, as two years are not a viable time-frame for any organization, and the amendment 'has deleted the relevance of the mining cooperative'.[92] This was more the case as some states had only started to form mining cooperatives systematically, earliest in Oromia (2006), but only since 2010 in Amhara, SNNPR and Benishangul-Gumuz.[93] The prohibition of modern technology and employees, and the requirement of professional competence, which is generally lacking, all contribute to the impression of one target group being pitched against another: instead of long-experienced communal miners in their own areas where different household members fulfil different roles, according to their ability, there is a short on-off of young entrepreneurs in search of quick capital to found another business, or a larger operation.[94]

Overall, government's intentions seem to have misfired: while encouragement of youth to go mining increased artisanal mining activities (also decreasing farmland availability and productivity, as well as in-migration), the envisaged formation of small and medium-sized enterprises (SMEs) by these youth, as a kind of job creation, was negligible.[95] As a result, informal and so-called illicit mining increased rather than decreased. In fact, unlicensed miners found themselves in an advantageous position.

> The latter operates its mining activities anywhere the resource is available (not confined to a specific area) even crossing boundaries of kebeles or even woredas. This shows that illegal miners have a better opportunity of accessing resources than the legally entitled miners who are restricted to one location only. There is no government attempt to control this informal practice in any of the regions visited. The situation has prompted the legal miners to follow the illegal practices to mine anywhere accessible to them. Nowadays artisan mining is dominated by unlicensed miners and licensing has become only a nominal desk work.[96]

92 Tadess, 'Artisan mining operation and its economic values, Ethiopia', 3, 16.
93 Tadess, 'Artisan mining operation and its economic values, Ethiopia', 24.
94 Tadess, 'Artisan mining operation and its economic values, Ethiopia', 16.
95 Tadess, 'Artisan mining operation and its economic values, Ethiopia', 24.
96 Tadess, 'Artisan mining operation and its economic values, Ethiopia', 18.

Dependency and emancipation

The case studies of Qeissan and Kurmuk/Sherkole showed two present-day dynamics in gold mining that are crucial for the cross-border exchange relations to be discussed in the following chapter:

One, gold is an important economic resource for the resident farming population, as it provides something to fall back on in times of economic need. However, the available techniques and low concentration of the mineral in the ore did not allow, for most of history, to accumulate enough wealth from gold mining to change the population's basic economic situation. Such accumulation was made possible only in combination with cheap labour (slavery in the nineteenth and early twentieth centuries), trade outside the region and, more recently, technological advances (mechanisation, metal detectors). Gold as a source of wealth came thus with a number of dependencies and was strongly connected to the development of rule over the region: historically, these were immigrant traders, who enslaved the population and controlled trade through their relationship with supra-regional powers; nowadays, these are miners and traders from other areas, companies, and military actors. But the low productivity of mines still means that it is a risky investment for most, and new structures of debt (e.g. to goldsmiths, intermediary traders) appeared.

Second, the remoteness and low connectivity of mining areas meant that outside control over the extraction process remained difficult. The national governments of Sudan and Ethiopia have a general interest in gold as source of revenue but invest little in the areas where gold mining takes place. While many regulations and policies were issued during the last decade, this meant that their implementation relied on a sense of civic duty for compliance, as local administrations were not in the position to enforce them. The exact distribution of revenues depended thus on the specific power structures in the mining areas.

The two case studies also differed in several points that are important to be taken notice of. Mining around Qeissan is dominated by non-resident populations, migrant labourers and military personnel, and local elites struggle to become part of the revenue distribution, also in competition with the organs of the central and the state government. Mining in Kurmuk and Sherkole, on the other hand, is now mostly done by the resident populations, who resist governmental attempts towards regulation (licensing) and transformation of communal cooperatives into individual enterprises. But their mining activities are also slow to generate returns and depend on trade links that swiftly monetize their gold (see next chapter).

This difference is relevant because it creates complementary interests on both sides of the border: in Benishangul-Gumuz, the extraction of a mineral resource that needs to be turned into money as fast and as profitable as possible; in Blue Nile state, a ready trade network with high competition between local and supra-regional traders. The following chapter will show that this complementarity gives—in combination with historical social ties—resilience to cross-border exchanges over the border regime of the national and regional governments.

5. Cross-border exchanges in gold mining and trade

This chapter reviews developments over the last decade in cross-border exchanges between Benishangul-Gumuz and Blue Nile state, with focus on gold mining and trade in the areas around Qeissan and Kurmuk/Sherkole. It redraws how the mobility of miners from Sudan was initially crucial to a revival of mining activities in Ethiopia but has reduced over the years. At the same time, the mobility of traders over the border became an essential part of the distribution of gold, an arrangement going back to the different treatment of mobility of goods and mobility of people (see above).

