



POLICY BRIEF

Artisanal Gold Mining: From Clandestine Operations to a Contribution Towards Local Development

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This Policy Brief, specifically focusing on gold mining and its socio-economic impacts in Mozambique, is part of a set of five briefs produced under the findings of a research on the root causes of natural resource conflicts in the provinces of Inhambane, Sofala, Tete, Niassa and Cabo Delgado.¹

Based on field research undertaken between May and August 2021, the project team sought to increase understanding on the impact of gold mining on local communities through direct observation, interviews, and conversations, in the districts of Gorongosa (Sofala province), Chiúre, Namuno and Montepuez (Cabo Delgado province) and in the provincial capitals of Beira and Pemba respectively. The following findings were collected through interviews and focus groups with provincial and district government staff, informal miners and their collaborators, buyers, farmers and other members of the community, activists, and NGO staff.

In Northern Mozambique, many people participate in artisanal mining or small-scale mining, where they are not officially employed by a mining company but work independently. In some instances, these laborers pay small holders to access a site or the small holders take a portion of their findings. Through the interview, it was found that there are positive and negative impacts on the local community because of artisanal gold mining, including from a socio-economic perspective. These impacts vary depending on the type of organisation managing the mining activity, the division of the gains, the broader social and political context of the activities and/or the intervention of other actors at local, national, regional, and global levels.

This policy brief presents four factors linked to the various impacts of mining, namely:

1. Political factors – Several Mozambican elites use their political and economic status to appropriate large mining areas for their personal gains, restricting local young people to undertake economic activity independent of the companies.

2. Economic factors – There is a correlation between marginalised communities and areas where natural resources are found. The government and other elites generally prevent local residents to access natural resources in their areas independently. They are required to go through the official entity or private companies due to the government's justification of supposed lack of organization within the artisanal mining process. This exclusion ensures that the economies of local communities remain in deficit.

3. Social factors – Mozambican society is stratified into classes with a minority of socio-political elites who control economic resources including many mines, small middle class, and the majority of the population which is poor.

4. Cultural factors – Mining companies, generally owned by foreign entities in partnership with national elites, often demonstrate little consideration for the local cultures and customs, which creates conflicts between the two sides.

IMPACTS OF THE INFORMAL GOLD MINING

In all of the target districts, artisanal mining has visible social and economic impacts on local and national populations. Among the positive effects, which vary significantly between the various districts, improvements were noted in the lives of the households directly or indirectly involved in the informal mining, such as the miners themselves, sellers of food, transporters, mechanics, carriers of stones, diggers, buyers of gold, engineers, owners of mills, farmers, treasurers, sellers of various services, and traditional doctors, among others. The artisanal mining value chain involves all these individuals and groups and constitutes a significant economic value for the communities involved. Therefore, it is unfortunate that the State or mining companies (whether Mozambican or foreign) call this chain of production into question. As a result of the country's export potential, the Government of Mozambique re-evaluated mining operations and developed the Law on Mines (20/2014). This law seeks to making the mining process more favourable for Mozambicans and the country, including promoting local development and participation in mining and imposing more stringent requirements on operations. Despite the new law, many communities in the districts of

¹ Special thanks go to Sérgio Chichava, co-leader of the TIPS research project, whose support and critique was crucial. Local researchers Haua Abudo, Aura Nelson and Afonso Sefu who aside of co-author Talassamo Alí did much of the fieldwork; the partners in FCA/NTRP and IMD for their invaluable feedback.

focus are now organised to obtain the support necessary for sustainable mining, especially since profits generated in the mines allow the local population to build and buy houses, buy vehicles and machines, basic personal goods, and to invest in agriculture and in the education of their children. In addition to the private benefits, artisanal mining contributes to the construction and maintenance of common property such as schools, markets, churches, mosques, drinking water supply systems, health posts, and tree planting. When fully legalised by the government, which happens rarely due to vested interests and other reasons, artisanal mining can also make a significant contribution to State revenue.

Despite these beneficial effects, the observations of the research team confirm results of a survey conducted by the Mining Development Fund and Unizambeze (2012), that informal or artisanal mining carries major health and safety risks for miners and negative impacts to the environment (such as wildfires and deforestation including in conservation areas, air, and water pollution because of the use of toxic chemicals, soil erosion, among others). In looking at the human impact of mining, informal artisanal mining also exposes the miners, the buyers, and the suppliers of services to harassment by the police as well as by the private security guards of the mining companies. For instance, there are reports indicating that public officials, and police, soldiers, and Frelimo party staff tend to demand bribes from informal miners. Informal mining also has negative impacts on women. While many women perform tasks within the mining areas such as selling food, beverages and clothing and participating mining activities directly, they are frequently labeled as sex workers by the authorities and become the victims of various abuses. In addition, where informal mining does not contribute to poverty reduction, children and adolescents tend to drop out of school to become involved in mining. As noted, mining also has significant impact on the environment. Generally, there are no effective mechanisms of reconciliation between the interests of mining and of agriculture. As such, there is a high risk of invasion and destruction of fields, which can also negatively impact farming and food production. Although artisanal mining poses many risks to both humans and the environment, there are areas of concern in which can be minimised through strengthened management and organisation.

