THE CHALLENGE OF THE MINES

The Role of Stakeholder Engagement in the Sustainable Development of Tanzania's Gold Mining Sector, A Case Study of Shinyanga

Dennis Tessier

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Declaration and Copyright

Dedication

This work is dedicated to my Family:
in both blood and in spirit.
You are the rock upon which I stand.

ABSTRACT

The thrust of this dissertation examines the role stakeholder engagement could play in bringing about sustainable development in Tanzania's gold mining industry. The underlying premise of the study is that a healthy stakeholder engagement process, rooted in the participation and partnership of all stakeholders, is essential before any discussion on sustainability can occur.

The study was conducted using qualitative research methods with three primary areas of focus namely: a historical analysis of gold mining within the region with the goal of determining the nature of stakeholder engagement prior to the major restructuring of the Tanzania mining industry in the 1990's; an analysis of the 1997 Mineral Policy and 1998 Mining Act (the two key documents responsible for the transformation of Tanzania's mining industry and finally an analysis of the current state of stakeholder engagement, with emphasis on the strengths, weaknesses and areas in need of improvement.

The dissertation consists of eight chapters as outlined in the table of contents. The research findings revealed a disparity between what exists in legislation and the reality of stakeholder engagement. The reality being a state of stakeholder engagement that can be described at best as fair and at worst as non-existent, with the underlying problems being an imbalance in resources, capacity and unequal power amongst stakeholders. The negative development outcomes served as a testimony to this reality. Key areas were identified that need to be focused on in order to strengthen the quality of stakeholder engagement necessary in bringing about sustainable outcomes.

Acronyms

AMREF - African Medical and Research Foundation
CAO   -Compliance Advisor/Ombudsman
DC   - District Commissioner
DCDO - District Community Development Officer
DG   - Discussion Groups
GOT   -Government of the United Republic of
         Tanzania
IFC   -International Finance Corporation
IISD   - International Institute for Environment and
         Development
ILO   - International Labour Organization
IMF   - International Monetary Fund
KEEP   - Kahama Education Enhancement Project
KMCL - Kahama Mining Corporation Limited
LEAT   - Lawyers Environmental Action Team
MIGA   - Multilateral Investment Guarantee Agency
MMSD - Mines Minerals and Sustainable
         Development
MZO   - Mines Zonal Office(r)
NBC   - National Bank of Commerce
NGO   - Non-Governmental Organization
NRCan -Natural Resources Canada
SAPs   - Structural Adjustment Policies
SSM   - Small-Scale Miner
SSMC - Small-Scale Miners Committee
STAMICO- State Mining Corporation
TRA   - Tanzanian Revenue Authority
U.N   - United Nations
VEO   -Village Executive Officer
WADECO- Water and Environmental Development
Company
WB   - World Bank
WCED - World Commission on the Environment and
         Development
WEO   - Ward Executive Officer

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Chapter One
Introduction: The Challenge of the Mines

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1.1 General Introduction

In recent years Tanzania has experienced a gold rush as a result of government reforms that were initiated in the early 1990s. These reforms have streamlined policies, created attractive tax benefits and liberalized trade, thus creating an ideal investment climate for international mining and small-scale operations alike. With mining comes social and environmental conflict. Historically, mining has primarily been detrimental to local populations, dislocating people from their land, causing environmental and health hazards and disrupting local economies. In rhetoric, the Tanzanian government has recognized the historical problem mining presents to communities and has acknowledged the need for active community participation in the planning of mining activities, but this rhetoric has yet to be transformed into any tangible blueprint for reform.

As the mining industry has grown in size and sophistication so has the environmental and social impacts as well as public attention to mining related problems. As a result there has been the need to reorganize the mining industry, ensuring that it is not merely economically viable, but also environmentally and socially sustainable. In response to public pressure, the international mining industry and those dependent on it, have initiated research aimed at discovering new approaches to mining development with the goal of creating the socially and environmentally sustainable industry called for by so many. This has resulted in influencing positive change to the industry in other parts of the world. However, Tanzania, being a "new frontier" for large-scale, technology intensive mining has opened the doors for international mining operations, but has been slow to take advantage of the experiences and findings of others in order to ensure mining

actually benefits those it impacts most within her own borders.

It is argued that communities must participate in the activities that directly affect them as a means of achieving sustainable development. However, the level of participation that is called for on paper has yet to be witnessed in practice. This leads us to ask, what is needed to make the benefits of mining a reality rather than simply rhetoric? What is clear beyond a doubt is that the role of all stakeholders in resource management is an issue that needs to be further explored in Tanzania.

1.2 Background to the Study

In February 2004, I visited Lugunga village in Bukombe District, Shinyanga Region. Lugunga village is a vibrant community with a population of 5000 people. During my week in Lugunga, I was informed that I was the first "mzungu," or white person to visit in 13 years, that is, except the "wazungu" from the mining companies who pass for surveying and other mining oriented activities, but never talk to anybody in the community.

Lugunga village does have some history of mining in the area with an abandoned mine site on the edge of the community and other small-scale mining activities in the countryside around the village. More recently, in December 2003, a group of students from the Department of Geology at the University of Dar es Salaam conducted some field research in the village, surveying sites and interviewing the village elders on past mining activities. With mining being a highly secretive business in nature, neither the geology students nor any other of the surveyors disclosed the official reason of their visit. However, for most in the community it was obvious they were looking for gold. Whether they had found any was the question.

I was informed that the community had not been properly consulted and that the villagers had fears that a potential mine would be too close to one of the village's

sources of fresh water. The lack of information or community participation in the establishment of a gold mine close to the community had begun to raise concerns over the role of mining in sustainable development as it is assumed that if the decision on the mine was not a shared one, neither would the distribution of benefits.

The experiences of Lugunga village are a reflection of a broader phenomenon that has resulted from the mining reforms that were initiated in the early 1990s. As already noted in the introduction, the reforms have streamlined policies, created attractive tax benefits and liberalized trade, which in turn have attracted international mining operations from Canada, the United States, Great Britain, Australia and South Africa. The reforms are a change of course for mining in Tanzania that had previously failed to attract international investment due to strict regulations that ensured mine ownership and operation stayed in government hands. In order to understand why the major reforms occurred, we must first look back into history to discover the context in which the mineral sector was managed so as to make reform necessary.

The history of government control over the mining sector can be best told from Tanzania's independence in 1961. For the first few years following independence (1961-1967), the newly formed Tanzanian government basically continued with the past colonial policy in the management of mining within the country. Minerals were extracted for the factories in Europe. In 1967, the Tanzanian government assumed control over the country's mining sector, nationalizing it and administering it through central planning. This approach resulted in a mining sector that was severely hindered by government bureaucracy and complex legal and tax systems. In turn, this deterred investment and increased illegal mining activities (Kulindwa et al, 2003).

In 1972, the Tanzanian government established the State Mining Corporation (STAMICO), which was given the responsibility of managing Tanzania's gold mining sector. STAMICO assumed control of gold mines in Geita and attempted to conduct large-scale mining operations. However, the Geita operation failed to meet its full potential as it lacked sufficient capital investment (Kulindwa et al, 2003).

With the Mining Act of 1979, which no longer required the government to own majority shares, STAMICO attempted to address its economic difficulties by attracting foreign aid through joint venture projects. At this time, government focus was primarily on small-scale operations and thus most reforms were designed to facilitate small-scale mining. This was not surprising considering small-scale miners are the ones who first demonstrated the economic potential of the mining sector in Tanzania (Kulindwa et al, 2003).

The economic crisis of the 1980s led to the intervention of the International Monetary Fund (IMF) and the adoption of structural adjustment policies (SAPs), which in turn called for privatization and trade liberalization. This included the mining sector. Trade liberalization did not begin to take root fully until the early 1990s, therefore it was not until the early 1990s that serious foreign investment began to enter the country. With the increased investment came an increase in mining activities as well as an increase in mine size. More importantly those involved in the mining sector called for serious reforms in the government's management of the mining sector.

Reforms began in 1997 with the creation of the Mining Sector Policy, which was later translated into law by the Mining Act of 1998. The objectives of the policy and legal reforms were designed to increase the role of the private sector in the economy, encourage and facilitate the development of the mineral sector and to rationalize small-scale mining. The results of such reform would be to increase private sector investment and to generate wealth to help other government programs geared at poverty alleviation (Mwanaidi Sinare Maajar, 2003).

In order to meet the stated objectives the Tanzanian government has made great strides by reforming its fiscal regime, legal and regulatory framework and institutional framework as well as improving its provision of financial services for mining operations. The government of Tanzania has also worked hard towards rationalizing artisinal and small-scale Mining, providing the mining sector with support services and facilities, creating and maintaining infrastructure, establishing a formal marketing system, improving mine health and safety standards and human resource development.

It is important to note that the stated objectives provided by the 1997 Mining Policy pertaining to issues of social and environmental sustainability of mining are not translated into legislation through the 1998 Mining Act, which is almost entirely catered towards meeting the needs of the Government and the mining industry. In doing so, the Mining Act ignores those stakeholders not directly engaged in mining. The importance of broader stakeholder engagement is made clear in the Mineral Policy, which states,

> "Mining investment projects are often negotiated between the central Government and the mining companies. The government's objectives are to ensure that there is greater involvement and participation of local communities in the implementation of mining projects. Experience in some mining countries show that greater community participation and involvement in mining projects contributes significantly to their (projects) sustainability (Article 3.3.12.5 of the Tanzanian Mineral Policy, 1997)."

The 1998 Mining act does not mention provisions regarding community participation in negotiating mining activities in their district. The policy states the importance of "strengthening community participation and involvement in

mining"; however, it does not state the legal framework of ensuring this.

Ultimately, the Mineral Policy of 1997 and the Mining Act of 1998, in tandem with other investment laws deliberately tailored to promote private investment in the mining sector, has invoked a tremendous surge in prospecting and mining development. The statistics clearly indicate that a gold rush is well under way. Mwanaidi (2003) notes,

> "Mineral exports from the large-scale mining companies alone rose from US Dollars 1 million in 1997 to US Dollars 387 million by the year 2002 and are poised to approach US Dollars 500million this year. "

Furthermore, the response of major mining houses like Barrick Gold, Ashanti, Anglogold, Resolute and Placer Dome following the enactment of the 1998 Mining Act bears testimony to the power of legislation in stimulating a surge in mining activity. These international gold mining companies have opened five commercial gold mines since 1998 with annual production capacity of 45 tonnes resulting in fivefold output in gold production over the past decade reaching more than 2.5 million ounces (worth nearly US Dollars 700 million) (Tanzcom, March 2004).

Mineral exports accounted for 38.9% of Tanzania's total exports in 2001 and increased to 42.5% of the country's total exports in 2002. The increase in mineral exports originates primarily from the gold mining sector. In fact, gold mining's share of total mineral exports increased from 84.1% in 2001 to 88.4% in 2002 (Tanzcom, March 2004).

Daniel Yona, Minister for Energy and Minerals, has acknowledged the impact of government reforms, stating,

"This unprecedented growth of the mineral sector in such a short period has a massive impact on the economy through the creation of employment, importing of new skills through first class training and payment of a range of taxes to the government. This is further enhanced by the improved social welfare of the people, particularly those living close to where mining activities are centered."[1]

In part, the facts support the Ministers claims. The amount of employment provided in the large-scale mining sector has increased by 39% from 1997 to 2002 with a total number of employees standing at 7,082. Unofficial estimates state the number of people engaged in artisanal and small-scale mining to be at around 650,000 to 750,000 people (Tanzcom, March 2004).