Mining and migration in Benishangul-Gumuz

During the last decade, mobility across the Sudan-Ethiopia border has fluctuated in particular during periods of armed conflict. Fighting in the Two Areas after South Sudan's independence saw a flow of Sudanese refugees arriving in Ethiopia, but a reduction in routine intra-communal movement across the border.

The exchange of mining labour across the border saw similar fluctuations but for different reasons. Since late 2010, it was Sudanese miners that drove technological innovation in Ethiopia, which has increased the speed of depletion of surface resources and thus increased competition over those remaining. Over the last few years, this has led to more exclusionary tendencies against non-residents in Ethiopian mining areas, not just Sudanese but also Ethiopians from other regions. Nevertheless, Sudanese refugees did become involved in mining in Sherkole.[97]

These seemingly contradictory developments come from the different levels on which mining and migration take place: while there are pronounced differences between how the gold sector works in Sudan and Ethiopia, there are also cross-border communal ties and mobility patterns that connect them, or even make them, locally, interdependent. A Sudanese man with family ties in southern Benishangul-Gumuz, for instance, explained that he became involved in gold mining while visiting his maternal uncle. To do so, however, he had to join the local *kebele* cooperative, as 'they don't want somebody

97 Sarah Vaughan, Ketema Wakjira and Tsegaye Birhanu, 'Benishangul Gumuz report: Refugee and host community context analysis', London: ODI, 2019, 24.

just to hang around'.[98] Other miners compared the greater number of communal structures around mining in Ethiopia to the more open ones in Sudan, where starting a mine in an unclaimed spot was said to be possible for anyone.[99]

The situation of Sudanese miners in Ethiopia is thus complex. In the mining sites visited in Benishangul-Gumuz, Berta were generally regarded as the traditional miners whose economy and skills are built around this activity, and Sherkole *woreda* is almost exclusively inhabited by the Berta.[100] When miners in Melahu speak of the presence of many Sudanese labourers there,[101] the meaning is difficult to interpret. Is this a reference to Berta relatives from across the border? Is it referring to miners from other regions? Does this mean the refugees who have remained in Ethiopia for more than 20 years and are engaged in illegal gold mining but who are locally tolerated as knowledgeable co-workers?

In contrast, in-migrant Sudanese miners crossing into Gumuz areas in northern Benishangul-Gumuz have experienced a much harsher treatment over the years.[102] The technological innovations that powered the gold rush in Sudan (metal detectors, engine-driven sieves, stone crushers, mercury) were slowly carried into northern Benishangul-Gumuz mining. Previously a Sudanese person who owned such equipment crossed over with a metal detector and made—as investor—an agreement with local residents on a share of the gold that was discovered, as well as did most of the work; since the ratio of pure surface gold was comparatively high in 2010, this was a profitable arrangement for all.[103]

More recently, despite greater knowledge and experience of these technologies compared to their Ethiopian counterparts, Sudanese miners and investors were seen as depleting local resources in these northern Benishangul-Gumuz mining areas, and their

98 Interview with miner, Belguwa, 22 November 2019. In legal terms, while inclusion in cooperatives remains an individual choice for Ethiopians, several Sudanese miners report that they have no choice but to join such cooperatives, which are representative communal entities similar to the mining committees in Sudan. As in Sudan, the cooperatives regulate the payment of shares. It should also not be forgotten that cooperatives are mostly formalized extensions of communal service practices that already exist. They have numerous different forms and conventional solutions to its organizational problems. For Metekel, see Etefa, *Inter-ethnic relations on a frontier,* 118–20.

99 Author observation, November 2019; interview with field researcher, Khartoum, 22 January 2020.

100 Interview with official of the Benishangul-Gumuz Regional State Mining Resource Development Agency, Assosa town, 12 February 2020; interview with mining team leader at Assosa zone mining office, Assosa town, 13 February 2020.

101 Interview with gold washer, Melahu, 18 February 2020.

102 Author observation, November 2019; Interview with field researcher, Khartoum, 22 January 2020.

103 Interview with goldsmith, Belguwa, 7 August 2019.

situation became more precarious. This may also be related to the greater Ethiopian government focus on this mineral resource.[104]

Sudanese migrant miners and investors who were used to the previous lenient arrangements in the Gumuz areas of Ethiopia found themselves increasingly under pressure to accept much less favourable terms from local communities. Higher shares and exclusive access to the mine for the landholding community meant that the Sudanese owner of a metal detector could be easily cheated or even cut out. With threats to alert Ethiopian military intelligence, local (Gumuz) leaders could enforce a better bargain and three-way split in shares, for themselves, for the Sudanese owners of metal detectors and for labourers from their own community. In addition, the metal detector could be expropriated (at a below market price) from its Sudanese owner, since it had no legal status thereby maximizing economic benefits to local communities.[105]

In late 2019, Sudanese miners indicated that they would not go to Gumuz areas in Ethiopia for mining at all. They cited numerous cases of Sudanese miners being forced out of mining areas or exploited under threat of being handed over to Ethiopian state authorities. Sudanese miners are still often consulted when there are problems, but they are generally excluded from the bulk of gold mining operations.[106] Consequently, what was once a normal activity for investors, such as going anywhere with a metal detector, has now become a risky clandestine business undertaken with empowered partners.