Across Mozambique, many miners join informal associations with little legal recognition from the government. The Lack of legal recognition of the miners' associations or their activities does not mean that the communities are not organised, much less that they are not interested. However, they are lacking legitimization through state support. There are cases in Namuno district in Cabo Delgado and Gorongosa in Sofala, where the communities have requested government intervention to make the informal mining official but have only obtained limited support. This is partially due to land already occupied by the elites, as in the case of Natuco village in Chiúre district, where the land was granted to a famous veteran of the anti-colonial struggle, Raimundo Pachinuapa. This veteran also co-owns the company Mwiriti Mining, which is reported as having highest mining concessions in the province and is principal shareholders of Montepuez Ruby Mining (MRM) and Nairoto Resources (CIP, 2021; Rantala, a).

As mentioned before, miners and other people working in the mines face the risk of becoming the target of physical or structural violence by the police or the multinational mining companies. In the districts where there is a great deal of 'illegal informal mining', as referred to by authorities, the miners and the buyers make the highest percentage of those detained by the police, such as in the Montepuez district. The miners are detained based on being suspected of various types of crimes including financing the insurgents in Cabo Delgado². Not only are many wrongfully detained through law enforcement encounters, but they also face the risk of becoming victims of assault by thieves and security forces. This has been a common occurrence, for instance in 2012 and 2017 when miners of the community of Namanhumbir (District of Montepuez, Cabo Delgado) discovered rubies in the area, which is currently explored by Montepuez Ruby Mining Lda (MRM) company which had control of the land. It is important to note that not all land is controlled by the government or mining companies; and areas where mining has been made clandestine without state oversight, there are conflicts between the miners and third parties as well.

² Jihadist insurgents who since 2017 have been attacking northern Mozambique, particularly Cabo Delgado, and whom the state strongly associates with informal mining.

GORONGOSA: MILES OF RIVERS AND FIELDS OF GOLD

Gorongosa District in Northwest Mozambique is rich in resources, including fertile soil, gold, rivers for irrigation, and a biologically diversified environment. The communities recognize that these are vital resources in which have several different uses, but which also lead to conflict. To illustrate this fact, the Policy Brief highlights the case of the Association of Artisanal Miners of Gorongosa (Associação Mineradores Artesanais de Gorongosa - AMAG). AMAG is a mining association that has existed for more than a decade but was only legalised in 2017 (Governo da Província de Sofala³, 2017).). The legalisation was a result of State support at local level, which encouraged the miners and the farmers who discovered gold in Tsiquiri in 2002 to form an association. Due to the legalization, informal mining is generating significant gains for the families of the 60 members native to the district, and a large number of suppliers of services who have relative safety against harassment. Relations between the district government led by the Frelimo Party and the association led by a chairperson who is a member of the same party are deemed to be positive, but there is an overall implicit distrust between the parties.

Illegal gold mining is very common and happens mostly on riverbanks and in fields, sometimes without the consent of the owner of the land. Native miners such as the members of AMAG usually negotiate compensation for the farmers and landowners. However, roaming miners who come from outside for quick gains rarely negotiate with the farmers. A church pastor, who is also a farmer, reported that recently he lost three hectares planted with bananas and sugar among other inter crops, during an absence of only five days, after unknown people discovered gold in his field and began mining.

Gorongosa is not the only district in Sofala rich in resources where the locals experience challenges in legalising mining activities. However, there still remains significant amount of land not occupied by mining here. This may be due to instability concerns related to the conflict between the government and the armed wing of the Renamo Party since 2013. Although

