

# The Political Economy of Artisanal and Small-scale Gold Mining in Zimbabwe: The Problem of Formalisation



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# Table of Contents

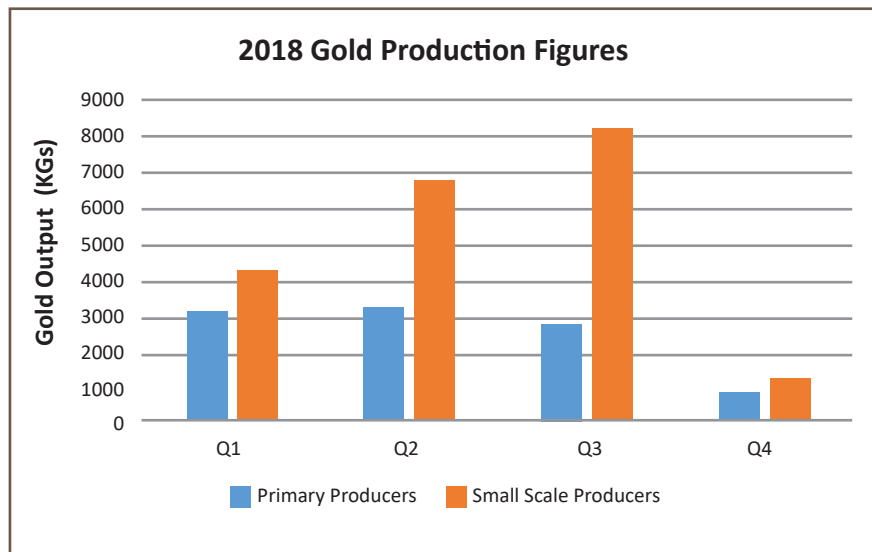
<b>Acronyms and abbreviations</b>	<b>3</b>
<b>Executive Summary</b>	<b>5</b>
<b>Introduction</b>	<b>6</b>
<b>Research design and methodological approaches</b>	<b>8</b>
<b>Challenges of Formalisation</b>	<b>12</b>
<b>Structure of Zimbabwe's ASGM sector.</b>	<b>18</b>
<b>Violence in the ASGM sector</b>	<b>23</b>
<b>Formalization: the legislative agenda</b>	<b>25</b>
<b>Conclusions</b>	<b>30</b>
<b>References</b>	<b>31</b>

## Acronyms and abbreviations

ASGM	Artisanal and Small-Scale Gold Mining
ASM	Artisanal and Small-Scale Mining
EMA	Environmental Management Agency
EPO:	Exclusive Prospecting Order
FPR	Fidelity Printers and Refiners
GEF	Global Environment Facility
MMMD	Ministry of Mines and Mining Development
NGOs	Non-governmental Organisations
RBZ	Reserve Bank of Zimbabwe
SARW	Southern African Resource Watch
TSP	Transitional Stabilisation Programme
UN	United Nations
UNDP	United Nations Development Programme
ZANU PF	Zimbabwe African National Union Patriotic Front
ZELA	Zimbabwe Environmental Law Association
ZMDC	Zimbabwe Mining Development Corporation

## Executive Summary

Across Africa (and other semi-peripheral parts of the world), artisanal and small-scale gold mining (ASGM) has become a widespread economic activity (Hilson & Garforth 2012 and Weng et al., 2015) undertaken by different social groups (poor peasants, urbanites, businessmen, politicians, senior government officials, and foreign nationals). Due to the upward trajectory in global gold prices (Seccatore et al. 2014, Verbrugge and Geenen 2018), ASGM has experienced a boom, making it attractive to diverse social groups, but particularly to the many unemployed rural and urban young people. Increasing numbers of people are turning to ASGM as a means of seeking a livelihood, impelled by the growing economic crisis and decreasing rural livelihoods in agriculture due to climate change impacts (characterised by droughts and floods).



Source: Government of Zimbabwe

In Zimbabwe, ASGM is no longer a peripheral economic activity, but has become a major source of gold production, surpassing the gold deliveries of large-scale mining operations. In 2018, gold deliveries from the ASGM sector exceeded those from large-scale producers, demonstrating the centrality of ASGM to Zimbabwe's economy.

The strategic importance of the ASGM sector in the economic growth of Zimbabwe is also outlined in Zimbabwe's economic policy documents, which include the Transitional Stabilisation Programme (TSP). In the TSP, government acknowledges the need for combined efforts by artisanal, small-, medium- and large-scale mining activities to attain the anticipated target of 1000 tonnes gold production by 2023. However, despite the centrality of ASGM as a major source of income and contribution to the national economy, there has been little success in integrating it into the formal economy. As a result, it remains an informal activity, characterised by exploitative labour arrangements, violence, revenue leakages, and unsafe occupational, health and environmental practices. Its continued informality makes it difficult for the government to tap into the existing opportunities to ensure broad-based development.

Data gathered from various sites along Zimbabwe's Great Dyke geological formation as part of this study challenges many myths about ASGM popularised in academic literature and in the media. Interviews with stakeholders in Zimbabwe's ASGM sector show that it is no longer dominated by poorly resourced people looking for alternative livelihoods, but by so called "sponsors" (politicians, senior police and army officers, businessmen, and increasingly by Chinese investors) who are financing ASGM activities and thus contributing to its dramatic growth. Moreover, not all miners are equal; there is an emerging process of social differentiation among people engaged in the sector. While a large number of the miners remain poor, some of them are graduating to become capitalist operators, acquiring mining claims, hiring equipment, milling ores, and buying gold for resale at a profit. In some places, miners are now using sophisticated mining equipment, such as metal detectors and excavators, to reach previously inaccessible ores.