Regardless, a common characteristic shared by those described as 'Sudanese labourers' lies in the danger that they can be expelled when discovered by the authorities. This, however, happens infrequently. An illegal miner from South Kordofan who had been in Melahu for almost a year reflected that not only has his administrative status never been challenged during this period, but said that he has felt welcome by local residents. Only a month later, though, a fellow miner noted the decreasing numbers of Sudanese labourers due to expulsions.[107]

Mining and migration in Blue Nile

Protectionist tendencies—local and national—have increased on the Sudanese side of the border. A prohibition on foreign miners engaging in artisanal mining in Blue Nile state was declared in October 2016 by the SMRC.[108] Once again, local arrangements

104 FDRE National Planning Commission, 'Growth and transformation plan II, Volume I: main text', Addis Ababa, 2016, 16.

105 Interview with prospector from Omdurman, Belguwa, 7 August 2019.

106 Interview with driver, Qeissan, 24 November 2019; interview with resident, Qeissan, 26 November 2019. This even extends to the families in Sudan, who admonish those crossing over for mining. Interview with driver, Qeissan, 24 November 2019.

107 Interview with Sudanese miner, Melahu, 18 February 2020; interview with miner from Melahu, Assosa, 10 March 2020.

108 Al Yawm Al-Tali, 'Foreigners prohibited from traditional mining in Blue Nile' [in Arabic]. *Alnilin*. 3 March 2016. Accessed 16 March 2021, https://www.alnilin.com/12814739.htm.

found ways around this legal regulation. The higher concentration of gold in Blue Nile state mining areas, as well as the higher technical standards introduced by the use of metal detectors, continued to attract Ethiopians and South Sudanese, who took on legally acceptable roles (as service personnel, selling tea, serving meals, etc.). Covert labour or arrangements with Sudanese officials on mining sites, however, nevertheless allowed them to engage in mining.

The 2016 prohibition also did not stop Ethiopians with communal links to local Sudanese communities, who regularly come and go between both countries, some of whom have two passports and part-time residence or real estate in Sudan, from artisanal gold mining; nor did it prevent ethnic groups such as the Berta and Gumuz who reside on both sides of the border from engaging in artisanal mining in Sudan.[109] The 2016 prohibition thus ignored the long-term exchange relations in the borderland and was subsequently sidelined.

Social boundaries and ties superseding national borders apply here, as well. A group of miners from the Amhara region, working in different areas throughout Sudan since 2009, stated that they preferred to mine there—occasional problems with Sudanese authorities notwithstanding. The restrictive system in Ethiopia, with its limited licensing system for cooperatives, requires at least six people to jointly register to mine in only one location and, moreover, prohibits them from working in Sudan. But they contrasted their treatment in other areas, such as Sudan's Northern state, with the situation in Blue Nile state where it is illegal for them to work regardless of their administrative status. The most prohibitive location for in-migrant Amhara miners, was, according to them, in Gumuz areas in either Ethiopia or Sudan, where they might be killed if found searching for gold.[110]

Administrative rules and communal ties

The strengths and limits of communal ties are simultaneously competing with and instrumentalized by both central governments in their attempts to increase state control while avoiding a potential backlash. An official from the Benishangul-Gumuz mining agency clearly formulated this tense contradiction between administrative and communal rules: The close relation of Sudanese labourers with communities in Ethiopia allows them to cross borders and work without official impediment—they are simply unknown to authorities on both sides—while they can still be subjected to punishment should they be apprehended by these same authorities.[111]

109 Interview with miner from Metemma, Damazin, 13 November 2019.

110 Interview with group of miners from Amhara, Damazin, 15 November 2019. The remainder of information in this paragraph is derived from this interview source.

111 Interview with official of the Benishangul-Gumuz Regional State Mining Resource Development Agency, Assosa town, 25 February 2020.

It should be remembered, however, that in the context of ethnopolitics in Ethiopia, the same is also the case for Ethiopian highlanders (Amhara, Oromo and Tigray), who are not allowed to mine or otherwise work in most gold mining areas of Benishangul-Gumuz. It is, in fact, easier for Sudanese miners to circumvent the prohibition given cultural, religious and linguistic ties to the local inhabitants than it is for Ethiopian highlanders, who are physically and culturally much more distinct.