many requests for mining concessions are pending, the only company operational in Gorongosa is Irmãos Minerais, Lda., with about 2,800 hectares. The company was founded by the late Minister of the Interior, Manuel António. Legalisation took less than 10 days, in contrast to more than a decade to legalise AMAG (Ministry of Mineral Resources of Mozambique, 2021). AMAG and Irmãos Minerais are located about 12 km from the district capital. In contrast, to the south and north of the town, in communities that are traditionally supported by the opposition party Renamo, particularly in the Casa Banana locality where there was an atypical discovery of gold in 2017, no process to legalise artisanal mining has been approved although the great discovery attracted senior State officials, leaders of the ruling party, policemen and State Intelligence and Security Services (Serviços de Inteligência e Segurança do Estado -SISE) agents who were present in the area because of the military conflict. In itself, the law does not confer advantages on the members of any party, but it has been observed that in all of the 27 districts visited during this research project, informal miners affiliated to the other political parties other than the ruling one were not able to legalise their activities. The enormous challenges in legalisation is the licensing process, which is centralized in the provincial Governor and there are no local entities entrusted with this authority (Mining Development Fund & Unizambeze, 2012; CIP, 2018). The large concessions for industrial mining are granted at central level by the Minister, and are not known to the district government, which have to deal with the consequences of the concessions, including the conflicts between the communities and the industrial mining companies. The technical capacity of the provincial mining registration sector staff is low and paperwork is reported as complex, contributing to delays and fueling corruption (CIP, 2018). Also, the conflicts with the conservation interests of the Gorongosa National Park (PNG) and with the mining companies, place the informal miners in a situation where they are vulnerable to harassment. In June 2021, 42 miners were sentenced to prison terms and to pay fines, after they were accused of mining illegally in the PNG buffer zone (Observador, 2021). However, the legalised AMAG and Irmãos Minerais undertake their activities in another part of the buffer zone, only 7 km from the Park. This case study resonates with many instances in Mozambique of inequality and disparities between artisanal miners and mining companies.

³ Government of the Sofala Province's decision published in the Government of Mozambique's Boletim da República (Bulletin of the Republic).

ORGANIZED INFORMAL MINERS IN CHIÚRE AND NAMUNO

In contrast with Sofala, Cabo Delgado province has a large existence of concessions for exploration and mining belonging to a small elite connected to the ruling Frelimo Party. This connection is one of the factors preventing the licensing of small-scale operators such as informal miners. Under these challenging conditions, the miners in the districts of Chiúre and Namuno intend to gain support from the communities by setting up a structure which in addition to the miners, comprises of community representatives including women. For example, the Association of Miners of Natuco in Chiúre, which is not limited only to informal mining, is seeking to find the most correct and sustainable way to channel part of its income to the local communities. In Namuno district, in Nanlia village, there are two mining associations structured in the same way. One organisational specificity of the Namuno associations is that they include the gold buyers, who must be licensed as it is considered a crime to sell gold to unlicensed individuals. The level of organisation of these associations is high, but in all the mines of these associations there is a common complaint by the members, of poor collaboration with the Namuno and Chiúre district governments. In Montepuez, very little space has remained for the legalisation of artisanal mining, because almost all the land has been occupied by multinational entities, such as Gemfields in partnership with the national elites.⁴

An important aspect of informal gold mining in these districts is that the miners do not travel for work, but live in the communities, understand their problems and share part of their income with them, as demonstrated by the association in the Natuco post in Chiúre. When community members realized that a school was needed, they reorganized the association in order to channel funds for this goal. The young members of the association managed to sell the gold locally. Through community mobilization and sale of the gold, they built a first level primary school, with a functional structure consisting of a director and three teachers. The association also understood that the previous school was becoming degraded, and they once again mobilized community efforts

⁴ More details about the conflicts between artisanal and industrial miners in Montepuez can be found in another TIPS policy brief (Rantala, a) and about land conflicts with mining companies in general (Rantala, b).

to build a new school. In addition to the support of building a school the association has other social responsibility projects, including building the association's head office in Chiúre town. Furthermore, they planned the construction of a police post to contribute to public security. Generally, it was noted that these ideas came from older and experienced members who are guiding the work of the young miners in Natuco village. However, the community has come to an impasse because the government has not authorised these activities, although it recognises their benefits for the district. In Nanlia village in Namuno, the communities accuse the government of not allowing the two associations to work in a fully legal manner, although the legalisation of the associations was published in the Boletim da República.



Artisanal miners of AMAG with local researchers Haa Abudo and Aura Nelson. Photo: Janne Rantala.



Artisanal mining of AMAG in Gorongosa district. Photo: Haa Abudo and Aura Nelson.

RECOMMENDATIONS

- Mining associations should increase their engagement with local communities and offer platforms for training on good mining practices and related topics.
- Facilitate decentralisation of the licensing of the mining associations including the local government and communities in the decisions which affect their lives and environment. The Namuno, Chiúre, Montepuez and Gorongosa district governments recognise the potential of informal mining for local development and want to encourage the legalisation of the miners' associations, although they do not have the legal authority to do so since it is managed at the provincial level. As a result, district governments do not receive any revenue because the associations do not possess all the licenses envisaged in the law.
- Closer collaboration between the organizations of mining communities and the district governments may reduce the conflicts. Institutions such as local CSOs which are contributing to the management of conflicts resulting from the exploitation of natural resources and are recognised locally, can play an important role in facilitating dialogue, coordination, cooperation, and conflict resolution between the communities, private sector, and the government.
- Local government to prioritise and develop a long-term integrated plan for the management of natural resources (extractive and land) to ensure that communities can also have access to land for agriculture thereby avoiding risks of destruction of fields for mining, and creating a negative impact on farming and food production for the communities.

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