1.3 Statement of the Problem

The gold mining sector in Tanzania is expanding at a steady rate in terms of exploration, new mines, revenues generated, and the number of people engaged in mining. It is obvious that as long as mineral extraction reaps large profits in Tanzania those activities are going to continue along its present course of growth. The problem is not whether or not mining is successful in Tanzania, it is whether or not it is beneficial to those communities impacted by mining activities. To date, there have been no substantial benefits from mining for those communities. If concrete measures are not taken to ensure gold mining contributes to positive development within Tanzania, gold mining itself could present more of a problem than a cure to existing poverty. Examining how to further incorporate communities and other stakeholders in the process is one possible avenue for ensuring the sustainable development of gold mining in Tanzania.

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[1] Quoted from Lex Africa News, "The Mining Act, 1998 of Tanzania" by Mwanaidi Sinare Maajar. February 17th, 2004. <http://www.werksmans.co.za>.

1.4 Research Goal

The goal of my research is to explore the role which stakeholder engagement could play in the bringing about of sustainable development in Tanzania's mining industry. In order to achieve this goal, my research seeks to assess current stakeholder engagement, identify existing obstacles to greater stakeholder engagement and find solutions to these obstacles.

1.5 Research Objectives

In order to achieve my research goal, I have established the four following research objectives:

- Conduct a historical analysis of gold mining activities in Shinyanga Region, Tanzania.
- Conduct a review of existing legislative reforms in regards to mining in Tanzania
- Assess the current level of stakeholder engagement.
- Determine what changes, if any, need to occur to increase the stakeholder engagement process.

1.6 Definition of Terms

Finding the answer or answers to the questions "what is sustainability in the context of mining?" and "how do you achieve that sustainability?" have been the over arching challenge faced by those seeking to transform the international mining industry. Most have accepted the World Commission on Environment and Development's (WCED) definition of "sustainable development," as "a form of development which meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987)." Various other definitions have grown from that of the WCED, including those specific to the mining industry. The Canadian Government has gone so far as to provide its own definition of sustainable mining development, as "a socially,

economically, environmentally sustainable and prosperous mining industry, underpinned by political and community consensus (www.natural-resources.org)."

Having a definition of sustainable development leaves one remaining question, how do you achieve sustainable development? It is widely accepted that in order to answer how, you must first start with asking whom? In other words, who decides what sustainable mining development is? The most popular buzzword flying around in development circles is "stakeholder engagement." Stakeholders can be defined as "those who perceive themselves to be affected by, or can affect you or your activities. Stakeholders could be groups, individuals, or individuals representing groups, and are essentially defined as such through the 'stake' they hold in an activity and its organization (Solomon 1999)."

It is overly simplistic to assume that two concepts – "sustainable development" and "stakeholder engagement" can be the key to the transforming of the international mining industry into an economically viable, socially and environmentally sustainable activity. The reality is that sustainable development through stakeholder engagement is dependent on many factors, most importantly, the willingness of those in power, economically and politically, to allow such a process to truly happen, and if so, the ability of weaker stakeholders to negotiate effectively having limited resources.

1.7   Research Expectations

From the above discussion I will pursue the following two expectations. First, I expect to discover that the lack of stakeholder engagement in the creation of mining legislation in Tanzanian has created negative development trends as communities become subservient to the decisions made by the national government and the mining industry. I further expect to discover that communities can develop the capacity to become more involved as stakeholders towards

the sustainable development of the gold mining sector in Tanzania.

1.8   Significance

Gold mining presents both an opportunity and a threat to Tanzania. If managed properly, gold mining could generate the revenues, infrastructure and employment necessary for sustainable development within the country. If not managed properly, gold mining could present yet another form of exploitation and conflict thus exacerbating poverty rather than alleviating it. If mining is to be the vehicle for sustainable development that is desired by Tanzanians, Tanzanians must play an active role in its management. The research I propose is significant because it seeks to critically analyse existing mechanisms of stakeholder engagement as well as explore further options for improved stakeholder engagement. This analysis will serve as a positive contribution to my field due to the fact that it has been conducted independently of the mining industry or any other stakeholders. This significantly reduces bias, thus providing an open and truthful perspective of the reality of stakeholder engagement. Looking at stakeholder engagement from a neutral standpoint will allow me to differentiate the rhetoric from the reality, thus providing new knowledge critical for the development of a sustainable mining industry in Tanzania. It is my hope that conducting this research will further our knowledge in this field so that we can work towards a more equitable globalization that is based on empowered communities. Determining how communities view participation and wish to participate in determining gold mining activities is the true vehicle to sustainable development in Tanzania.

Chapter Two
Working Towards Sustainable Mining Development

*"Is sustainability possible in the mining sector? After all, this is an industry whose core business is the depletion of raw natural resources. This is also an industry that consumes vast amounts of energy and produces massive quantities of waste. Of all the earth and ore disturbed for metals extraction, only a miniscule amount is actual ore. For example, the 7,235 tons of gold ore mined in 1995 account for only 0.01% of the 72.5 million tons of materials moved and processed to extract that ore. The rest, 99.99%, was waste. The 11,026 tons of copper mined account for only 1% of the 1 million tons of materials moved. The rest, 99.00%, was waste (*Gardner and Payal, 1998).*"

2.1   Introduction

As the above statement indicates, in recent years the international mining industry has reached a social, economic and political crossroads that will surely challenge its legitimacy as a vehicle of development. As the result of external pressure by community groups, non-governmental organizations (NGOs), environmentalists, academics, the international media, as well as internal pressure from stockholders and company employees, the mining industry has had to reevaluate how it does business in an increasingly globalized world. Mining companies have to face the task of striking a balance within an industry with a historical development paradox of trying to meet the mineral demands of an expanding global economy while attempting to avoid mining's negative impacts on local populations with an industry that is inherently destructive. In other words, how do

you ensure development is not the result of underdevelopment? In order to answer these questions, we must look at how the world, including the mining industry, has pursued development and look at emerging views to how we must pursue development to ensure everybody, from the community to the consumer, benefits from mining.

This discussion is particularly relevant in the context of Tanzania for three specific reasons. First of all, Tanzania is a mineral rich nation that has attracted the attention of international mining operations. Second, as a direct result of structural adjustment polices (SAPs), Tanzania has liberalized trade and reformed government polices thus effectively opening the doors to international investment and mining corporations. This has literally created a modern gold rush in the country. Finally, as with most cases, Tanzania's mineral wealth lies under community land that has economic and cultural significance dating back for centuries. Developing mine sites on and under this land poses a serious threat to the way of life of these people who may never see the benefits that mining development is said to bring.

2.2   Development: Philosophy and Reality

Before we continue it is important to frame development according to its core philosophical underpinning – the certainty of change. In 500 BC Heraclitus noted, "nothing is permanent but change." This simple yet profound statement provides the only sure answer to what the future of humanity beholds. Knowing that change will occur is a given, however, what is more important is the nature of change that does occur and whether or not change is the result of fate or action. John Steinbeck explored this latter, philosophical, question (Steinbeck, 1962). Steinbeck reduces this philosophical debate down to one word, *"Timshel",* meaning "thou mayest" in Hebrew. It can be argued that "*Timshel*" is the over arching philosophy of the development paradigm, the belief that humanity is an agent of change rather than passively accepting fate. Development agents seek to design, negotiate and implement change with the goal of improving

the human condition. Deciding to pursue development is the first decision, deciding on which model or methodologies are best to achieve our development goals has proven to be much more difficult. The mining industry is not excluded from this debate.

If the ability to shape our existence represents the philosophical underpinnings of development, the subject of "power" constitutes development's reality. According to Dorothy Rowe (1989: 16), "power" can be defined as "the right to have your definition of reality prevail over other people's definition of reality." Power presents itself as an undercurrent throughout the whole of this discussion. This evident in the words of Foucault,

"Power must by analyzed as something which circulates, or rather as something which only functions in the form of a chain. It is never localized here or there…Power is employed and exercised through a net-like organization (Foucault 1980: 98)."

This persistence of power is further examined by Uma Kothari (Cooke and Kothari 2001).' Kothari argues that power is everywhere and can be analyzed through the creation of social norms or customs [rules] that are practiced through out society." Power is the key ingredient in the creation of social norms and cultural practices and ultimately the creation of knowledge. "Knowledge is thus an accumulation of social norms, rituals and practices that, far from being constructed in isolation from power relations, is imbedded in them (or against them) (Cooke and Kothari 2001: 141)."

Chambers (1997) clarifies the significance of power in the creation of development thought and practice. Chambers notes,

"Those most able to act are the powerful. In development, power is usually seen as an asset. It is the means to getting things done.

Those who work their way up and become presidents, ministers, permanent principal secretaries, directors-general and chief executives do, after all, have huge scope for changing things for the better (Chambers 1997: 76)."

Recognizing who is most able to act is of key importance when one thinks of where development thought originated – from within "developed" countries. This is because an imbalance of power in favour of developed nations allows them to not only to create the model for development, but to assume control over how it is carried out as well. Chambers points out how this power is carefully maintained through various mechanisms, such as social conditioning, distancing policy makers from recipients, diplomacy, deceit, and withholding information (Chambers 1997).

Chambers brings his discussion to a series of questions that need to be asked if we truly desire to engage development: "whose knowledge counts? Whose values count? Whose criteria and preferences count? Whose appraisal, analysis and planning? Whose action? Whose monitoring and evaluation? Whose learning? Whose empowerment? Whose reality counts? These questions of power must be confronted if mining development is to be a vehicle for positive development.

2.3   People and Minerals

R.F. Fuggle and M.A Rabie (1996) note that human kind has depended on the minerals found in the earths crust since the Stone Age and the use of stone tools. Archeological evidence has demonstrated that mining activities, for gold, iron and copper, in Southern African countries has occurred for at least 1,000 years. As human populations have grown and evolved so have our dependence on the earth's mineral wealth. Today, humanity has become utterly dependent on minerals, socially and economically. As the globe's population increases, so will its demand for minerals (R.F. Fuggle and M.A Rabie, 1996).

Mining in all forms has had a very destructive history globally dating back to the industrial revolution and the European colonization of the America's, Asia and Africa. From the Spanish's obsession with Latin American gold to the demand of African minerals to fuel the factories of Europe, humanity is haunted by the death, destruction and displacement that has been the result of our dependence, or desire, for the mineral wealth that lies beneath other peoples lands. In the 20th century this process conveniently veiled itself under the umbrella terms of "development" and "globalization." From this point onwards mining changed from being "evil" to become a "necessary evil" that is cemented in policy for the overall development of the world's nations. The reality of this "necessary evil" is evident in the London Declaration (2001), which acts as a voice of communities affected by mining. It states,

> "We have seen our peoples suffering for many years from mining in all stages and forms and from exploration to development through to abandonment. Industrial mining has caused grievous pain and irreparable destruction to our culture, our identities and our very lives. Our traditional lands have been taken, and the wealth seized, without our consent or benefit."

One must not forget the words of Foucault, "Power is tolerable only if it masks a substantial part of itself (Foucault 1979: 86)."

2.4   Globalization

At this point it is important to touch on the notion of "globalization" as it directly tied to this discussion. For the purpose of this discussion, globalization is defined as the "ever-increasing integration of national economies into the global economy through trade and investment rules and privatization, aided by technological advances." This definition is borrowed from Colin Hines (2000).