The description of actors according to their administrative nationality is thus not only misleading, as being Sudanese or Ethiopian can often be a situational identification that fits best what actors want or are ready to allow to happen. It also misses an essential aspect in this context; namely, that belonging is both a limitation and a resource: It is national law in Ethiopia that protects their communal claims to gold resources in their residential area, whether from foreigners or Ethiopians from other regions. But when Berta, historically linked to northern and central Sudan, cross over the Ethiopian-Sudanese border to their families, they may carry with them goods, such as gold—an illegal act according to national law, but not problematic in frame of existing communal rules of exchange. A closer look at these exchange relations beyond state borders is helpful in this regard.

Trade licenses and official trade in Ethiopia

In spite of administrative measures aimed at better integrating the communal borderland economy into national system of resource distribution, the main flow of the means of production—mainly labour and machinery—into Ethiopia,[112] and of gold back to Sudan, has not been significantly interrupted.

Over the past two decades the long-standing informal local exchange in gold has been targeted as contraband trade, in parallel with higher market prices and growing interest of the Ethiopian government. For example, one trader reflects on the changes between the late 1980s when he started to trade with gold and the start of regulations in 2010. Before regulation, the price of gold was generally low, at about ETB 50 per gram, but he operated freely. As price and production increased, and the requirement was introduced to sell gold to NBE agents, he had to acquire a license that limited where he could trade.[113]

112 The fact that mostly unlicensed stone crushers from Sudan are widely used indicates the existence of unofficial alternatives to importation and the licensing system upon which it is based. Interview with official of the Assosa zone mining office, Assosa, town, 13 February 2020; interview with Sudanese miner, Melahu, 18 February 2020; interview with miner from Melahu, Assosa town, 10 March 2020. A mechanic selling gold production equipment and doing repairs on such equipment across Assosa *woreda* clearly states that he acquired most of the equipment from Sudan via Qeissan. He had learned the trade from his father. Interview with trader and mechanic of gold mining equipment, Assosa town, 24 February 2020.

113 Interview with senior licensed gold trader, Assosa town, 24 February 2020. Another step is to lower the minimum saleable amount to 50 g of gold in order to include small-scale traders. Interview with mining team leader at Assosa zone mining office, Assosa town, 13 February 2020.

In the 2000s, with a steadily increasing interest in controlling the gold trade, attempts were made by the Ethiopian government to streamline the distribution of gold into a standardized value chain that connected miners via licensed brokers to gold purchasing centres (GPC), which acted as agents for the NBE. The involvement of brokers or cooperatives was necessary due to a minimum of 250 g on purchases of gold, which meant individual miners were explicitly excluded from direct contact with the GPC. Licensees prove their commitment to this value chain by paying taxes to the regional revenue authority, which has to confirm this tax payment before a license can be renewed.[114]

A study of this specific value chain in Menge *woreda* in the late 2000s, detailed this idealized exchange network: Market points connect artisanal miners with the NBE, with an average price increase of ETB 9.65 per gram of gold per transaction, accumulating to an average of ETB 67.25 per gram. These market points include: Production site–village market–Shegol market–Menge market–Assosa market–Addis Ababa–NBE (linked to world market price).[115]

Submissions to the NBE reached a peak up to 2014, with overall gold purchases by the bank all over Ethiopia reaching 8,328 kg in 2011–12 and 8,387 kg in 2012–13.[116] A 2016 World Bank mining sector assessment still claims strong functionality for the official value chain and quotes a jeweller saying only 2–3 per cent of produced gold is traded illicitly, a rate suspected to decrease with the opening of more GPC branches that saved the long trip to the capital.[117]

It is interesting to note that Benishangul-Gumuz is listed as the only region where estimated 2014 production (1,065 kg) was close (actually below) to the NBE purchases in Assosa for the same year (1,088.5 kg).[118] However, studies on artisanal mining in the mid-2010s suggest that only 39 per cent of total production was going through official channels by then.[119] As indicated in the chapter on gold mining, this seems to have been

114 World Bank, 'Ethiopia mining sector development: Policy and legislative options report', Washington, DC: World Bank Group, 2016, 84.

115 Tesfaye Asmare Birrle, 'Marketing margin of artisanal gold miners of Menge wereda, Benishangul Gumuz Region, Ethiopia', MA thesis, Mekelle University, Mekelle, 2010, 69.

116 Tadess, 'Artisan mining operation and its economic values, Ethiopia', 36.

117 World Bank, 'Ethiopia mining sector development', 84. This directly contradicts an earlier report issued by the Ministry of Mines and the World Bank where 'smuggling and illicit sales of gold to non-licensed buyers is reported to be rather widespread' and in need of further study. FDRE, Ministry of Mines, and World Bank Group, 'Strategic assessment of the Ethiopian mineral sector: Final report', 2014, 69.