The data provided in this report challenges popular preconceptions of what an artisanal or small-scale miner looks like, reflecting the changing social dynamics that are taking place in the sector. This has a bearing on debates about formalisation, environmental degradation, and natural resource governance. So-called "sponsors" who finance the operations of artisanal miners increasingly dominate the sector in terms of their share of the proceeds, making them powerful actors with influence over government policy. Among this group are people who are undermining government efforts towards formalisation, because it would threaten

their economic interests if the status quo were to change.

This report highlights the key findings of a study that was recently undertaken by the Southern Africa Resource Watch (SARW) to investigate the political economy of ASGM formalisation in Zimbabwe through a policy or legislative framework. The study provides a nuanced understanding of how ASGM is structured (in terms of social organisation and labour arrangements), deep structural factors that have inhibited formalisation of the sector, its current contribution to different levels of the economy, and how it can be formalised to enhance its contribution to broad-based socio-economic development in Zimbabwe.

The report also explores how the formalisation of ASGM activities can improve gold production and accountability, addressing violence and environmental degradation. The report provides a list of recommendations and an action plan which needs to be followed up by relevant stakeholders (including government, civil society, miners' representative organisations, and other development partners).

## Introduction

Artisanal and small-scale gold mining (ASGM), known locally as chikorokoza, has become a key economic activity undertaken by different social groups across the Zimbabwean countryside. Throughout Africa, ASGM has been historically undertaken mostly by poor rural people, as a way of supplementing their income from smallholder agriculture (Hilson 2016, Bryceson & Jønsson 2009, Banchrigah & Hilson 2010, Maconachie 2011, Maconachie & Hilson 2011, Cartier & Bürge 2011, Mabhena 2012, Mpofu & Mpofu 2017 and Mkodzongi and Spiegel 2018). Zimbabwe's ASGM sector has recently undergone a transformation in terms of the number of people engaged in it and the class dynamics underpinning it. In the aftermath of Zimbabwe's fast-track land reforms, ASGM has become a major source of employment for rural and urban households (Mkodzongi 2013, Dube et al. 2016, and Spiegel 2015).

It is estimated that over one million people are directly employed in artisanal mining, with an estimated five million people less directly engaged in the activity (PACT, 2015).

Despite being illegal, artisanal gold mining has become a major contributor to Zimbabwe's annual gold output based on gold deliveries to the government-owned Fidelity Printers and Refiners (FPR).

Given the economic challenges facing Zimbabwe, artisanal gold mining has become a key source of income for rural households which engage in the activity partly as a way of supplementing their income. Among the urban poor and unemployed youth, artisanal mining provides a source of employment at a time when Zimbabwe faces an economic crisis characterised by high levels of unemployment, cash shortages and economic stagnation. However, despite its contribution to the livelihoods of rural and urban households, artisanal mining remains illegal, with miners periodically facing violent arrest and detention. A lack of knowledge and appreciation of artisanal mining's contribution to the livelihoods of ordinary households and the economy at large has historically influenced negative government policies towards the sector.

Artisanal mining has tended to be viewed as associated with criminality and environmental vandalism by both the government and the wider public. Artisanal miners are viewed as people of questionable morals, disorganised, and involved in drug and alcohol abuse, prostitution, and many other criminal activities. They are also viewed as socially unstable, moving from one gold-mining site to another. While some of these perceptions may be true of a particular miner, stereotypes about artisanal miners are generally misleading. Research undertaken in Zimbabwe and other sub-Saharan African countries (Hilson 2009, Maconachie and Hilson 2011, Spiegel 2014 and 2015, Geenen 2015, Mkodzongi and Spiegel 2018) shows that artisanal mining is a major source of employment and income at household level.

Artisanal mining contributes to the broader economy by creating business linkages and opportunities for local small and medium enterprises, which provide a wide range of commodities to the sector.

Local service providers are supplying essential equipment used in the operations of artisanal gold miners such as shovels, chisels, generators and compressors.

Although the government of Zimbabwe has indicated its willingness to decriminalise ASGM, this has not translated into policy. Miners continue to operate under a cloud of fear, and in legal limbo. Criminalisation of ASGM means that miners will continue to pollute the environment, as government is unable to monitor or regulate their activities. Given that Zimbabwe is a signatory to the Minamata Convention on Mercury (which aims to curb the global use of mercury), it is important that the government takes steps to formalise artisanal mining as a way of addressing the rampant use of mercury in the sector. Currently mercury use in the ASGM sector is unmonitored, as many artisanal miners operate in fear of arrest. For the government to effectively monitor and control the use of mercury, there is a need to bring transparency to the ASGM sector. Miners have no incentive to adopt cleaner technologies when the government views them as criminals.

Zimbabwe needs to learn from countries such as Brazil, Ecuador, Bolivia and Chile where pilot gold recovery processes based on gravity separation and flotation have been successfully implemented (Veiga et al. 2014). In those countries, there was a reduction in mercury releases and emissions of 40-60 per cent after the adoption of non-mercury-reliant gold recovery techniques. Experience from such countries shows that if ASGM miners are introduced to the use of new technologies through education and training, they are willing to adopt such technologies as long as they boost gold production. Another key lesson learnt is that without training and enforcement, miners are unlikely to change their polluting habits.

### Research design and methodological approach

In order to gather the perspectives of key stakeholders and actors in Zimbabwe's ASGM sector on the issue of formalisation, the research started by mapping out an inventory of stakeholders in the ASGM sector. This helped to identify relevant stakeholders such as government bodies, miners' representative organisations, traditional leaders, civil society organisations and local communities. The main aim of the data-gathering process was to investigate the challenges facing the ASGM sector, the underlying structural issues which have impeded attempts at formalisation, and what could be done to overcome them. In addition, the socio-economic and environmental challenges linked to the informal nature of ASGM were also investigated within the context of attempts at formalisation and national economic development.