Karl Marx was the first to discuss the notion of globalization in his critiques of capitalism. Marx wrote,

> "…The need for constantly expanding market of its products chases the bourgeoisie over the whole surface of the globe. It must nestle everywhere, settle everywhere, and establish connections everywhere. The bourgeoisie has, through its exploitation of the world market, given a cosmopolitan character to production and consumption in every country. To the great chagrin of reactionaries, it has drawn from under the feet of industry the national ground on which it stood (Marx and Engels, 1970:56)."

Contemporary discussions on the subject of globalization can be summed up in the following words,

> "Over the past 15 years, a widespread perception has emerged that a new stage has been reached in the relationship between capitalism and the nation-state. Globalization is the umbrella term – indeed a ubiquitous buzzword – conveying the sense that fundamental transformation is occurring in the contemporary world economy (Baker, Epstein and Pollin 1998)."

Similarities arise when comparing the thoughts of Marx with his contemporaries. What is important in this discussion on globalization is that the term, meaning the spread of the global capitalist system, has become synonymous with what the world refers to as "development." Being synonymous is problematic when you consider the words of Oswaldo de Rivero, "to consider the impossibility of development is to think the unthinkable (Rivero 2001: 09), since a world solely focused on capital accumulation is not what we really want to develop.

2.5   Globalization and Development

The birth of the development paradigm came in the form of the "Modernization" school of thought. Modernization essentially focuses on the deficiencies in poor countries – the absence of democratic institutions, of capital, of technology, of initiative – and then speculates about ways to repair these deficiencies (Isbister 1998).

Central to modernization thought are the mutually exclusive notions of the "traditional" society and the "modern" or "capitalistic" society. This is touched upon by Arthur Lewis (1954). Here Lewis discusses how societies have two key sectors: the capitalist and the traditional. The Capitalistic sector is dynamic, reinventing and able to sustain growth. On the other hand, the traditional sector is considered to be stagnant or unchanging throughout time due to its lack of technology and innovative thought (Preston 1996). In order to modernize, the capitalistic element of society must be focused upon and energized.

To achieve the status of "developed", underdeveloped nations must go through the process of development. In the post World War Two world, development was perceived as simply copying the development already experienced by industrialized countries in the North. Therefore, for modernization theorists, development is synonymous with economic growth. This is embodied in the work Walter Rostow (1961). Rostow argues that the economies of all the world's nations are essentially moving in the same direction, but certain nations are further along in their development than others. In order to support this, Rostow chartered the course of development in what he described as the "stages of economic growth." The first (or pre-development) stage is that of the "*traditional*" society, which is stagnant and unchanging with primitive technology. The second stage is the "*preconditions for take-off*." This could be commercial or foreign influence that sparks some sort of social change. Thirdly, there is the "*take-off*", for Rostow considered the "great watershed in the life of modern societies" and

described as the interval when the blocks and resistances (i.e., traditional backwardness) to steady growth are where economic growth spreads throughout the society. The final stage (and end goal) is the "*age of high mass consumption*", when the benefits of development spread or "trickle down" to all of society.

Mining, especially large-scale mining, fits very nicely into the modernization vision of development. Like other extractive industries, most notably oil, mining is seen as merely a first step in the development process. The mines are established, the minerals extracted and sold on the world market, and the profits used for further economic development within the country. The assumption being that eventually all this "development" would "trickle down" to all levels of society. The negative impacts of mining on those residing near mining operations were simply accepted as the cost of development. This paradox is addressed in the words of Archbishop Desmond Tutu,

> "It is a cruel irony that countries around the world that suffer from some of the highest rates of poverty, disease, corruption, violent conflict and human rights troubles are also - at least on paper - some of the richest. Paradoxically, their wealth in natural resources like oil, natural gas, gold, diamonds and copper, has helped fuel many of their problems."

Some refer to it as the "resource curse" or the "paradox of plenty" (Tutu and Williams 2004).

2.6   Critiques of Modernization

A critical view of modernization claims to development emerged in the 1960s with the dependency school of thought. Andre Gunder Frank (1967) wrote of the "development of underdevelopment" in the third world, in which he argued rich industrialized nations were responsible for the condition of underdevelopment in the third world as

they appropriated the economic surpluses from it to facilitate their own development. This process of underdevelopment spans back over four centuries of colonialism, as colonies were set up to facilitate the channeling of wealth to economic centers, such as London and Paris. The appropriation of economic surpluses took the form of polarization into metropolitan centers and peripheral satellites (Gunder Frank 1967). The flow originated with the individual to the smallest community satellites and eventually up the chain to the primary satellite in the colony, where it was in turn transferred to Europe (Diagram 2.1). Ultimately, Gunder Frank argues that underdevelopment continues to this day as a fundamental part of global capitalist expansion.

Diagram 2.1.   Appropriation of Wealth

Source: Constructed using Gunder Frank's Logic
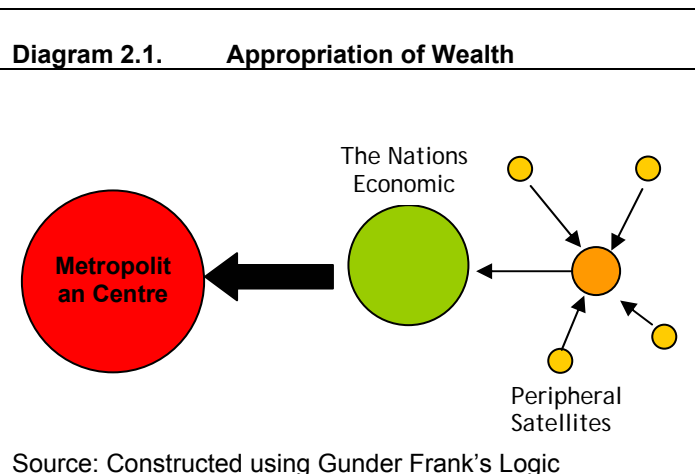
The debate that flourished between the Modernization and Dependency schools of thought certainly contributed to the advancement of the development paradigm, but it did little to resolve the issue of surrounding mining's role in bringing about development. Modernization thought viewed mining development as a catalyst for greater economic development and Dependency thought viewed mining simply as a re-organization of exploitation from colonialism to neo-colonialism.

2.7   Sustainable Development

According to Rob Hounsome and Peter Ashton (2002), "early models of development, such as the Modernization and Dependency schools, "relied on forms of exploitation of both human and natural systems." However, development practitioners have come to the realization that development is dependent on interdependent variables – particularly environmental, social and economic systems – rather than the exploitation of one for the benefit of the other. Essentially it was this understanding that formed the basis of the concept of "sustainable development (Hounsome and Ashton 2002)."

Rachel Carson (1962), a genetic biologist, writer and editor, is credited with bringing the issues surrounding sustainable development to public attention. Carson warned of the dangers of industrial pollution and called for the environmental monitoring. However, it was not until much later, with the release of the World Commission on Environment and Development's (WCED) report (1987), that sustainable development became a central theme in development circles.

The WCED report, also known as the Brundtland Report, put into question the rational behind unchecked industrial growth in the name of development. The report defines "sustainable development" *as* "a form of development which meets the needs of the present without compromising the ability of future generations to meet their own needs (WCED, 1987)." This definition and the report it is contained within succeeded in reorientation international development towards the ideas of sustainability that includes a harmonious balance between society, environment and economy. The definitions in Box 2.1 reflect this.

Box 2.1 Varying Definitions of Sustainable Development

The concept of sustainable economic development as applied to the Third World... is therefore directly concerned with increasing the material standard of living of the poor at the "grassroots" level, which can be quantitatively measured in terms of increased food, real income, educational services, health care, sanitation and water supply, emergency stocks of food and cash, etc., and only indirectly concerned with economic growth at the aggregate, commonly national, level. In general terms, the primary objective is reducing the absolute poverty of the world's poor through providing lasting and secure livelihoods that minimize resource depletion, environmental degradation, cultural disruption and social instability (Barbier, 1987).

Sustainable development is here defined as a pattern of social and structured economic transformations (i.e. development), which optimizes the economic and societal benefits available in the present, without jeopardizing the likely potential for similar benefits in the future. A primary goal of sustainable development is to achieve a reasonable (however defined) and equitably distributed level of economic well being that can be perpetuated continually for many human generations (Goodland and Ledoc, 1987).

Sustainable economic development: to find the optimal level of interaction between three systems -- the biological and natural resource system, the economic system, and the social system (Barbier, 1989).

Two models have emerged to explain the relationship between society, nature and economic systems within sustainable development. The first model is the interactive model of sustainability, which "recognises that the social and economic systems have never been and can never be independent of the natural system (Hounsome and Ashton 2002)." This is demonstrated in diagram 2.2.

Diagram 2.2.   The interactive model of sustainability
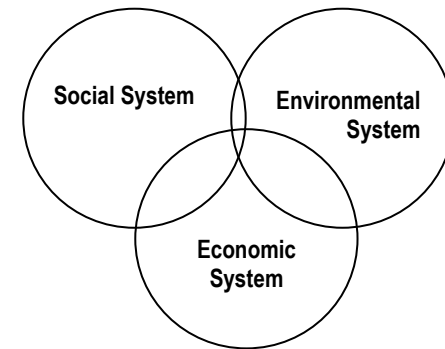
Source: Hounsome and Ashton 2002

The second model is called the interdependence model of sustainability and focuses "on the need to maintain capital resources for both present and future generations (Hounsome and Ashton 2002)." See diagram 2 below.

Diagram 2.3   Interdependence model of sustainability
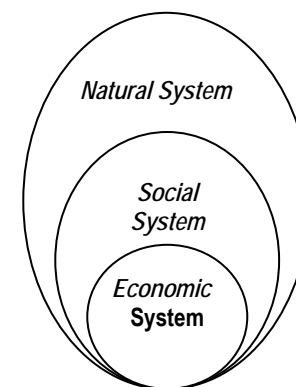
Source: Hounsome and Ashton 2002

Hounsome and Ashton note the basics of the three principles as the following:

a) Economic capital - the machines, buildings, finances and infrastructure which support the production of goods and services;

b) Natural capital – those natural resources and ecological processes which provide raw materials and comprise a life support system (for both humans and ecosystems); and

c) Social capital – the human skills, capabilities and belief systems, as well as community and institutional systems, which allows a society to function (Hounsome and Ashton 2002).

They explain the rational behind these three categories of capitol as the following,

> "At its core, sustainable development seeks to open a path by which economic development can progress, whilst simultaneously enhancing human development and ensuring the long-term viability of those natural systems on which that development depends (Hounsome and Ashton 2002)."

In recent years It is these models that non-governmental organizations, governments and mining companies looked towards for insight into how to transform the mining industry into something that could be managed in a social, environmental and economical sustainable manner.

Within Australia and Canada, countries with large mineral sectors, there has been a great deal of public debate concerning the future of the mineral industry. It is important to look at what potential these debates have for setting a precedence for the rest of the world. The reason being that the very mining companies engaged in mining within Australia and Canada are also operating outside their home countries. In Tanzania, Barricks Gold (Canada) and PlacerDome (Australia) both operate mines.

In Australia, collaborative initiatives have resulted in defining what sustainability means in the mining sector. The Ecologically Sustainable Development Working Group on Mining has defined sustainable development for the mining sector as:

> "...ensuring that the mineral raw materials needs of society are met, without compromising the ability either of future societies to meet their needs, or of the natural environment to sustain indefinitely the quality of environmental services (such as climate systems), biological diversity and ecological integrity" (ESDWG 1991)."