118 Tadess, 'Artisan mining operation and its economic values, Ethiopia', 30–31.

119 Tadess, 'Artisan mining operation and its economic values, Ethiopia', 4. Suggested alternative endpoints before export are retailers in Addis Ababa, foreign tourists and others travelling abroad. See, Tadess, 'Artisan mining operation and its economic values, Ethiopia', 30. Also see the figure on page 32 with a simplified diagram showing the parallel working of legal and illegal producers, collectors and ultimate purchasers, all ultimately feeding export. It is suggested that brokers are essential transitional actors between both spheres. Tadess, 'Artisan mining operation and its economic values, Ethiopia', 32.

a general trend: up to 2014, compliance with the official trade system was high, but plummeted in the subsequent years.

In 2020, officials of the mining agency in Benishangul-Gumuz and local mining offices still suspected that actual gold production has steadily increased but that most of the gold ends up in cross-border markets as a result of black market exchanges and smuggling. Shortly after better equipment (mostly illegally brought in from Sudan) was introduced to the area in 2012, 700 kg of gold was sold to the NBE from Assosa *woreda*; however, these amounts have decreased ever since in parallel to increased mining activity.[120] Trade through the official agency also did not necessarily entail a consequent engagement with tax authorities.[121] The gap between collectable royalties (based on officially trade gold) and actually collected royalties for 2014 was ETB 3,919,481, more than ten times the former.[122]

In addition, the licensing of traders did not link up with sales through official channels, as the number of licensed traders increased four times between 2015 and 2019, while gold sales to the NBE became about 18 times less (Table 5).

Table 3. Actual gold sales to the NBE compared to number of licensed gold traders in Benishangul-Gumuz region

Year	**Actual gold sales to the NBE (in kg)**	**Number of licensed traders**
July 2015–June 2016	985.9	10
July 2016–June 2017	406.0	19
July 2017–June 2018	43.9	29
July 2018–June 2019	54.3	42

Source: Benishangul-Gumuz Regional State Mining Resource Development Agency, February 2020

Mining licenses offer a similar pattern: The fiscal year with the highest output, 2015–16, actually had only two licensed special small-scale producers allowed to use heavy machinery, against 13 licensed artisanal miners or miner cooperatives only permitted to do manual work. Preliminary numbers from the fiscal year 2019–20 show a similar

120 Interview with official of the Assosa Zone Mining Office, 13 February 2020; Interview with Mining Team Leader at Assosa Zone Mining Office, Assosa town, 13 February 2020; Interview with official of the Sherkole Mining Office, Sherkole, 18 February 2020. In 2019–20, the planned gold production in this *woreda* was 500 kg, but the half-year report showed only 14.15 kg sold through official channels; interview with Mining Team Leader at Assosa Zone Mining Office, Assosa town, 13 February 2020. In Sherkole, planned output was 100 kg, with less than 2 kg officially reported until February 2020; interview with official of the Sherkole Mining Office, Sherkole, 18 February 2020.

121 Transactions have been subject to taxation and royalties at least since the 2001 Precious Mineral Transaction Proclamation No. 651/2001 (replaced by the 2019 Ethiopian Transaction of Minerals Ratification Proclamation No. 1144/2019).

122 Tadess, 'Artisan mining operation and its economic values, Ethiopia', 36.

trend, with 90 licensed producers, 17 of these are special small scale, which should have increased gold production and sales to well over the planned one tonne.[123]

While it is difficult to reconstruct the specific reasons for this decrease—for instance, against actual gold production—there have been no statements by local officials and miners that production decreased during that period, on the contrary. In any case, the fact that most of the gold does not go through official channels because licensed miners and traders do not comply with the conditions of their licenses means that there is little practical difference to unlicensed miners and traders.

Practices of cross-border trade

As the previous section showed, governmental efforts in Ethiopia to direct the gold trade to the capital have failed to prevent the gold trade diverting across borders through the same communities and mobility patterns it divides.

The cross-border trade of gold from Benishangul-Gumuz mining areas to Sudan takes place at different levels. It starts with individual exchange between miners and traders at the mining sites, moves to markets in nearby villages and in local centres such as Sherkole town, and then beyond to the goldsmiths in Assosa, or directly across the border to Qeissan and Kurmuk (in Sudan). There are also traders and goldsmiths coming from Sudan to mining sites and local markets in Ethiopia, leading to a situation where miners seem to have no problems finding buyers, as was observed in Melahu.[124]

In Qeissan in Sudan, Ethiopian gold and gold traders are ubiquitous, especially during the biweekly market days on Sunday and Thursday.[125] They bring in just gold—no other goods—and exchange it with cash money to buy goods and bring these back to the Ethiopian markets, benefitting from a price differential between the markets.[126] Especially since the radical depreciation of the SDG, which started in 2018, the only relevant currencies in this exchange are USD and ETB.[127] The exchange of goods against gold has thus become an important way to circumvent liquidity challenges or to include them into business models.

What makes markets in Sudan attractive in spite of its depreciated currency, are the well-established trade networks connecting the local traders—via multiple intermediaries—to the global market. It is the powerful status of centrally licensed goldsmiths that provide this link to wider networks of exchange—and smuggling. Their identification

123 Based on numbers collected at the Benishangul-Gumuz Regional State Mining Resource Development Agency, February 2020.