Given the above, a purposive sampling approach was adopted, targeting key stakeholders in the sector. Data was gathered through focus group discussions and in-depth interviews with miners, youths, and women. Key informant interviews were undertaken with officials from the Ministry of Mines and Mining Development (MMMD), members of the Portfolio Committee on Mines and Mining Development, the Environmental Management Authority (EMA), civil society organisations, independent research institutes, local universities, local and international non-governmental organisations (NGOs) and local government representatives.

Research informants were identified through their representative organisations, such as the miners' federations (in the case of artisanal miners), miners' associations, and syndicates. Research informants were interviewed at their mining operations along the Great Dyke geological formation, where most of the gold mining takes place (Norton, Chegutu, Kadoma, Empress Mine and Battlefields). The data-gathering process went smoothly and according to plan. Apart from few individuals who cancelled scheduled interviews, most informants were open to expressing their views on the challenges facing the ASGM sector. They also made suggestions on what could be done to formalise the sector. Their opinions and suggestions will be analysed at a later stage in this report.

Although informants (from diverse backgrounds) generally agreed that something had to be done to address the informal nature of ASGM, there were differences as to how this could be achieved. These differences reflect the class and gender dynamics underpinning the ASGM sector. Some informants argued that formalisation has its own advantages and disadvantages, and will not solve all the challenges facing the sector.

Some people view informality as an economic opportunity – for politicians, gold buyers, claim owners and mine syndicates who benefit from the illicit trade in gold.

Others argued that formalisation might flood the gold market, and could lead to low prices. However, artisanal miners viewed formalisation as an opportunity to liberate themselves from oppressive economic relations and to gain access to

government assistance in relation to gold claims of their own. This could empower them and improve their economic situation.

Another issue that emerged during interviews (and which will be more fully explored later) is the problem of lumping together “artisanal” and “small-scale” miners as one unproblematic analytical category.

Interviews with key informants and ordinary miners show that these two categories must be treated separately, because the challenges faced by people in each category are different. While artisanal miners and small-scale miners share some common challenges (such as lack of capital to mechanise their operations), artisanal miners tend to be economically worse off than small-scale miners as they also lack information and the means to apply for gold claims and finance for their operations. Small-scale miners are relatively better off as some of them tend to have access to capital. Small-scale miners are often politically connected and able to acquire mining claims and to mechanise some aspects of their operations.

Given these differences, a class analysis of the sector is required before generalisations about the challenges they face can be made. Interviews with small-scale miners show that they tend to have “legal” papers as claim owners, gold buyers, and mill operators. However, they are not fully formalised as many of them cannot afford to comply with the raft of regulations that governs ASGM. For example, a mining claim needs to be fenced off, and compliance with environmental regulations is required before commencement and during operations. These statutory requirements tend to be expensive, forcing many small-scale miners to operate illegally by allowing artisanal miners to work in their claim area on the basis of tributary mining and payment arrangements.

While most of the “small-scale miners” interviewed did not meet certain regulatory requirements, they tended to be economically better off than their “artisanal” counterparts. A major difference between the two groups is that artisanal miners are poorer, lacking ownership of the means of production, access to information, and capital to acquire mining claims and equipment for mining. As a result, they are forced into exploitative labour arrangements with sponsors. The payment arrangements between the contracting parties are generally based on a

50-50 profit sharing (after expenses). These arrangements are more beneficial to the small-scale miners who get paid for allowing artisanal miners access to their claim, hire equipment, and mill the ore. Artisanal miners have no choice but to enter into these exploitative arrangements as they lack information or capital to apply for prospectors licenses in order to acquire their own claims.

An important issue that emerged during fieldwork was the role of women and children in ASGM. Literature on ASGM tends to portray it as a male-dominated activity with women participating as prostitutes, caterers and petty commodity traders. While this is true to some extent, women are increasingly playing an important role as artisanal miners despite the labour-intensive nature of the activity.



During fieldwork at Venice mine near Kadoma, a number of women were panning for gold. These women are engaged in a type of artisanal mining locally known as bhaga bhaga, which generally involves washing loose sand and capturing gold particles through the use of a cloth. This type of artisanal mining tends to be dominated by women who are socially organised on a kinship basis with a senior member of the extended family playing a lead role. Bhaga bhaga artisanal mining tends to be less labour intensive than the male-dominated activities, which involve breaking new ground and going into underground shafts. Bhaga bhaga

utilises tracer deposits which do not require intensive digging. This women-dominated artisanal mining tends to involve the entire family, including children as young as four years old, who will assist their mothers with carrying water to wash the sand.

Female artisanal miners face similar challenges to their male counterparts, and they are often evicted from their areas of operation due to lack of official papers.

During interviews, a female syndicate leader narrated how she has been mining for decades, and how bhaga bhaga was a key part of her family's livelihood. However, she complained about being victimised by politically connected individuals who evict them once they have discovered gold. She suggested that the government must formalise their operation by giving them title to claim areas which they could mine without fear of eviction.

### **Below is an analysis of the dynamics underpinning Zimbabwe's ASGM sector, and the challenges of formalisation.**

#### **Challenges of formalisation**

Zimbabwe's ASGM sector has undergone a dramatic boom on the back of fast-track land reforms and an economic crisis characterised by high levels of unemployment, inflation, and foreign currency shortages.