Similarly in Canada, as a result of collaboration on an accord, labeled "The Whitehorse Mining Initiative", between the mining industry, senior government, Aboriginal groups and environmentalists, a consensus was reached on the definition of sustainable mining development,

> "...finding, extracting, producing, adding-value to, using, re-using, recycling and, when necessary, disposing of mineral and metal products in the most efficient, competitive and environmentally responsible manner possible. NRCan recognizes that these activities must be carried out in consultation with, and respecting the needs and values of, other resource users and maintaining or improving environmental quality for present and future generation" (Government of Canada 1996)".

Natural Resources Canada (NRCan) also established six major objectives for the implementation of sustainable

development practices in order to meet its definition. See Box 2.2.

Box 2.2 NRCan – Sustainable Development Objectives

▪   …a socially, economically, environmentally sustainable and prosperous mining industry, underpinned by political and community consensus ;

▪   Integration of the concept of sustainable development in federal decision-making affecting the minerals and metals industry.

▪   Ensuring the international competitiveness of Canada's minerals and metals industry in the context of open and liberal global trade and investment framework.

▪   Advancement of the concept of sustainable development of minerals and metals at the international level.

▪   Establishment of Canada as a global leader in promoting the safe use of minerals and metals, and their related products.

▪   Promotion of Aboriginal involvement in minerals and metals related activities.

▪   Provision of a framework for the development and application of science and technology to enhance the industry's competitiveness and environmental stewardship.

Source: www.natural-resources.org,   Government   of Canada 1996

Southern African nations have also engaged in the sustainable development debate. According to Hounsome and Ashton, "sustainable development for the mining industry in Southern Africa will mean retooling" which includes,

▪   Taking accountability for and with communities living adjacent to mines as being integral to the mining process;

▪   Acknowledging that mineral resources and environmental sinks are finite and configuring eco-efficiency into both resource utilisation and waste disposal;

▪   Recognising that profits gained at the expense of environmental or social systems are short-term and therefore non-sustainable; and

▪   Ensuring that mining operations are conducted in such a way that the broader scale benefits to society are openly acknowledged and that concerted efforts are made to ensure that these benefits can be sustained even when mining activities have stopped (Hounsome and Ashton 2002).

2.8   Deciding who Defines Development

At this point it is important to review the challenge development faces, most notably, the fact that choosing to pursue sustainable development is much easier than actually pursuing it. "Whoever" is involved in its creation is the key variable in determining "what" sustainable development is going to look like.   It is for this reason that we must establish exactly whom governments and mining companies should include in the pursuit of sustainability in order. This means looking at how to incorporate those weaker parties who have for the most part been left out of the decision making process.

2.8.1   Consultation and Participation

A popular approach governments and corporations have utilized to reduce the impacts of their activities on the public has been the use of consultation. As Beder (1999) notes, "Formalized public consultation procedures were introduced in many countries during the 1960s and 1970s in response to protest actions and civil disobedience by environmentalists and local residents who were opposed to developments they considered to be undesirable (Beder 1999)." Public consultation has proved to be a key tool in gaining public acceptance for projects that are controversial.

Mining invariably fits into this category. Over the decades the process of public consultation has gained in sophistication. This is demonstrated in a model used by the IFC Environmental Division of the International Finance Corporation illustrated in Diagram 2.4.

Diagram 2.4   IFC 'Eleven Actions for Managing Public Consultations

Source: IFC Environmental Division
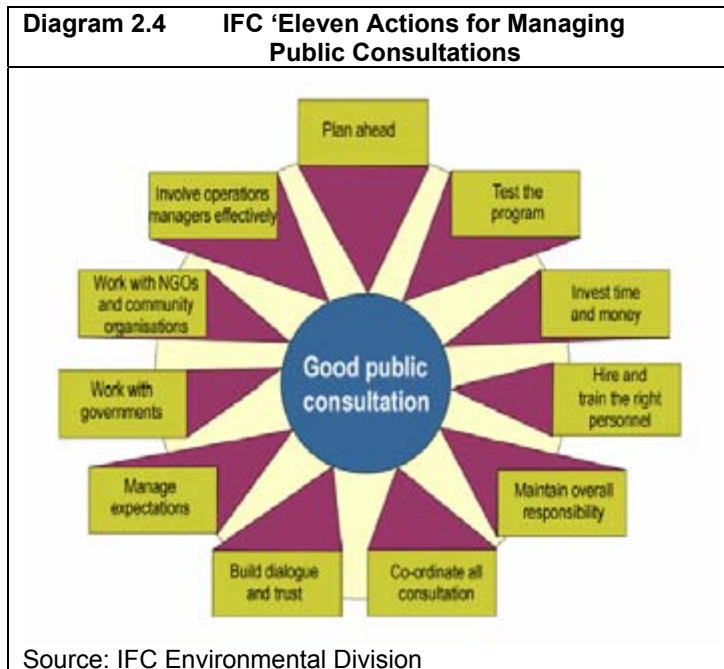
All eleven Actions for managing public consultations involve careful organization, management and facilitation of all interactions with those individuals and groups in which the company wishes to consult. In other words, the consultation process is designed to maintain control.

Beder argues that although the consultation approach may be effective in gaining acceptance for controversial projects, consultation often takes the form of public manipulation in order to gain acceptance for

decisions that have already been made. Beder highlights some key elements common to the consultation approach,

> "…the assumption that opposition is due to ignorance, the efforts to persuade the community that the facility is safe, the desire to win the trust of the community whilst discrediting opponents, and the need to provide the appearance of community participation without being genuinely responsible to community concerns (Beder 1999)."

Beder further notes details of the consultation approach that includes "risk communication" or the transfer of difficult material from "experts" to "people". Essentially, the goal of risk communication to convince an "ignorant community to realize what is their best interests." Beder points to the comments of government consultant following the successful consultation of a hazardous waste incinerator in Australia,

> "…we successfully educated our public because we controlled the agenda; we set the tone of the discussion…In addition, we realized if we didn't educate the public someone else would. An uninformed public will always organize themselves. Finally we used potential opponents in time to enlist their help (Beder 1999)."

As the above quotation indicates, public consultation is employed in changing public opinion that is perceived as being primarily "fuelled by hysteria, a desire to live in a risk-free environment, and unfounded perceptions of the industrialized world (Beder 1999)". However successful consultation has been, the shift from consultation to participation was a needed one.

The participatory approach to development emerged as a result of two key factors, the first being poor

peoples resistance to top-down development projects and secondly from the frustrations of the "World Bank and bilateral donors in their prescriptions of development approaches and data that they used to arrive at apparently wrong decisions (Ngaiza 2003)." Participatory development is agued to be the grass roots uprising in development thought and "studies confirm that sustainability is closely related to the local participation of the neighboring communities in the decisions affecting them (McMahon and Remy 2001: 33)."

Chambers (1991) outlines the principles of participatory development. Chambers argues that there is a need to gain sustainable livelihoods in difficult environments. In order to accomplish this, a re-structuring of development thought and practice is needed. Most importantly, "the recipients of aid must become actively involved in the entire process of development from its inception to its implementation." In order to for this to be achieved, Chambers states that we must "find better ways of enabling professionals and officials to change their behaviours and attitudes, and to learn from and empower local people (Chambers 1991)." To support his argument further, Chambers argues,

> "Recent experience has indicated that when outsiders behave indifferently and use participatory methods, poor rural people show an unexpected creativity and capacity to present and analyse information, to diagnose and plan the complexity and diversity of their conditions, of their livelihoods, on which they are up-to-date experts (Chambers 1991)."

In all, the participatory approach is seen as a voice of reason within development thought. Those who have to live with the results of development should decide what is going to be developed.

Chambers further contributes to the participation debate by stating that,

> "The essence of [participation] is changes in reversals – of role, of behavior, relationship and learning. Outsiders do not dominate and lecture; they facilitate, sit down, listen and learn…they do not transfer technology; they share methods, which local people can use for their own appraisal, analysis, planning action, monitoring and evaluation (Chambers 1997: 103)"

In other words, participatory "development research and planning attempt to challenge the apparent power relations in a society by recognizing the control that certain individuals and groups have over others (Cooke and Kothari 2001: 142)." Recognizing and confronting the imbalance in power with "those who wield little power and have limited opportunities to express their interests and needs are key decision making processes" is the goal of participation.

Challenging power relations is accomplished through the "identification, collection and interpretation, analysis and re/presentation of particular forms of (local) knowledge." However, accomplishing this task is extremely difficult in itself as the production and representation of knowledge is the product of those exercising power (Cooke and Kothari 2001).

As progressive as the participatory school of thought may be, a flow of criticisms has emerged in recent years as to its ability to achieve its stated goals. Ngaiza argues that "participation is likely to remain an illusion like democracy and gender mainstreaming since it seeks to empower the lower classes by linking them to resources." The reason for this is that participation means "liberating the poor" and this not only "causes a shift not only in resources but also in power balance (Ngaiza 2003)."

Ngaiza further notes that participation is "invariably a discussion on democracy and empowerment." She defines this relationship as the following,

> "Participation, democracy and empowerment from the poor people's perspective mean to recover their lost glory by being able again to take part in the decisions and plans that affect their lives. This amounts to democracy, while empowerment is to enhance people's capacity to participate effectively and make informed choices and take action on their problems (Ngaiza 2003)."

However, Ngaiza emphasizes "the village communities are institutions like any other." Communities need more resourceful people than currently exists in village councils. This leadership has been denied Villages, as community members who leave to be educated often do not return. This gap creates a deliberate weakness for communities (Ngaiza 2003).

Cooke and Kothari present several arguments to demonstrate participation's failures. The first of these failures regards the nature of participation. The authors argue that "People participate in agency programs and not the other way around…participatory approaches and methods serve to represent external interests as local needs, dominant interests as community concerns (Cooke and Kothari 2001: 22). Furthermore, the needs of the community are shaped by what the donor is able to provide in assistance. Communities will often demand what they know the donor can provide in order to ensure they succeed in getting funding. Taking this into perspective, it is of no surprise that the result is often without reference to local knowledge (Cooke and Kothari 2001).

A further argument is that what donors choose for programs and the manner in which they are delivered are "constrained by organization systems and procedures", such as budgeting time frames, procedures for approval and so forth (Cooke and Kothari 2001). As a result of institutional constraints participation has moved away from its radical roots and is now simply manipulated as a managerial exercise. Instead of talking about problematization, critical engagement and class, participation has now become a discussion in problem solving. In other words, rather than challenging power, participation conveniently fits into top-down models of development (Cooke and Kothari 2001).

A final problem with the participatory approach is its assumptions about the notion of "community. "The 'community' in participatory approaches to development is often seen as a "natural" social entity characterized by solidaristic relations. It is assumed that these can be represented and channeled in simple organizational forms (Cooke and Kothari 2001: 44)." The belief in community solidarity is blind to the existence of conflict, inclusion and exclusion and the need for negotiation. Furthermore, participatory development "practitioners excel in perpetuating the myth that communities are capable of anything, that all that is required is sufficient mobilization without looking at its diverse components (Cooke and Kothari 2001: 45)." (See Box 2.3: What is a Local Community?).

Box 2.3.	What is a Local Community?