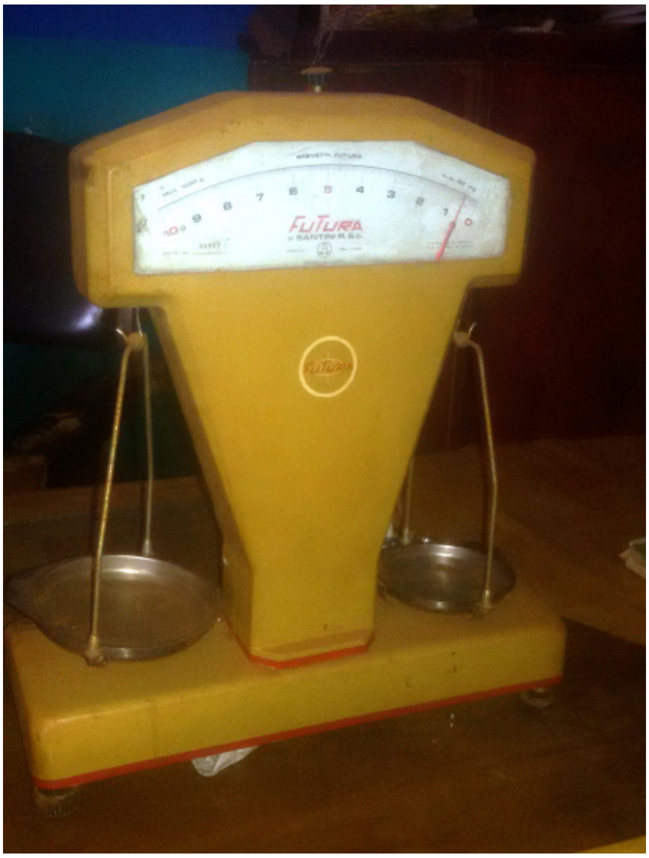
124 Interview with miner, Melahu, 18 February 2020.

125 Interview with resident, Qeissan, 25 November 2019.

126 Interview with driver, Qeissan, 24 November 2019; interview with resident, Qeissan, 25 November 2019; interview with resident, Qeissan, 26 November 2019. Larger shops run by Ethiopians in Qeissan could also be observed.

127 Interview with resident, Qeissan, 25 November 2019.

cards exempt them from scrutiny by officials as to the gold they may carry,[128] a circumstance that, ironically, stems from the central role they have in official trade.[129]



Scales used for gold in Assosa © Tsegaye Birhanu

Local interpretations of this situation differ and reflect how state–citizen relations are imagined from different perspectives. Several Sudanese residents in Qeissan perceived the situation in Ethiopia to be that gold trade and carrying hard currency is generally prohibited and leads to confiscation and imprisonment in Assosa, which makes bringing gold to Sudan, ideally by informal routes avoiding the main border-crossings, a less risky and more profitable choice.[130]

An alternative explanation is that unofficial cross-border trade compensates for constraints and shortfalls of national trade and development policies. The continuing levels of such trade also suggest that the volume and quality of gold production on the

128 Interview with resident, Qeissan, 25 November 2019.

129 This also indicates that the word 'smuggling' is changeable in its application and depends on a specific point of view that characterizes an exchange relation as smuggling. A goldsmith, for instance, complained about theft by gold washers, who 'smuggled' gold dust under their fingernails, instead of giving him his share. Interview with goldsmith, Belguwa, 7 August 2019.

130 Interview with resident, Qeissan, 25 November 2019; interview with resident, Qeissan, 26 November 2019.

Ethiopian side of the border is better than in border-adjacent areas in Sudan, though here the purchasing power and trade connections are better than Ethiopia.[131] Movement with an untaxed commodity across the border seems, then, to be economically more viable and leads to the difference between sluggish trade through the official border crossings in Kurmuk and Qeissan, and the more animated exchanges at unofficial border markets such as Al-Deim, Menza and, again, Qeissan.

Ethiopian officials and traders also tend to interpret the informal cross-border choice in terms of the differential black market price rather than ease of local marketing taking advantage of the relative strengths and weaknesses of the two systems.[132] This has implications for understanding how the local and global gold economies relate to each other. It is not simply that the gold price on the black market is higher, but also the fact that cross-border traders pay in USD, whereas traders in Assosa and bank agents pay in ETB.[133] In other words, these traders are able to short-circuit between the local and the global market by using hard currency to create a price differential that benefits from the unofficial hard currency exchanges in Sudan that provide USD to a higher exchange rate and much more readily than the national banks in both Ethiopia and Sudan.