Despite its informal nature, ASGM pervades the lives of many Zimbabweans. It is no longer an alternative rural activity, but a key economic activity linked to the broader national economy

(Mkodzongi and Spiegel 2018). Moreover, those involved are not only the rural poor but also many businessmen, politicians and Chinese nationals. The activity has gained prominence due to its contribution to Zimbabwe's economy and the dramatic increase in gold deliveries from the sector (see Government report on ASGM quarterly gold production figures).

Historically, ASGM used to be largely a poverty-driven illegal activity, undertaken by what was viewed as "immoral" and disorderly groups of people. However, the activity has gone through a transformation in terms of acceptability across Zimbabwean society. As a result, senior government officials and politicians in Zimbabwe's ruling party have made pronouncements indicating the need to formalise the sector and to decriminalise it.

The government, through the Ministry of Mines and Mineral Development (MMMD), is currently running a mercury reduction pilot project in Makaha (Mutoko district) in collaboration with the UN Development Program (UNDP) and its

sister agencies such as the Global Environment Facility (GEF). Local and international NGOs, such as Pact and Zimbabwe Environmental Law Association (ZELA), are also involved in the pilot project. These pilot projects, which involve government and UN agencies working directly with the ASGM sector, indicate the growing acceptance by stakeholders of the need to address many of the challenges facing the sector.

The fact that the government is now working with the ASGM sector indicates that some form of de facto formalisation is already underway and should be supported through the provision of legal instruments.

Interviews with a broad range of stakeholders across the sector show that there is general agreement on the need to formalise the sector and address some of the challenges facing it, including violence and excessive use of mercury (and other pollutants). However, there are diverse opinions on how formalisation could be achieved in practice. According to interviews with Environmental Management Agency (EMA) officials:

Formalisation is not fully captured in policy, no laws cover ASGM and there is no proper definition for artisanal miners in law. Artisanal miners have dramatically increased due to the economic melt-down after 2005. Unlike before, ASM has moved from a temporary to a main livelihood activity. There are now full time artisanal miners. Moreover, artisanal mining is no longer a male-dominated activity as women and children are now fully involved. This is especially the case in areas experiencing perennial droughts such as Mberengwa and Shurugwi.

An important issue highlighted here is the absence of laws that govern the sector. According to interviews with EMA officials, the ASGM sector is currently governed by a raft of departmental regulations such as those administered by the Reserve Bank (through Fidelity Printers and Refiners) and the EMA. However, in terms of the laws and regulations governing mining, the ASGM sector is not specifically recognised. Recognition of the sector would allow the government to make appropriate interventions, but the Mines and Minerals Amendment Bill that went

through parliament a few years ago does not seem to go far enough to formalise ASGM. The proposed changes to the mining law continue to criminalise ASGM, making formalisation highly unlikely. Despite this, some informants observed that this is an ideal time to formalise the sector as it has become an important contributor to Zimbabwe's economy:

There is now an opportunity for formalisation as ASGM is contributing to the national economy. The new push to formalise is a result of changing economic dynamics in the mining sector. Zimbabwe is signatory to the Africa Mining Vision. Government was previously against formalisation but a difficult economy is the major push. Closure of large-scale gold mines is giving rise to the ASGM boom. Former big mines are now run by former employees. For the government, the ASGM sector has become a cash cow as it is generating the much-needed foreign currency during a boom in gold prices globally. This is why the government adopted a no-questions-asked policy when buying gold. It also reduced the amount that Fidelity Printers can buy from individuals from 10 to 5 grams. This helped to get foreign currency to procure fuel and medicines. However, the main challenges to formalisation are political. Big people are benefiting. Formalisation can threaten their interests. Some government policies are also fuelling the black market. The history of the current president controlling the gold sector in Kwekwe and the Midlands area is also an issue. Monopoly marketing of gold by the government is detrimental to fair prices. In other countries the marketing of gold has been liberalised by allowing private players to participate.

The issue of politics emerged as a key obstacle to formalisation.

Some informants argued that senior politicians in the ruling Zimbabwe African National Union Patriotic Front (ZANU PF) political party were reluctant to support the formalisation of the sector as this could prejudice them financially by exposing their involvement in illicit financial transactions linked to the illegal trade of gold.

These sentiments were echoed across interviews held with miners and key informants from government and civil society. Some influential individuals are holders of exclusive prospecting orders (EPOs), which they are using for speculative purposes, thus denying artisanal miners access to gold-rich areas. According to an official from a local university:

Politicians are against formalisation. There are people in government with some vested interests.

It seems government is more interested in gold mobilisation without formalising the ASGM sector. Artisanal miners need to be given titles in order to encourage long-term investment and planning.

Formalisation should involve recognition of artisanal miners as key players. Formalisation should also involve evaluation of the resources in order for mine claims to be leveraged to acquire capital. Currently, artisanal miners are used as explorers or pathfinders by large-scale mines, who will evict them once they discover gold in their claims. Formalisation must address conflicts between artisanal miners and large-scale mines. In addition, exploitative tribute payment arrangements must also be addressed. There is a need to come up with legislation that recognises the ASGM sector as a major player in the gold mining sector. Certain requirements, such as environmental impact assessments, must be relaxed to allow artisanal miners to comply with environmental regulations. There is a need to organise artisanal miners into groups as part of the formalisation process. Tribute arrangements can be a stepping stone towards access to technology.

However, interviews with an official from the MMMD downplayed the role of politics in formalisation. He argued that the main issue was lack of capacity in the ministry of mines. The ministry is yet to undertake a comprehensive cadastral process in order to map the resources and to create a digital data base of mine records which could help in addressing conflicts related to double allocation of mine claims. The official also argued that most of Zimbabwe's ASGM sector was already formalised as many of the places where artisanal miners operate are le-





gally registered claims while the main issue is compliance with environmental regulations. He argued that the fee for acquiring a mining claim was affordable, and that it was a matter of priority for artisanal miners to acquire mining claims.