"Local community" is defined in the broad sense of the term as the entire local population directly or indirectly linked to the mining operation." This includes;
-   population directly linked to the operation (those who reside on lands acquired by the mining company);
-   population residing on lands adjacent to or near the mining operation (any area that will be affected by changes to the environment, infrastructure, population movements or commercial traffic); and
-   population residing in nearby towns (towns of more than 1,000 residents that will be affected by the construction of camps or access roads, or by becoming a provisioning, lodging, or recreation center for the mining company and its personnel)

Source: McMahon and Remy, 2001.

Putting all criticisms aside, the most important contribution participatory development has brought to the development paradigm that it has forced us to refocus development back to a grassroots level, focusing on local needs rather than grandiose projects with perceived, rather than real, beneficiaries amongst the poor. Participation has forced us once again to ask the question – development for whom?

2.8.2 Indigenous Peoples

Indigenous Peoples have contributed and benefited a great deal from this debate. The literature produced by and in defense of Indigenous Peoples, and their relationship to mining development is of key significance to this discussion because mining operations have come into contact with Indigenous peoples repeatedly throughout history. This is particularly relevant to Tanzania as Tanzania is home to some 120 distinct ethnic groups that fall within the definitions of "Indigenous Peoples" (The varying definitions of 'Indigenous" are outlined in Appendix 4). Some of these efforts can be seen through the various ethical guidelines established by Indigenous groups. The International Labour Organization (ILO) has also furthered the development debate. In the ILO Indigenous and Tribal Peoples Convention, C169 (1989), Indigenous rights to mineral resources is clearly indicated. Article 15.1 states,

> "The rights of the peoples concerned to the natural resources pertaining to their lands shall be specially safeguarded. These rights include the right of these peoples to participate in the use, management and conservation of these resources (ILO 1989)."

And article 15.2 states,

> "In cases in which the State retains the ownership of mineral or sub-surface resources or rights to other resources pertaining to lands,

governments shall establish or maintain procedures through which they shall consult these peoples, with a view to ascertaining whether and to what degree their interests would be prejudiced, before undertaking or permitting any programmes for the exploration or exploitation of such resources pertaining to their lands. The peoples concerned shall wherever possible participate in the benefits of such activities, and shall receive fair compensation for any damages which they may sustain as a result of such activities (ILO 1989)."

The belief systems and life experiences of Indigenous Peoples have also played a major role in influencing how we define sustainable development. This is evident of the language of Clarkson, Morrissette, and Regallet (1992) who write,

> "There is a teaching passed down from our ancestors that crystallizes our sense of responsibility and relationship to the earth that arises out of the original law. It is said that we are placed on the earth (our mother) to be the caretakers of all that is here. We are instructed to deal with the plants, animals, minerals, human beings and all life as if they were part of ourselves. Because we are part of Creation, we cannot differentiate or separate ourselves from the rest of the earth. The way in which we interact with the earth, how we utilize the plants, animals and mineral gifts, should be carried out with the seventh generation in mind. We cannot simply think of ourselves and our survival: each generation has a responsibility to 'ensure the survival of the seventh generation (Clarkson, Morrisette and Regallet 1992)."

The core principles of participation and sustainability form the foundation of Indigenous Peoples beliefs, however, it is not Indigenous Peoples who wield the power in development circles and this is where problems arise all over the world.

This is evident in the definitions of Indigenous Peoples, which is often done by non-Indigenous groups. The World Bank is a case in point. According to Ted Downing (2001) argues that the definition is of less importance than what is not in the definition. Downing brings to attention the change in World Bank policy,

> "The proposed policy significantly and radically departs from current Bank policy by <u>excluding</u> from its provisions those groups who (a) have left their communities of origin, (b) moved to urban areas, (c) and/or migrated to obtain wage labour. Certainly the proposed policy is not a product of indigenous thinking. If this language is adopted a waterfall of ugly things are likely to happen to indigenous people. Impoverishment has led many of the world's indigenous people to leave their communities, move to urban areas, and find temporary jobs as labourers. Although absent, many of these people maintain close links with their communities, hold rights to ancestral lands, and provide financial support for civil and cultural services (Ted Downing 2001)."

A further concern of particular significance in Tanzania is those people residing on Indigenous land, with Indigenous Peoples, who do not fit into the definition of an Indigenous Person. Within Tanzania there exists 120 distinct ethnic groups, under President Nyerere these ethnic groups were united under the Tanzanian flag in order to avoid the existing conflict in post-colonial Africa. Within any Tanzanian community, you may find several ethnic groups living amongst each other. Additionally, Tanzania is home to over 600,000 refugees. In some communities, such as

Lugunga village in Shinyanga Region, are comprised of up to 30% refugees. These refugees have been accepted by the Indigenous community, but would be outside any Indigenous definition.

With public consultation being more about public relations, the myth of united communities and the exclusionary reality of definitions pertaining to Indigenous People posing obstacles to for all of society to participate in sustainable development, those in development circles are looking for another way to approach the issue. As Marjorie Mbilnyi argues,

> "We need an understanding of the meaning of development and democracy, which goes beyond integrating or participating the people into existing structures of power. Instead, in response to the basic direction being taken by popular social movements, radical social change is called for, social transformation and the creation of entirely new kinds of structures of power (Marjorie Mbilinyi 2003)."

Fiona Solomon (1999) contributes to Mbilinyi's words by posing the questions to her fellow colleagues within the mineral industry,

> "Mining faces a paradox – minerals are central to the industrialized world, yet the industry is one of the most criticized industries in society. Should the industry be working in developing countries and assisting with the development or are the benefits largely going to an elite? Should communities in transition to a wage economy be 'empowered' to deal with the financial benefits of the mine recognising the potential for great community disruption or will the careful guidance of monies translate into paternalism? Should the industry work in local culture opposed to its activities because it can

see broader benefits at a regional or national level)."

.

This alternative has come in the form of "stakeholder engagement."

2.8.3   Stakeholder Engagement

George Miller (1998) states, "The best decisions are those that are made closest to the people most affected by the decision (Miller 1998)."   In the context of development a 'stakeholder' would meet this qualification. However, we first discover who can be a stakeholder and what are the qualifying criteria?

Mitchel et al (2002) state that the definition of a "stakeholder" is broad and can include persons, groups, neighbourhoods, organizations, institutions, societies, and even the natural environment are generally thought to qualify. We find that it is the view taken about the existence and nature of the 'stake' that 'what counts' is ultimately decided (Mitchell, Agle and Wood 1997)." Another definition refers to stakeholders as, "those who perceive themselves to be affected by, or can affect, you or your activities. Stakeholders could be groups, individuals, or individuals representing groups, and are essentially defined as such through the 'stake' they hold in an activity and its organization (Solomon 1999)."   A fundamental factor in determining of a 'stakeholder' is the identification by the individual or institution themselves as stakeholders. Usually a stakeholder defines themselves according to the power, legitimacy and urgency of the issue they have at stake in (IIED-MMSD 2002). The key is not to exclude anybody who perceives themselves to be stakeholders from the process.

Typically, the main stakeholders can be categorized into three groups - civil society, company and government and as one can see from Diagram 4 these categories can be expanded significantly for greater inclusion.   "It is imperative that [the most important] result of the studies is that a legal license is no longer adequate. Companies must

obtain a social license (McMahon and Remy 2001: 33)." In order to achieve a sustainable and beneficial result for all parties these parties must meet at a relatively equal level.

Diagram 2.5   Typical set of stakeholders

Source: IFC Environment Division, 1998
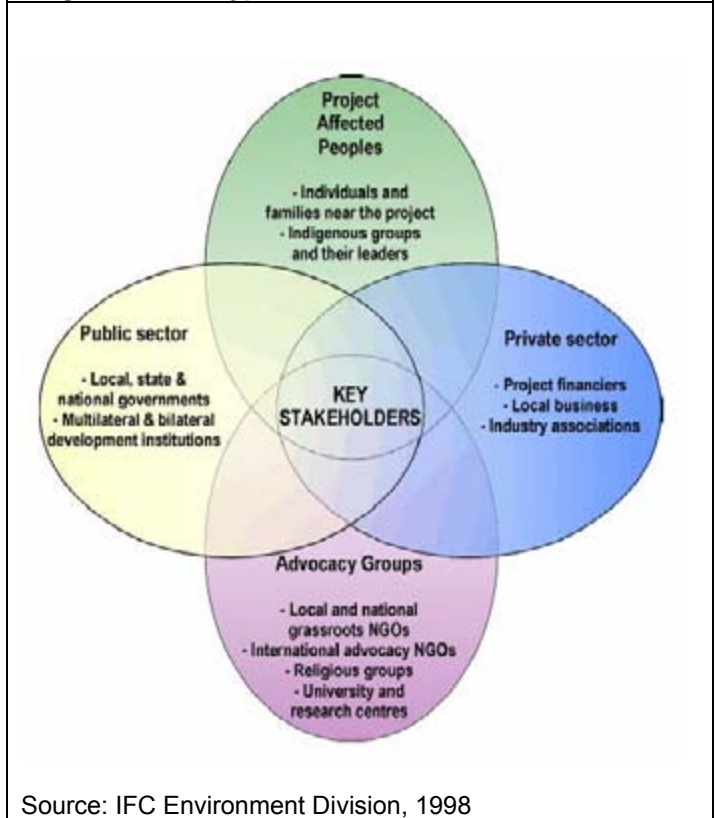
Each stakeholder plays a specific role in order for mutually beneficial and sustainable outcomes to occur. Governments are responsible for the "creation and sustaining of mineral wealth." This responsibility includes the establishment of legal and political frameworks in order to facilitate mineral development.   Once there are

appropriate government policies in place, it is the responsibility of the mining industry (whether it be private or public) to create the mineral wealth. Finally, civil society is responsible for ensuring that the creation of mineral wealth is sustainable through its role in ensuring that the social and environmental effects of mining are considered in decision making about mine development (Eggert 2001).

Table 2.1 provides an example from a company perspective as to the ideal circumstance in which stakeholder engagement and ultimately sustainability can occur.

Matrix 1.	The Participation Matrix				

Source: IIED-MMSD 2002

However, as Eggert notes,

> "Before mineral wealth can be sustained, it must be created. If minerals remain in the ground, they are simply potential wealth. But the creation of mineral wealth must occur in a manner consistent with social preferences for environmental quality and other social and cultural values (Eggert 2001)."

This brings us back to the beginning of this discussion – the issue of power. One should not overlook the fact that simply because an inclusive language has been created through a new development tool (for now being stakeholder engagement) that a shift in power relations will automatically occur. National governments, multilateral institutions and transnational corporations still wield a great deal of power. What is stopping them from overriding the stakeholder process when the outcomes do not unfold in their favour? In other words, how do you create and/or transfer some of that power to other stakeholders in order to achieve some balance? The purpose of this research is to find some answers to this question in the context of Tanzania.

Chapter Three
Research Methodology

_____

3.1   General Introduction

This chapter presents the research design, which I employed in my study of the role of stakeholder engagement for the sustainable development of the gold mining industry in Tanzania. Primary and secondary data sources methodologies were employed to achieve my research goals, which include semi-structured interviews, discussion groups, the use of key informants, a review of existing legislation and the choice of research area. This chapter will also focus on ethical concerns, anticipated limitations to my research and how I addressed those issues. Finally, using my experiences in the field, I will reflect on the strengths and weaknesses to my research approach and make suggestions for improvements.