The combined effect of both sets of alternative exchanges—both the price for gold and the price of dollars if the informal Sudan market is chosen, means that the NBE price in Ethiopia is well below what miners and brokers can expect to be paid elsewhere. These expectations are oriented towards the USD value of gold on the global market, not the elevated ETB price that the NBE calculates from it. One of the licensed traders in Benishangul (Ethiopia) clearly stated that gold miners would not take them seriously if they bought at NBE prices, and would risk being cut out of the market by those who are ready to pay higher prices, especially given that the number of active traders, and thus competitors, is constantly increasing (see previous chapter).[134]

This arrangement has structural resilience, as price increases by the NBE only cause a parallel increase on the black market.[135] However, not all in the production and supply chain are aware of the value chains between production, supply and demand. Several of the petty traders working between the mining sites and village markets, along with

131 One interviewee put the price difference per gram between Ethiopian and Sudanese gold at SDG 500 (USD 6.17); interview with driver and former miner, Belguwa, 7 August 2019.

132 Interview with senior licensed gold trader, Assosa town, 24 February 2020; interview with official of the Benishangul-Gumuz Regional State Mining Resource Development Agency, Assosa town, 26 February 2020. In February 2020, this difference was about ETB 200 per gram in Asosa *woreda*; interview with official of the Assosa zone mining office, Assosa town, 13 February 2020; others quote differences up to ETB 400. Interview with mining team leader at Asosa zone mining office, Assosa town, 13 February 2020; interview with senior licensed gold trader, Assosa town, 24 February 2020.

133 Interview with senior licensed gold trader, Assosa town, 24 February 2020.

134 Interview with gold trader, Assosa town, 24 February 2020.

135 This is also connected to another structural problem. In contrast to Sudan, Ethiopia has no independent refinery and has to send its gold to South Africa for this service. Interview with gold trader, Assosa town, 24 February 2020.

licensed and cross-border traders, are unaware of what happens to the gold after their transactions. Prices are thus affected by the global supply chain but communicated through local market knowledge.[136]

But the persistence of unofficial cross-border trade is not simply a question of price. For example, local Ethiopian government officers expressed fear for their lives if they try to implement the official marketing policy. One official alleged, for instance, that the head of the mining office in Assosa was fired after he tried to revoke the license of one of the traders who was engaged in unofficial trade because the trader had links to elite politicians.[137] This indicates a context where Ethiopia's official policy is at odds with the political economy of gold production and marketing in Benishangul-Gumuz.

This context also explains the lack of authority of over large-scale mining companies. The centralization of licensing for companies in the capital means that local officials not only have no control over company activities, but they are also often not even informed about them. This again attests to a situation of a lack of communication between central and local authorities, and where authorities were no longer effectively regulating either extraction or distribution of mineral resources in areas under their jurisdiction.

Contraband trade and networks of exchange

In terms of the respective national jurisdictions, all of the cross-border gold trade described in this chapter would class as contraband. Analysis of actual trade shows, however, that there is no clear separation of formal and informal trade, as licensed traders and goldsmiths in Ethiopia and Sudan are deeply involved in this illicit trade. They engage in competing forms of exchange where official trade agencies and border crossings are considered only one of several options to market goods.

In the present situation, there are many reasons that official trade is not competitive: prices offered for gold are lower than the unofficial market and paid in national rather than hard currency; the topography, weak administrative structures and multiple social ties across the border facilitate evading governmental taxation; cross-border traders and goldsmiths in border markets are more mobile and solvent than national bank agents, while using their licenses to evade scrutiny.

Still, gold mining in the borderland is far from a laissez-faire situation. In Benishangul-Gumuz, communal protectionism towards local natural resources has increased in

136 Interview with trader and miner, Sherkole, 11 March 2020. A detailed study on achievement of a marketing margin by producers in Menge shows that older miners who almost exclusively practice gold mining are in the best position to achieve good prices. See Birrle, 'Marketing margin of artisanal gold miners of Menge wereda'. In general, an average profit margin of ETB 50 per gram for brokers in BSG is found in a later study, with cooperatives and SMEs being in a better position to accumulate profits for producers. Tadess, 'Artisan mining operation and its economic values, Ethiopia', 34.

137 Interview with officials [anonymized].

recent years, both towards Sudanese crossing the border to search for gold and towards Ethiopians from other regions. Armed conflict in Blue Nile state since 2011 has regularly interrupted cross-border mobility, and in the areas around Qeissan (Sudan), the continuing presence of military units and security personnel impacts population movement as well.

But the flow of goods through official and unofficial cross-border trade, while low in volume, remained important for local access to consumer goods. With a worsening economic crisis in Sudan since 2018, gold traded in the border markets became increasingly instrumental for access to hard currency and thus consumer goods that were not affordable anymore with the greatly depreciated Sudanese currency. Even where goods are transported through official border crossings, their distribution is thus deeply intertwined with networks of exchange in which contraband gold plays an essential role.