Informants from the NGO sector also argued that the sustainability of mining is based on reduction of mercury use, and that women and children are disproportionately impacted by environmental damage. They suggested that formalisation must involve having an artisanal and small-scale mining desk at the MMMD. They also

suggested the need for a mining development policy to address emerging issues. There is currently a lot of documents, but no specific policy. Formalisation must improve environmental safety and capacitation of miners. Moreover, there is a need to identify those with potential and formalise them. Informants further highlighted that formalisation could address high levels of illicit trade in gold, which is currently around 60 per cent of total output.

It was observed during interviews that ASGM is now a major contributor to the national economy, and needs to be formalised for its full potential to be realised. Some observed that the new push to formalise was a result of changing economic dynamics in the mining sector where ASGM is increasingly playing a dominant role in the delivery of gold to the government-owned Fidelity Printers and Refiners (FPR). Some informants suggested that

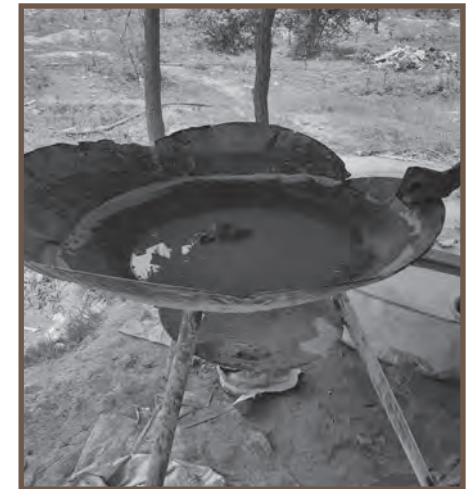
Zimbabwe must utilise the Africa Mining Vision guidelines in order to formalise ASGM and realise the economic benefits of a vibrant ASGM sector.

Apart from the issue of politics, the issue of capacity in the MMMD must be addressed as this can help to facilitate the formalisation process. For example, during interviews an official from the MMMD observed that there was a need for a comprehensive mining cadastre process and the digitising of records, as the

current process is manual and vulnerable to corruption and the risk of records being destroyed in the event of a fire. He further observed that such records needed to be digitised in order to fast-track the processing of applications for mine claims and to address conflicts.

Some informants observed that current government policies were fuelling the illicit trade in gold due to government's monopoly as the sole buyer of all gold produced in the country. It was observed that a monopoly market is detrimental to fair prices.

Other countries have liberalised the buying and marketing of gold. However, other informants observed that formalisation must not be viewed as a silver bullet as it can lead to the intensification of taxation as "invisible" miners become visible. The increase in mining costs due to the capitalisation and mechanisation of newly formalised mines was also cited as a potentially negative aspect of formalisation, as many of those operating in the ASGM sector lack capital.



Among artisanal miners, formalisation means liberation from exploitative and oppressive labour relations.

Across the various locations visited, artisanal miners complained that they are being exploited by sponsors who in most cases are the claim owners (mainly small-scale miners), who take a lion's share of the proceeds from the mining operations. A major issue also raised during interviews was the need for the government to identify claim areas which can be reserved for artisanal miners. They suggested that the government could help them register as cooperatives or syndicates with all the required paperwork,

including environmental impact assessments. It was suggested that this could empower miners and improve their contribution to national gold output. Some expressed the concern that lack of information and financial resources make it difficult for them to acquire mine claims, and said that they need help with dealing with the bureaucratic application processes of acquiring prospector's licences and gold claims. Some want to become licenced gold buyers and acquire mills for processing the ore. Across different locations and mine sites, artisanal miners faced similar challenges in terms of exploitative labour and contractual business arrangements due to their inability to acquire mine claims.

During interviews, miners observed that current tribute payment arrangements with sponsors were not benefiting them. They conceptualised formalisation as a process that should help them access more information on how to acquire a mine claim and mine independently.

The issue of evictions by politically powerful figures featured prominently across interviews, as miners observed that illegality left them vulnerable to evictions and exploitation by those who are economically powerful.

### Structure of Zimbabwe's ASGM sector



Since ASGM is increasingly becoming mainstream, it has garnered the interest of many stakeholders, including aid agencies, civil society organisations, and local and international NGOs. These stakeholders are working with artisanal miners to address many of the challenges facing the sector and those involved in it.

In some places, a form of formalisation from below is taking place. Among other things, this involves self-organisation by miners' associations, who register their miners and give them an identity card.

A good example is the Norton Miners Association, which does not allow anyone who is not registered with them to operate a mine in the area. The association registers all those who mine in the broader Norton area, including individual miners, claim owners, and equipment suppliers. This system of self-organisation has helped to reduce conflicts between claim owners and artisanal miners as well as incidences of robberies and violence. This initiative is important because one of the main challenges to formalisation highlighted during interviews with artisanal miners related to their mobility, making it difficult to identify and organise them into recognisable groups. According to informants, formalisation of ASGM would be easier if people are grounded in a particular local area warranting mining investments. This would also facilitate monitoring and technical training to boost production efforts. Artisanal miners can be encouraged to form groups or syndicates that could be a basis for any official formalisation process. It is important to question some of the general assumptions about mobility and the lack of organisation among miners.

During interviews, there was hardly a miner who was not part of a syndicate.

Most miners (including the mobile ones) operate in syndicates, for the simple reason that digging and bringing out ore from a pit is a labour-intensive process that requires a group of people to work together.