3.2 Theoretical Framework

Qualitative research methods shall be employed in order to achieve my research goals. Qualitative research can be defined as, "a particular tradition in social science that fundamentally depends on watching people in their own territory and interacting with them in their own language, on their own terms (Miller 1986: 9). Qualitative research differs from quantitative research in two specific ways. First, its goal is to understand the existing reality of the persons being studied, and secondly, it allows the researcher to engage the culture in order to understand the meaning of particular activities and beliefs. Therefore, qualitative research rejects the idea of researching isolated events. Instead it seeks to understand the context in which a particular phenomenon occurs (Valadez and Bamberger 1994).

3.3 Research Design and Implementation

3.3.1 Research Area and Scope

My research was conducted in two areas within Shinyanga region (See Maps 3.1, 3.2, 3.3 and 3.4 below). The first area research was conducted was in was Bugarama Ward in Kahama District. Bugarama Ward has seven villages of which I conducted my research within three – Kakola, Bugarama, and Ilogi. The second area was in Bukombe District, Shinyanga Region. Most of the research conducted in Bukombe District was done in and around Nyakafulu village, which has a population of around 2,000 people and is located 1 km from they Nyakafulu gold mine that is currently being surveyed by Resolute of Australia.

Map 3.1   **Overall Research Area**
                     Shinyanga Region, Tanzania

TANZANIA

Map 3.2   Gold Deposits and Mining Operations
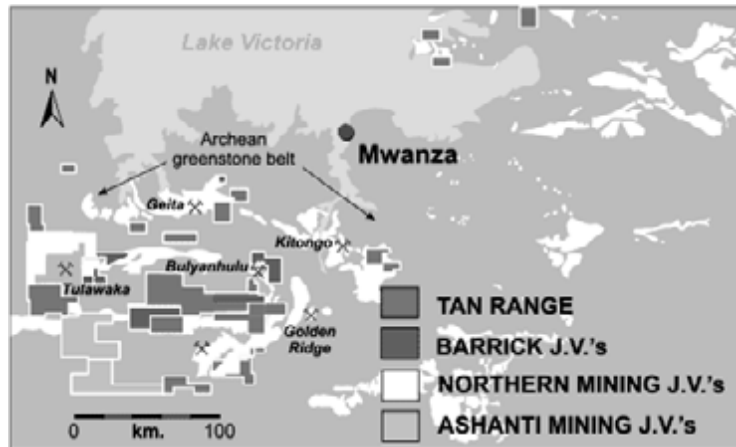
- **Bulyanhulu Gold Mine** – Operated by Kahama Mining Corporation (Barricks Gold) & Ashanti Goldfields Ltd. Estimated reserves of 10,400,000 ounces, (possibly the worlds largest deposit). Located 3km from Kakola, 8km from Bugurama and 12km from Ilogi villages.

- **Nyakafulu Gold Mine** – Under exploration from Resolute Mines. Estimated reserves of 375,000 ounces. Located 1km East of Nyakafulu village and 7km South of Lugunga Village.

Map 3.3   Bulyanhulu Mine Site
Bugarama Ward, Kahama District,
Shinyanga Region, Tanzania

KMCL Gold
Mine Site
(estimated area
under KMCL
control)

Legend
1cm = 0.5km

⚒ Mining Site
—   Unpaved Road
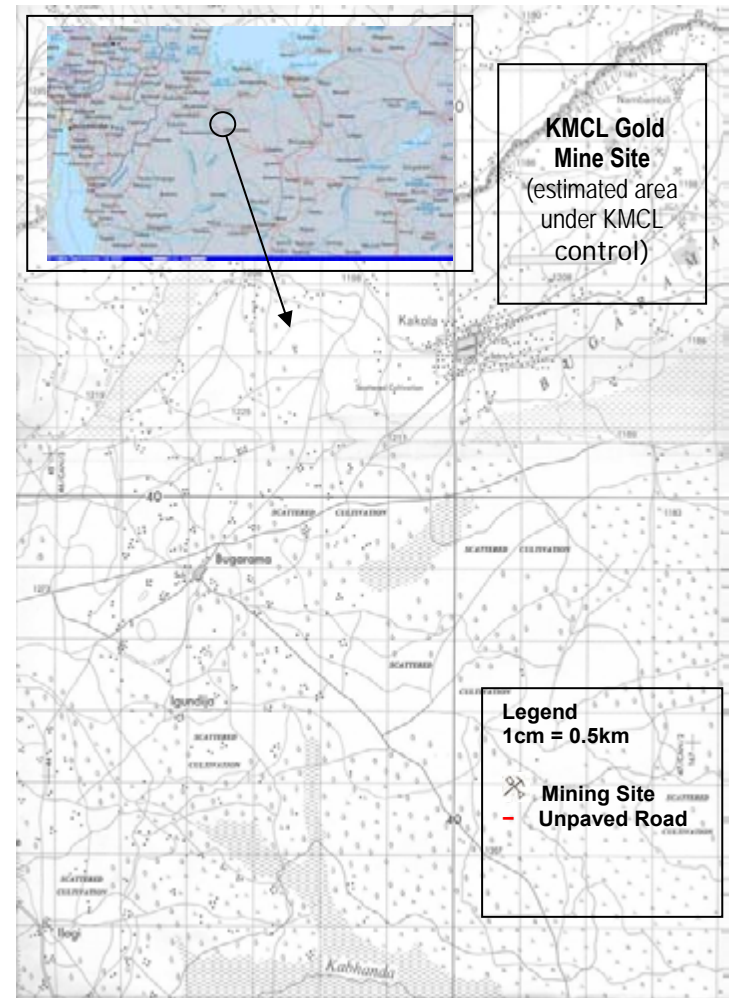
Map 3.4   Nyakafulu Village and Mine Sites

Masumbwe Ward, Bukombe District,
Shinyanga Region, Tanzania

▲*Lugunga Village*

▲ Nyakafulu

Legend
1cm = 2.5km

⚒ **Mining Site**
▲   **Village**
=   **Main Tarmac Road**
---- **Unpaved Road**
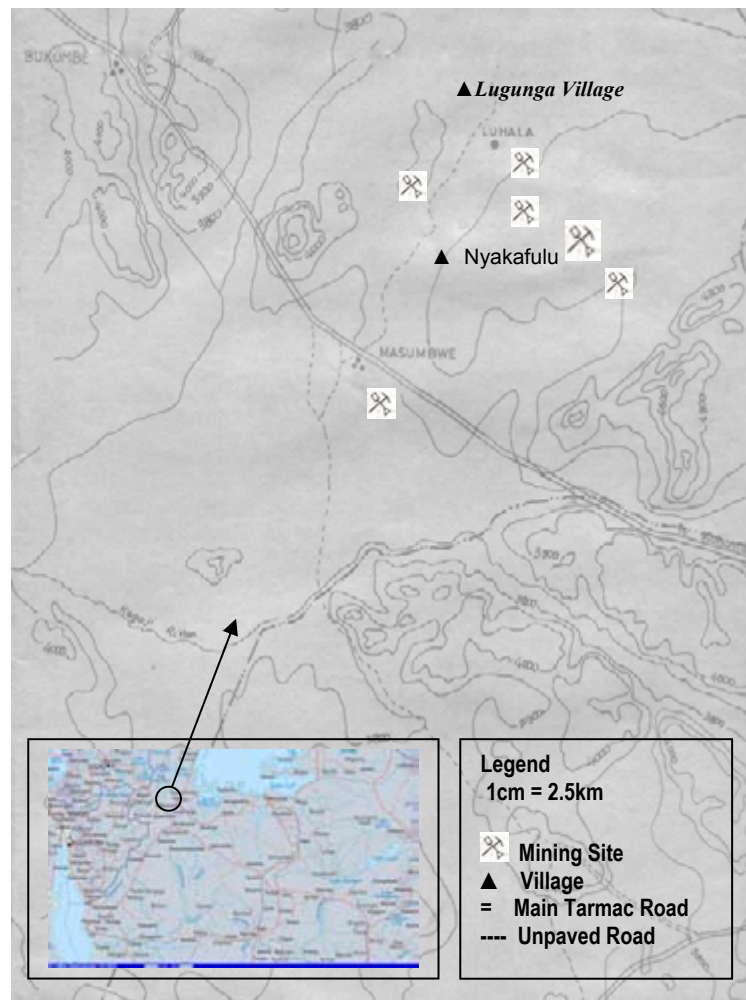
The Sukuma, the largest of Tanzania's 120 ethnic groups, represent the majority of the population in Shinyanga, however, other groups, such as the Zinza, Rongo, Kerewe, Sumbwa, Jita and Nyamwezi are also present. In addition to the ethnic groups native to the region, Tanzanians from other regions have come to the region as economic migrants. Furthermore, a fair number of Refugees from Rwanda and Burundi have settle and integrated in many of the villages.

Shinyanga Region, including the Districts of Kahama and Bukombe, is part of a cultivated broad belt steppeland in Northern Tanzania. The physical features range from flat land to rock hills and ridges that can range as high as 6000 feet above sea level. Large outcrops of bare granite rock are also common. As a result of the rising and falling land in the region, the quality of the soil for agricultural purposes varies from dark and rich fertility to red with limited fertility to sandy and no fertility (See pictures 3.1 and 3.2 below).

The Sukuma are primarily agriculturalists, farming a wide range of crops, including; sorghum, bulrush millet, maize, rice, sweet potatoes, cassava, groundnuts and various anti-famine crops that are capable of withstanding a climate that is unpredictable and equally unreliable. Some farmers also grow cash crops, such as cotton, sugarcane, tomatoes, banana's and various vegetables in order to gain additional income for the household.

Picture 3.1   Kahama District
(Granite Outcrops, Sandy Soil)

Picture 3.2   Bukombe District
(Gently rolling fertile farmland)

3.3.2   Research Questions

In order to achieve my goal of exploring the role in which stakeholder engagement could play in bringing about of sustainable development in Tanzania's gold mining industry, I established four research objectives. In turn, I also established a series of questions that correspond to each of my three research objectives, as shown in Table 3.1 below.

The goal of the first objective is to undertake a historical analysis of gold mining activities in Shinyanga. The first objective was used less as a tool to determine how mining activities itself was carried out, but more so to determine how mining activities impacted those communities close to the mine sites and ultimately to establish how relations between miners and communities were managed through the past.

The second objective and accompanying questions sought to assess recent reforms to mining legislation that have created the boom in mining activities. Most importantly it was to determine who played a role in the creation of the legislation and who are considered stakeholders in the legislation.

The Third objective was designed to identify stakeholders and to determine the current level of stakeholder engagement within the research area.

The fourth objective sought to establish how communities see themselves as stakeholders, uncover obstacles and explore possible solutions to the stakeholder engagement process.

Table 3.1	Objectives/Question Matrix	
#	Objective	Question
1	Conduct a historical analysis of gold mining activities in Shinyanga Region, Tanzania.	What mining activities have historically taken place in Shinyanga, Region, at the Bulyanhulu and Nyakafulu sites?
		What was the nature of stakeholder engagement during this period?
2	Conduct a review of existing legislative reforms in regards to mining in Tanzania.	What have been the key legislative reforms that have stimulated the growth of gold mining development in Tanzania?
		What stakeholders are recognized in the legislation?
		Who are the stakeholders responsible for the implementation of the legislation?
3.	Assessing the current level of stakeholder engagement	To what extent have communities been involved in the stakeholder process?
		How are the impacts of mining on communities monitored? Who monitors those impacts?
		How do communities see themselves participating in determining the context in which mining occurs?
		How do other stakeholders see the role of communities in the mining sector?
4.	Determine what changes, if any, need to occur to improve the stakeholder engagement process?	What obstacles stand in the way of increased community participation?
		What needs to be done to improve the stakeholder engagement process?