6. Conclusion

The recent growth in the size and value of gold production in the Sudanese-Ethiopian borderlands between Blue Nile state and Benishangul-Gumuz region is framed by both formal and informal boundaries between national, regional and local state and social orders. The mobile cross-border system of mining (labour) and marketing (selling) of gold also takes place at frontiers that are informed by local, national and global economic jurisdictions and markets. The examples of the movement of (artisanal) gold miners and marketers in the local context demonstrates that what counts as an (administratively) legal border crossing does not necessarily correspond to what counts as (socially) legitimate border crossing. It is clear that in these borderlands both state and non-state actors and institutions are defined and operate across multiple lines of legality and legitimacy, and this offers valuable insights into borderlands in the greater Horn of Africa.

Three broad conclusions can be drawn: First that the international border has no real independent existence or authority and are only created though border regimes that are often specific to their immediate context, which relates to the wider authority and legitimacy of the state regimes. Second, in many areas in this region single or closely related linguistic and cultural communities predate and straddle these borders. Third formal and informal border (licit and illicit) regimes coexist and are crafted by state and social based authority, and this duality is often implicitly recognised by all actors. The fact that this specific border and others in the Horn of Africa region have remained stubbornly porous reflects this reality, and informs the political economy of the cross-border Blue Nile and and Benishangul-Gumuz gold fields.

Gold trade poses a challenge for governmental control, since gold carries significant value even in small, easily concealable amounts. This is especially the case when numerous mobile people look for relatively minor profits from transporting gold over borders. Local authorities implicitly allow unimpeded movement of people with recognized social relations across this border. A family visiting their relatives cannot readily be treated as suspected gold smugglers, even though they can easily carry amounts of it between them that add up to a small fortune. This social fluidity defines different types of gold trade and traders, some of which follow the pre-existing social relations needed to facilitate transport and sale across the border.

There is a clear gap between those selling gold in officially sanctioned markets in the respective jurisdictions, versus those who take an unofficial route to the sale of gold. Local governments are understaffed and underfinanced and lack the logistics to control a highly mobile border population. Local trans-border communities can easily bypass many of the formal and sometimes notional administrative systems. This does not always represent subversion of order, since these links may confirm the status of local elites who still dominate communal representation. The gold resources that are moved through unofficial trade routes across these borderlands also find their way into networks of exchange that benefit power elites some of whom are part of the government that such trade bypasses. But as a decentralized resource, gold also allows for the questioning and circumvention of historically grown power structures.

Though the borderland context tends to find internal arrangements that are beneficial to local residents, it is not autonomous of national and global dynamics. Like other examples in the Horn of Africa region, people and goods in the borderlands constantly circulate on a continuum that moves between consensus and coercion, connecting local production (and reproduction) with networks of global trade and traders.

Glossary of acronyms, words and phrases

CBoS	Central Bank of Sudan
COMESA	Common Market for Eastern and Southern Africa
EPRDF	Ethiopian People's Revolutionary Democratic Front
ETB	Ethiopian birr
FDRE	Federal Democratic Republic of Ethiopia
GERD	Grand Ethiopian Renaissance Dam
GPC	gold purchasing centres
kebele	(*Amharic*) an administrative unit of Ethiopia; similar to a municipality
mahaliyyah	(*Arabic*) an administrative unit of Sudan; similar to a municipality
NBE	National Bank of Ethiopia
NCP	National Congress Party
RSF	Sudanese Rapid Support Forces
SAF	Sudanese Armed Forces
SDG	Sudanese pound
SMRC	Sudanese Mineral Resources Company
SPLM	Sudan People's Liberation Movement
SPLM/A	Sudan People's Liberation Movement/Army
SPLM/A-N	Sudan People's Liberation Movement/Army-North
USD	United States dollar
woreda	(*Amharic*) an administrative unit of Ethiopia above the *kebele*; similar to a district

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From Dust to Dollar: Gold mining and trade in the Sudan–Ethiopia borderland describes and analyses dynamics around gold mining and trade across the Sudan-Ethiopia border between Blue Nile state, Sudan and the Benishangul- Gumuz region of Ethiopia.

While governments on both sides of the border have attempted to increase the circulation of gold, which in Sudan has become an important source of foreign exchange at a time of economic crisis, these efforts have largely failed. Instead, the cross-border trade of gold has developed away from official pathways and towards the private sector. In Sudan, large parts of the gold sector have been relegated to military forces and their commercial interests, which connects these local developments to wider questions of civil-military relations during and after the transitional period.

From Dust to Dollar takes a long-view of the Sudan-Ethiopia border through the lens of the gold trade. It suggests that while the inherent permeability of the border may be something national governments have sort to control, this characteristic has contributed to relatively peaceful relations between communities in Sudan and Ethiopia.

The report is a product of the X-Border Local Research Network—a project that seeks to better understand the causes of cross-border conflict in the Horn of Africa, the Middle East and South Asia.

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