Since the miners often operate in areas where new gold discoveries have been made, the work is likely to require opening a new pit or shaft from scratch before gold-bearing ores can be accessed. This involves a lot of digging to remove the overburden. A mining operation starting in a new place requires the work of a group or syndicate to become economically viable. Syndicates are also important for pooling capital risks, and protection from the violence and occupational hazards associated with artisanal mining. This challenges the narrative of "disorderly mobile people" which tends to dominate common misperceptions about social

organisation in the artisanal mining sector.

Given the above, identifying people and organising miners into a group as part of an official formalisation process will be a relatively easy task if current structures are utilised. Another issue linked to the above (and highlighted by EMA officials during interviews) was that mobility is not voluntary; it is often induced by forces beyond the miner's control. For example, lack of tenure security at a given mining location can force artisanal miners off an area. Secure tenure which comes with mining rights would encourage artisanal miners to stay in one place.



The security of tenure challenge is linked to other problem associated with large companies or individuals holding title to claims for speculative purposes under so-called EPOs. Such people can forcibly evict artisanal miners once they see production picking up after the exploration efforts of the artisanal miners.

It was argued during interviews that, as part of the formalisation process, the government must initiate laws that encourage formal tributary arrangements to protect miners from unlawful evictions. It was also proposed that the government designate specific areas for mining by artisanal miners, including land in claim areas owned by the state through the Zimbabwe Mining Development Corporation (ZMDC). A “use it or lose it” principle, as outlined in the Mines and Minerals Amendment Bill, would discourage speculation in the sector and release more land which can be made available to artisanal miners for production.

EPOs give large mining companies a monopoly over mineral resources, which inhibits artisanal miners from accessing mineral-rich areas and deriving livelihoods (Spiegel 2015: 545). It was noted that the government is also a speculator, due to some state institutions (such as ZMDC) owning large tracts of land as under-utilised parts of their claim areas.

Interviews undertaken with miners highlight how miners are socially organised, the challenges they face, and how formalisation could address some of these problems. According to the leader of a syndicate:

We work as a syndicate of four people mining at Gadzema in Chegutu. There are good gold samples there, on average you get 80 grams per three tonnes of ore. We share the proceeds from mining on a 50-50 basis (after expenses) with the sponsor. Tikarowha demo-torovana matemo (after the sponsor deducts 50 per cent), we also share the remaining 50 per cent. Claim owners own mills and also buy gold from us as we do not have the legal paperwork. The gold buyers exploit us by underpaying us for our gold and inefficient milling which leaves them with some tailings which they further process. Our main challenge is that we do not have our own claims, tirikuita maricho (we work for other people) as artisanal miners, we must have access to designated claim areas. Artisanal miners need autonomy to work their own claims. Access to claims can address exploitation by claim owners and gold buyers. “Claim owners” vanotenga mota isu tichitenga bhutsu (they buy cars while we can only buy shoes). Formalisation can help us to acquire equipment and access better gold markets.

**Similarly, a syndicate member operating in Norton observed that:**

We are a syndicate of 18 people [and] we mine here on a 50-50 tribute arrangement with the claim owner. The samples here are 24-25 grams per three wheelbarrows (ten wheelbarrows is a tonne). The local soil is loose [and] hinders production. Lack of equipment – pumping equipment, hammer mills and generators – hinders production. We want to work but we lack equipment. We face violent

conflicts – robberies. We want to improve production and get more gold. We do not intend to leave mining even if the economy normalised. Artisanal mining is lucrative and contributes to the economy; it is an industry that must be encouraged and supported. If it is properly managed, it can contribute to economic development. We contribute one wheelbarrow of ore to the local miners' association every Wednesday. Mining contributes to the local economy as women are also benefiting by selling food and other commodities to miners. Miners also acquire equipment in Norton and Harare where we buy generators and other mining equipment.



The leader of a women's syndicate engaged in gold panning at Venice mine near Kadoma observed that:

We are a group of six family members engaged in bhaga bhaga. Kinship ties are key to how we operate. We work as friends, family members and neighbours. We used to mine at Venice close by, but varungu vakatora isu taichera zve feja feja (whites took over the mine and fenced it as we did not have paperwork). As female miners, we face evictions by the rich and powerful. Flooding is a problem as bhaga bhaga happens along streams. We also lack information to acquire mine claims. We need our own claims in order to be protected from opportunistic individuals. The government should protect us even if we lack paperwork. Our tenure here is based on musangano (ZANU PF), which protects us and allows miners to operate without paperwork. The problem is pakabuda mari panouya munhu anemapapa (they use money to dispossess us).



As the quotes provided above indicate, artisanal miners face similar challenges wherever they operate. These interviews show that formalisation must address the issue of security of tenure as most miners currently face evictions once their pits become lucrative. It seems that miners are already organised (most miners belong to syndicates), and any formalisation must build on existing social arrangements in order for it to work. Kinship ties are crucial to how miners are organised. Interviews with miners show that kinship ties are important for people to work together without conflict and to protect each other from accidents or violent conflicts. Since many miners no longer view artisanal mining as a part-time activity, formalisation can boost gold production and lead to a vibrant mining economy led by small-scale miners, as large-scale mines are in decline in Zimbabwe (and globally).

### Violence in the ASGM sector

The issue of violence in the ASGM sector featured prominently in most interviews. According to people who we interviewed, ASGM-related violence is linked to the illicit trade in gold and the Reserve Bank of Zimbabwe (RBZ) policy of buying gold on a no-questions-asked basis. Under the RBZ gold mobilisation strategy, anyone can go to Fidelity Printers gold-buying centres to sell as little as 5 grams of gold without being asked where they got it from or the need for any paperwork to prove that they own it. This is despite the fact that the Gold Trade Act states that only registered claim owners are legally allowed to sell gold in the country. While this policy helps artisanal miners to sell the gold without the need to produce paperwork, it has also led to the increase in robberies of ore by ma-

chete-wielding gangs (*mashurugwi*).