3.3.3 Data Sources and Collection

3.3.3.1 Secondary Sources

The majority of secondary sources for the literature review were found on internet websites dedicated to the subject of stakeholder engagement and sustainable mining development. Some key websites include; the Mining, Minerals and Sustainable Development (MMSD) project sponsored by the International Institute for Environment and Development (IIED), as well as the World Bank and Mining Watch. Literature was also retrieved from the University of Dar es Salaam library as well as other international libraries. Tanzanian mining legislation was acquired from the official government bookstore in Dar es Salaam as well as the official website of the Government of Tanzania. The literature surrounding my research topic was plentiful and easily accessible and allowed me to provide a strong foundation for my research.

3.3.3.2 Primary Sources

Primary data was collected through 37 semi-structured individual interviews and 9 group discussions (totaling 62 respondents). The respondents included representatives from Kahama Mining Corporation, Resolute Mining Corporation, CARE International, the Mines Zonal office of the Tanzania Ministry of Mines and Minerals, a District Development Officer for Kahama District, the Divisional Secretary in Bukombe District, Ward and Village Executive Officers, former small-scale miners, and local residents of the research communities (See appendix 1 for a complete list).

3.3.4 Data Collection Methods

3.3.4.1 Participation

As already noted in the introduction, the idea of conducting my research in this area was the result of informal and unplanned discussions with members of

Lugunga village during a previous visit to meet a friends family. The idea for conducting research was suggested to me by some members of that community during an informal discussion over coffee at a local cafe. The discussion with local community members sparked an initial interest in the subject from which I explored in further detail. After some exploration and discussions with individuals who would develop into key informants, I decided to pursue the research. This is essentially the root of participatory development. In this case, the community desired to have such research conducted, and I, the researcher, also saw the importance and had the desire to conduct the research. Having some members of the community propose the research fosters the essential foundation for a participatory research partnership between the community and researcher.

In the context of this research, participation is of key importance because it underlines the direction that development must precede. As Valadez and Bamberger note,

> "Because many programs produce major changes in the lives of the population (not all of which are positive), planners have a moral obligation to understand how the population feels about these programs and how it is affected by them…Not to try to understand the point of view of a community resident is tantamount to ignoring democratic principles and social participation. (Valadez and Bamberger 1994: 331)."

Determining community perspectives through participation is the first step in establishing effective stakeholder engagement.

In order to maintain the participatory nature of this research, contact with members of the community was maintained on a regular basis throughout my research for analysis and comment. I also employed participatory

methods, such as mapping, in order to establish the location and importance of mining activities that affect the community, as well as the various environmental and social impacts that mining may have.

3.3.4.2 Interviews

Semi-Structured Interviews constituted the primary tool for the collection of data in my research. Semi-structured interviews were based on a set of core questions, but allowed for some deviation from those questions to explore relevant sub-topics that emerged in the interview process. This approach allows for the efficient collection of qualitative data and the flexibility for respondents to participate in the creation of this data.

The benefit of the semi-structured interview is the fact that topics are not introduced in a formal questionnaire. Questions were derived from a series of core guiding questions, which were expanded on in the interview process. Furthermore, semi-structured interviews prevented the collection of identical bits of data. Rather, it allowed for topics to be covered that had yet to be sufficiently covered and for respondents to talk about issues they felt most comfortable and knowledgeable with.

The order of questions in the interview process proved to be of great importance in obtaining quality responses. Generally, the interview started with a general introduction of the person's background, including such details as profession and region of origin. Within the communities and with the representatives of the mining corporations the vast majority of respondents were very accommodating to the interview process, answering questions carefully and honestly. Often, difficult topics related to the obstacles to stakeholder engagement, and solutions to those obstacles, were introduced by the respondent first indicating it was an important subject they have already contemplated. However, some respondents working within government positions were not so cooperative, refusing to meet face-to-face. On two

occasions I was asked to leave a written copy of the questions. The responses to the questions were poor as they were often incomplete or left entirely blank. On another occasion, I was given a copy of the 1998 mining legislation and instructed that all the answers to my research could be found within. These instances were few, and I was able to conduct interviews with other comparable respondents to compensate.

3.3.4.3   Key Informants

"A key informant is an individual who, as a result of his or her education, experience, or physical or social position in a community, has access to information about the functioning of society, the habits of its people, or the their problems and requirements (Valadez and Bamberger 1994: 348)." Central to conducting my research was the use of two key informants who helped guide me in my research. This proved to be an essential, if not the essential, element to my research. I established a key contact in my research community, with a former school head master who is currently an education student at the University of Dar es Salaam. He is an active member of his community involved in issues surrounding the Sukuma people including the issues surrounding the impact of mining on his community. Furthermore, I gained the assistance of a second key informant from the ministry of education in Kahama District, Shinyanga Region. This key informant previously worked as a small-scale miner and currently works as a school inspector in the areas where gold mining occurs.

3.3.4.4   Translator/Assistant

Following the advice of my two key informants, I hired an assistant who worked as a linguistic and cultural translator in the field. They assisted me in finding a person who possessed good communication skills in Swahili and English as well as the local language of the Sukuma people. I also needed an assistant that was familiar with the region, was able to adapt to the elements of travel and in some cases poor living conditions. This person also had to possess the patience and understanding of the topic necessary for conducting interviews on a daily basis.

The Gender of my assistant turned out to be an important factor. A female assistant may enable me to speak to more women, however I conducted my research in a male dominated society, and therefore a female from that cultural group may experience difficulty and/or discomfort engaging in male dominated institutions, such as the village or ward councils. Furthermore, I was informed that having a women assistant would cause rumours to be spread in the small communities in which the research was being conducted and therefore people would not take the research as seriously. In the end, the male assistant I chose proved to be invaluable as he was comfortable engaging the male dominated institutions, but was able to gain the confidence of women respondents as well. Gaining the confidence of women respondents was achieved primarily by eating at local food vendors and talking to the "mama lishe's," (nutritional mothers) who possessed a lot of information themselves, but were also able to recommend other women to speak to (also known as snowball sampling).

My assistant was also the son of the head government pharmacist for Kahama District and his mother was also a well-respected nurse in the region. As his mother told me, "I have met almost everybody in this region, because unfortunately everybody eventually has to go to the hospital." Often, he would introduce himself of as the son of his parents and me as a friend of the family who was conducted research as a student of the University of Dar es Salaam. This changed the dynamics from that of unfamiliar people asking questions to that of welcome guests conducting valuable research.

3.3.4.5   Case Studies (Individuals having case examples)

Recording the individual experiences of older members of the community was central to my historical analysis of gold mining in Tanzania. I intended to locate

people who had engaged in the mining sector as small-scale miners prior to the recent reforms as well as other community leaders who were involved in the community relations with mining activities. Initially, I expected elderly respondents, but soon discovered that most of the respondents (and therefore adults within the community) had some connection to small-scale mining. Basically, it was from these case studies that I was able to discover how mining was managed and how communities fit into that management.

3.3.4.6   Discussions Groups (DGs)

In order to clarify and find consensus in my research community, I organized group discussion sessions. I held these discussions with youth from Bugarama Village, former small-scale miners, local business people and with people that involved in community politics and management. Forming Discussion Groups proved to be less difficult than I originally thought. In Kakola Village, it was a matter of sitting with the local businessmen for some evening coffee. Six men formed the discussion group, but others who were listening from a distance also contributed from time to time. This proved valuable, as interruptions occasionally occurred to clarify an exaggerated or underemphasized point. Meeting youth in Bugarama village was initiated by visiting a local shop where they often met. After a few minutes a few people agreed to a group discussion, and over 40 other youth listened in. When visiting Ilogi and Nyakafulu villages, group discussions included members of the community who had come to discuss various community issues in the Village Chairman's office. This included village leaders, farmers, mine employees, former small scale miners, and in Nyakafulu, a "mama lishe." At first I was concerned with the power dynamics of having a discussion group in the village chairman's office, but in both cases I found the respondents felt comfortable expressing their opinions on sensitive subjects. This is attributed to the fact that the Village Chairman acts more as an elected facilitator rather than an authority figure.

3.3.5   Research Expectations

From my research design I expected three outcomes. Firstly, I expected to discover that historically, communities had developed ways of negotiating and managing mining activities that occurred close to their communities. Secondly, I expected to discover that the lack of stakeholder engagement in the creation of mining legislation in Tanzanian has created negative development trends as communities become subservient to the decisions made by the national government and the mining industry. I further expected to discover that communities do recognize the obstacles faced with mining development and can develop the capacity to participate as equal stakeholders towards the sustainable development of the gold mining sector in Tanzania.

3.6   Ethical Concerns

With regards to the ethical concerns inherent with community-based research, I used the guidelines set forth by the Association of Social Anthropologists. The details of the guidelines are available online (http://www.theasa.org). I created an informed consent form, which I had translated into Swahili by a fourth year Education student at the University of Dar es Salaam (See Appendix 2). However, while conducting research, the vast majority of the informants preferred to not sign the informed consent and instead preferred to give verbal permission instead. This was highlighted in one of the discussion groups where I was told, "we are sitting here talking, that is our consent, if we leave, that means you don't have our consent." Rather, the informants preferred to keep the informed consent forms for themselves for future reference and as proof that they had participated in the research.

A further ethical concern was the use of a tape recorder. I decided to follow the advice of my peers and supervisors not to use a tape recorder, as it would probably hinder my research more than it would help. This proved to be sound advice. Region elections, in preparation for wider

national elections, were taking place during my research and having a tape recorder would have deterred potential informants from conducting an interview.

3.7   Limitations of the Study

Prior to my departure in the field I anticipated several limitations that could impact my research. These included a language barrier, the obstacles inherent to being a white person/outsider, a minimal budget, transport, reluctance on the side of the mining industry to meet with me, and the constraint of time. For the most part, with the exception of time, the above concerns were overcome or proved to be unfounded.

In regards to the language barrier, having lived in Tanzania for more than a year, I have gained a basic knowledge of Swahili. This helped me with introductions and the communication of ideas in a simplified manner. However, it was my assistant who proved to be invaluable in the communication process. He acted as a linguistic and cultural translator during interviews and assisted in finding transport and accommodation. He ensured language became an opportunity rather than a limitation.

With regards to overcoming the obstacle of being an outsider, my assistant also aided me immensely. When introducing me he did so as a friend of his family and a student who was conducting research to complete my education. In Shinyanga, most White people are perceived to be working for the mining companies, and therefore rich. Largely this is true. Overcoming this was a major concern because I neither worked for a mining company nor had a lot of money. In order to overcome this limitation, we traveled using local transport and stayed in local guesthouses or with families. Transport consisted of public mini vans and local "dala dala" bicycle transport. Arriving on bicycle instead of the expected land cruiser proved quite amusing to local residents and served as an icebreaker upon arrival. Staying with local families also proved to be valuable because it allowed me to stay in the village

overnight and engage in informal discussions over dinner and evening coffee in the village centers.