In recent months, the entire country has witnessed a dramatic increase in violent robberies, especially in mining towns such as Kwekwe, Kadoma, Battlefields, Chegutu and Bindura. The widespread violence has claimed many lives, including that of a policeman at Hope Mine in Battlefields.

There is hardly a day that passes without a story in the media of gruesome attacks by gangs.

*Mashurugwi* (gangs) are not only operating around ASGM sites, but have extended their violent campaign to urban areas where they are robbing gold dealers and currency traders. While ASGM has historically been associated with violence, it seems that the violence has dramatically intensified due to the widespread gold discoveries and gold rushes taking place across Zimbabwe. *Mashurugwi* seem to operate above the law, with very few of them being arrested or convicted of robberies and murders. As a result, many informants claim that *mashurugwi* enjoy political protection, with some of them being sponsored by politicians and other influential people. During interviews with miners and business owners at Battlefields, informants indicated the involvement of politicians and some criminal elements in the security services in the machete-wielding gangs stealing miners' gold ore and settling conflicts over gold-rich claims.

Most artisanal miners observed that formalisation must lead to the arrest of these rogue elements terrorising miners, local communities, and business owners near mine sites. Some miners observed that these robbers were now following people who they suspect of having money or gold to their houses in towns to rob them. Others highlighted that shop robberies are now taking place in broad daylight. Some informants said that local police are working with these robbers, hence their reluctance to arrest known robbers. Some informants claimed that robbers were caught and released after a few days in police custody. Others claimed that the entire criminal justice system is compromised, so robbers can easily bribe their way out of prison after committing crimes. According to an informant interviewed at Battlefields:

*Mbimbos* or *mashurugwi* are robbing shops and houses. Security should be intensified, we need more police patrols. The main problem is that *mbimbos* get arrested and released after paying bribes to police and public prosecutors. Police are colluding with criminals. *Nyaya ngaipere ku court not police* (the case should end in court not police). We have robbers roaming around here, everyone knows these murderers, and we eat and dine with them. For example, if you sell your commodities at the market, you need to phone home and ask someone to come and escort you as you are likely to be robbed if you walked home alone. Robbers pay to be released after arrests. Many robbers get arrested only to be released a day after. People are roaming around with axes and machetes. The police drink with robbers; there is corruption in the entire criminal justice system. Most revellers are armed with machetes and the police and soldiers are not doing anything. Murderers are roaming at will.

The perspectives of miners show how the illegality of ASGM has promoted the dramatic increase in violence and robberies. This is linked to the wider problem of the collusion of robbers, politicians and those in the criminal justice system.

According to miners and business operators, formalisation must address violence and bring back order. Most informants who we interviewed expressed the need for criminals to be arrested and charged for their crimes.

### Formalisation: the legislative agenda

The findings reflected in this report highlight the broader socio-economic and political dynamics underpinning Zimbabwe's ASGM sector, and the challenges of formalisation. While the main stumbling block towards formalisation seems to be lack of political will among policy-makers (much rhetoric but no action), there is general agreement across Zimbabwean society that ASGM is now a key part of Zimbabwe's economy, and that something needs to be done to address the many challenges facing the sector.

While there are methodological differences in terms of how formalisation could take place, most stakeholders in the sector want some action to be taken. The government is under pressure to address many of the issues raised during interviews with a broad range of stakeholders given the centrality of mining to Zimbabwe's fledgling economy. Gold is a key export and a major source of foreign currency. Addressing the major challenges facing the sector (such as illicit gold trade, violence, and environmental degradation) is crucial for the sustainability of the mining sector. A major aim of this research was to investigate the political economy of the ASGM sector within the context of formalisation; the question that arises then is what can be done to address the problem of informality?

The findings of the research analysed in this report show that there is already a de facto formalisation process, based on the initiatives of miners and their representative organisations (such as miners' syndicates and national miners associations). The government could build on this bottom-up formalisation process by coming up with legal instruments and criteria for formalisation which miners can then adopt.

Our interviews with miners show that stereotypes of disorganised, mobile and unstable groups are based on a misunderstanding of how artisanal miners are socially organised. Based on our research findings, the government (through the MMMD) is already working with artisanal miners on pilot projects with the aim of addressing some of the challenges facing the ASGM sector (such as the excessive use of mercury for gold amalgamation). These initiatives, though not backed by a change of policy, must be the basis for more formal efforts to legalise the ASGM sector. What is required is the political will to actually come up with legal instruments as a starting point.

Since ASGM is currently governed by policy pronouncements, there is a need for a clear legal or regulatory framework that defines ASGM and governs its operations.

Zimbabwe was once touted for its best practice in ASGM when it took several measures in the 1990s to decentralise the control of mining and support local ASGM populations "by training miners in how to secure access to prospecting and mining licenses as well as mining technologies and microfinancing." This ap-

proach emerged in the late 1980s and was formally implemented in 1993, when the government collaborated with the UN Department for Economic and Social Development to design a strategic vision for ASGM, which led to the introduction of the Harare Guidelines on Small-Scale Mining in 1993 (Spiegel 2015: 546). The guidelines became a useful model globally and are referenced in literature on ASGM across Africa (Ibid: 546). The Harare guidelines reflected the vision to promote the legalisation of ASGM which is desperately required in Zimbabwe and in other jurisdictions across Africa and the global south where ASGM continues to be criminalised. Zimbabwe needs to go back to its previous policy position, which decentralised the control and management of ASGM to local authorities and led to a more formal and vibrant ASGM sector based on safe mining and environmental management techniques.

A recent report in the government-owned Herald newspaper (The Herald, 23 January 2020) highlights how lack of formalisation is affecting gold deliveries to the government-owned Fidelity Printers and Refiners:

Latest statistics show that gold deliveries to the country's sole authorised buyer, Fidelity Printers and Refiners, fell 16,8 percent in 2019 from 33,2 tonnes to 27 tonnes in the prior year comparative in 2018. Deliveries to Fidelity from small miners went down to 17 tonnes from 21,7 tonnes last year while the decline among the large-scale producers was only marginal, totalling 10,1 tonnes last year from 11,5 tonnes in 2018. Reduced deliveries to Fidelity were mainly as a result of lower volumes received from artisanal miners who may have smuggled most of their production amid reservations over the portion they get paid in US dollars. Analysts said since decline was mainly a result of smuggling by informal miners, who are not happy with the Reserve Bank's foreign currency retention thresholds for the sector, the proceeds of their sales remain in Zimbabwe.

This report shows that the illicit trade in gold (due to informality) and distorted local markets are undermining gold deliveries to the government – yet the government is not taking concrete steps to address the leakages by changing policies and formalising the ASGM sector.

Below is a list of recommendations which needs to be followed up by relevant stakeholders.

**List of recommendations**

Recommendations	Responsible organization
ASGM must be clearly defined in policy terms as a starting point towards formalization.	Government of Zimbabwe (GoZ) through the Ministry of Mines and Mining Development (MMMD)ZT
The current organizational arrangements (syndicates, miners association and kinship networks) must be utilized to organize miner into cooperatives that can be registered as mining entities with the ability to register mining claims.	GoZ, Civil Society Organizations (CSOs) and other developments partners.
The current Mines and Mineral Amendment Bill must address the problem of illegality of ASGM sector as stepping stone towards formalization.	MMMD, Goz, CSOs and Parliament of Zimbabwe
The MMMD must be capacitated in order for it to undertake a comprehensive cadastral process and digitize mine records, this can help to address conflicts and corruption in the allocation of mine claims.	GoZ and development partners
The ASGM sector makes a significant contribution to Zimbabwe’s economy, there is a need to ‘mainstream’ the activity through formalization for the country to realize the ‘value’ of the gold resources through collection of resource rents.	GoZ, ZMF and CSOs
Zimbabwe must utilize international mining frameworks such as the Africa Mining Vision and its implementation tool the Africa : Minerals Governance Framework and The Minamata Convention on Mercury as a way of demonstrating its commitment to formalizing the sector and challenges faced	GoZ, CSOs and other development partners

Recommendations	Responsible organization
Formalization should not be viewed as a threat as it can boost gold production though capacitating miners, it can also boost revenue collection through taxation.	GoZ, ZMF and CSOs
Formalization can be a tool to address criminality in the criminal justice delivery system.	GoZ and ZMF
Formalization can help address resource leakages through smuggling.	GoZ
By formalizing and addressing the challenges facing the sub-sector- the benefits of extractivism can be accessed by local communities beyond the elites that are getting a lion’s share of the gold boom.	GoZ, ZMF and CSOs
Formalization must address productivity and environment challenges facing the sector in line with sustainable development principles.	GoZ, CSOs and other development partners
Zimbabwe must revisit the ‘Harare guidelines on small-scale mining’ as a model to be used in its efforts to formalize the ASGM sector.	GoZandCSOs

## Conclusions

This report highlights the broader challenges facing Zimbabwe's ASGM sector. While some of these problems are specific to Zimbabwe, the majority can be generalised to other jurisdictions where countries are struggling to formalise the ASGM sector. A key finding in this report is the lack of political will to come up with legal instruments to address the problem of informality. Linked to this is the involvement of politicians in illicit trade in gold, which makes them reluctant to formalise the sector as this threatens their economic interests. Another crucial issue is the lack of capacity in key ministries, such as the MMMD, to address many of the challenges facing the mining sector at large. Attempts at formalisation must also involve the undertaking of a comprehensive cadastral process as part of a wider initiative to address conflicts in the sector.

A change in policy requires lobbying from below to pressure politicians who are currently resisting formalisation. Zimbabwe was once regarded as a pioneer and a good model for the control and management of the ASGM sector (Spiegel 2015); it should revisit that model in its attempts to formalise the ASGM sector. ASGM makes an important contribution to Zimbabwe's economy as a source of employment for both urban and rural people. There are also vibrant and growing secondary industries linked to ASGM sector, whose survival depends on it. Such industries also provide employment and contribute to the growth of local economies. Formalisation can thus boost production and employment creation.

Since ASGM is often underpinned by undemocratic access to resource rents, formalisation can create a conducive environment for poorly resourced artisanal miners to gain access to mine claims and escape exploitative labour arrangements.

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## SARW Objectives

Monitor corporate and state conduct in the extraction and beneficiation of natural resources in Southern Africa, and assess to what extent these activities uplift the economic conditions of the region's communities.

- Generate and consolidate research and advocacy on natural resource extraction in Southern Africa.
- Create informed awareness of the specific dynamics of natural resources in Southern Africa, building a distinctive understanding of the regional geo-political dynamics of resource economics.
- Provide a platform of action, coordination and organisation for communities, activists, researchers, policy-makers, corporations, regional and global governing bodies in the watching and strengthening of corporate and state accountability in extractive industries.
- Engage with and support government on building accountable and transparent management of extractive resources.
- Build capacity for communities, civil society, parliaments, and media to hold governments and corporations to account, and to participate in decisions about resource management.
- Advocate and promote human rights and environmental protection in resource extraction activities.
- Support efforts to legislate mandatory public disclosure of and access to financial, social, environmental and regulatory compliance information in the extractives industry.
- Promote extractive industries that create wealth for local communities.

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