My assistant also aided in reducing the cost of my research and finding local transport. While in Kahama town I stayed with his family, of which they refused to accept payment, as I was a family friend. In Kakola we stayed in a local guesthouse and ate at local restaurants run by "mama lishe's." In Lugunga, my assistant and I stayed with the local headmaster of the primary school and ate with the family. For this we compensated them according to the cost of staying in a guesthouse. We used local transport, which further minimized the cost of research and made remote villages and small-scale mining areas accessible.

The fear that the mining companies operating in the research area would not agree to meet with me was unfounded. Actually, both Kahama Mining Corporation Limited and Resolute Gold Mines were very open to discussion and interested in my research. They provided valuable information that contributed to my research rather than hindering it. On the other hand, it proved more difficult to meet with government officials in the Mines Zonal Office (MZO) who had little time to meet and instructed me to refer to the 1998 Mining Act as it held all the answers to my research. I interpreted the openness of KMCL and Resolute to reflect their preparedness and desire to engage in discussions on the subject of stakeholder engagement. I interpreted the lack of preparation and defensiveness of the MZO to reflect the exact opposite.

The final limitation was time constraint. A thorough examination of stakeholder engagement in mining could take years not months. Therefore, 12 months of research and writing merely provides a glimpse into the topic. A more detailed analysis of this topic, perhaps at the Doctoral or institutional level would further contribute to this discussion.

Chapter 4
Historical Analysis of Gold Mining and Community Relations in Shinyanga Region

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4.1 Introduction

As already noted in previous chapters, mining in Tanzania has occurred well into the pre-colonial period, dating back as far as 1000 years. Research conducted during the colonial and post-colonial periods has thoroughly documented the nature of mining activities in regards location, minerals being mined, tools used to extract minerals and the markets the minerals were being extracted for. Research has further detailed who was actually involved in mining activities and the numbers of people who actually mined (Chachage, 1995).[2] What previous research failed to document in greater detail was the nature of relationships between the various stakeholders who were either involved in mining or impacted by it. This includes miners themselves, business people who benefited economically from the mining sector as well as individuals and communities living near mining activities. The following text aims to bring further light to this subject.

The time frame for the following historical analysis ranges from Tanzania's independence form British colonial rule in 1961 to the implementation of the 1998 Mining Act and the subsequent large-scale commercialization of the mining sector in Tanzania. This time frame is of specific importance because the discovery of gold at both the Bulyanhulu and the Nyakafulu sites occurred around this

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[2] For a detailed historical review of mining activities in Tanzania see, Chachage Seithy L. Chachage, "The Meek Shall Inherit the Earth but not the Mineral Rights: The Mining Industry and Accumulation in Tanzania", in P. Gibbon (ed), *Liberalized Development in Tanzania: Studies in Processes and Local Institutions.* Uppsala: Scandinavian Institute of African Studies, 1995.

time. Therefore, local history tends to revolve around these discoveries due to the significance of the gold deposits. The majority of the local accounts of mining activities refer to the Bulyanhulu and Nyakafulu discoveries and mining activities. This is not to say other mining activities did not occur previously to these two discoveries. However, they have faded in detail in comparison to that of Bulyanhulu and Nyakafulu and accounts of those mining activities would not be able to sufficiently provide details of the level of stakeholder engagement as the nature of mining activities had changed little up to this period of time.

4.2 Identifying Stakeholders

In order to examine the relationships between stakeholders during the period spanning post-independence and the implementation of the 1998 Mining Act, it is first important to identify who were the various stakeholders involved. These stakeholders can be categorized into three overarching groups; those peoples indigenous to the areas where mineral deposits were discovered, those who have migrated to the same areas as a result of the discovery of mineral deposits and the various levels of government.

Among the indigenous peoples in the region, the primary stakeholders have been farmers of the Sukuma tribe. Historically the Sukuma have engaged in subsistence agricultural activities as their primary livelihood. Farmers grew crops, which in turn were sold to miners.

It is important to note that farmers have been attributed with the major gold discoveries at the Bulyanhulu and Nyakafulu sites. The local farmers in the region claimed to have known of possible gold deposits in the region. Farmers have been interested in mining and constantly examined the rain washed soil for stones either containing gold or stones that serve as makers for gold presence. During the rainy season (December to May) the gold stones can be seen more easily as the rain cleanses the surfaces of the stones. Therefore it is of no surprise that it is often the local farmers who discover gold deposits.

Upon making a discovery, the farmers took time during the low periods in the agricultural season (June to November) to mine where gold was found on the soils surface. It is only when the farmer's secrecy was broken that a gold rush actually occurred. According to local testimony, some farmers living close to gold deposits abandoned their fields for the mines in the rush for gold

There is greater diversity among the non-indigenous people who migrated to mining areas in search of income. This includes pit-owners, the mineworkers, dealers and brokers as well as small business owners who provided goods and services to the mining industry. Migrants, in search of gold came from a wide range of backgrounds. This includes young unemployed men, teachers, business people, farmers, ex-soldiers, craftspeople, criminals and women who came to cook food, grind stones and engage in prostitution. Their level of education and social status was as diverse as their backgrounds. The only thing that truly bounded them was the desire to get rich quick by discovering gold.

The pit-owners were either claim holders or people who managed pits for claim holders. Their main responsibilities revolved around the direct management of the pits. This included the supervision of the miners and mining activities within their pits as well as the provision of equipment, lodging and food for the mine labourers. Pit-owners came from a range of backgrounds, some with previous mining experience and some without. Many of the 20 small-scale miners interviewed indicated that they both owned their pits and worked in the mines themselves, generally living in poverty. Exceptions to this rule include those who owned several pits and/or were part of the Small-Scale Miners Committee and the one female pit owner interviewed, who simultaneously ran operations grinding stones and providing food to miners.

The mineworkers, or labourers, were usually young men coming to the mines with few possessions and in search of an opportunity to get rich. These young men worked long hours in the mines using basic tools such as hammers, pick axes, hoes and shovels. Mine workers were organized into gangs who worked under the supervision of the pit owner or a gang leader. They lodged and ate close to the mine site for most of the mining season returned to non-mining activities, such as farming, during the rainy season.

The "*Kotta*" or middlemen came to the mine site and purchased the gold from the pit-owners or the women food providers (*mama lishe)* who also ground gold containing stones. The *Kotta* then brought it for sale **to** larger city centers, such as Kahama, Mwanza, Dar es Salaam and into neighbouring Kenya.

The local night guards known as (Sungu Sungu) worked as mine security and were hired by the pit-owners. Their responsibilities were to maintain peace and security around the mine site. They helped resolve disputes, maintained order, and prevented theft of gold and the property of miners. They were paid a percentage of the gold discovered in the pits they were hired to guard.

Business people provided goods and services for mining activities, for miners themselves and for local communities. These entrepreneurs migrated to the Bulyanhulu and Nyakafulu mine sites to provide tools and drilling equipment for digging, they opened guest houses, they provided food and beverages, they sold clothing and any other products and services demanded by the mining community. The success of the local business people depended on the success of the mines. In other words, the success of business community reflected the success of the mines.

Women represent a unique group among the stakeholders due to their ability to adapt and diversify to the demands of the mining industry. For the most part women worked as "mama lishe" or women food providers, cooking and providing beverages for the miners. Many successful women in this group of mama lishe also hired additional women to grind stones containing gold, which in turn they

sold to middlemen. This served as an essential service to the miners who were too busy to deal with the middlemen themselves. Women did represent a small portion of pit-owners, but this was usually done in collaboration with their husbands. Some of the women also worked in prostitution in nearby mining communities. For the most part this took place outside of the mining areas due to local superstitions of miners being passed bad luck from having intercourse with women who have bad omens and superstitions revolving around women's menstruation.

Village, Ward, District government represented the three primary levels of government dealing with small-scale miners during this period. For the most part, regional and central government bodies rarely interfered with small-scale mining activities. Village governments were impacted most by mining and therefore worked more closely with the miners. Usually they met with pit owners and the local night guards (sungu sungu) to discuss matters of security and local development projects. The Ward and District level governments were less visible, but did address issues of tax collection, security, local development and the organization of the miners from time to time. For the most part, the impact of local government was minimal, with taxation and the planning and facilitation of development projects being at random.

Miners Committees, which were set up by the miners and pit-owners, served as a management tool for the mine sites. The miners committees dealt with community relations, mining safety, tax collection and the hiring of the sungu sungu. Not all mine sites had a miners committee, but those that did were generally more organized and better able to represent themselves in their dealings with government and the non-mining community.

It is important to stress the fact that most stakeholders interviewed identified themselves as more than one type of stake holder. For example, a local government official may also a pit-owner and a have a local business, or a woman in the community could also work at the mine as a

mama lishe and grind stones containing gold to subsidize her income. In this sense, one must look at stakeholder engagement as an interconnected web of people and professions. Therefore, in order to identify the nature of stakeholder engagement during this time, it is important to gain a firm understanding of its dynamics. This also includes understanding the nature of cooperation and conflict as a result of mining. While there existed a free for all environment with miners fighting for the best sites to mine, a certain level of cooperation also existed as all stakeholders understood the benefits of the mines. Therefore, conflict was managed so as not to create a situation where the government would have to intervene.

4.3 Emerging Conflict in Gold Mining at Bulyanhulu (1976-1993)

The Bulyanhulu gold deposit represents not only Tanzania's, but also one of the world's largest discoveries to date. Therefore, the pre-commercialization history of the Bulyanhulu mine site located approximately 80 kilometres North-East of Kahama Town in Shinyanga region provides us with the opportunity to see both the problems and successes of stakeholder engagement in regards to small-scale mining activities. Several phases mark this historical period: the discovery of gold, pre-Small-Scale Miners Committee and the Small-Scale Miners Committee.

Prior to the discovery of gold at the Bulyanhulu site, the area was said to be home to a scattered population of subsistence farmers who maintained small plots of land. These small groups of farmers were connected by a series of trails and small roads that made travel difficult, especially during the rainy season, leaving farmers relatively isolated. The Bulyanhulu site was merely an unoccupied forest that was of little significance, other than a wood and wild game. With the population being so spread out, organized village governments were non-existent and the ward and district governments were politically and geographically distant due to the isolation inherent to the area.

The exact details of who discovered gold at the Bulyanhulu site are vague, but the time frame dating to the year of discovery and the numbers of miners who came to the site are fairly consistent among those interviewed in the region. Essentially, gold was discovered in the forest of what is now the Bulyanhulu site in the period spanning 1975/1976. Most people attribute the discovery to local farmers who visited the forest, perhaps for wood or wild game. Indeed, most of those who initially began mining the site came from the local population, which number approximately 300 persons up until 1980. From the period spanning 1980 onwards the numbers of small-scale miners began to grow. This upward trend in the population consistently grew to approximately 200,000 to 600,000 thousand persons until the removal of the small-scale miners in 1996.

It is important to note the physical description of the Bulyanhulu site as it reflects the nature of most small-scale mining communities. Essentially, all social and economic activities took place in and around the mining area. The physical mining area was demarcated in the centre of the site. On the immediate outskirts of the pits lay the area in which sand and rocks containing gold was broken down and sifted. A well to serve this purpose was dug to the North of the pits. A road leading in from Ilogi and Bugurama villages entered Bulyanhulu at the South-West corner, first passing through Kakola settlement and then passing West of the pits into the settlement of Mwaba Gwuru, settlements No.1, No.2, No.3 and then to the North to Bariadi settlement. The settlements were non-permanent buildings that contained guesthouses, restaurants, bars and shops to house and serve the entire mining community. A large well was dug to the South-West of the pits, between Kakola and Mwaba Gwuru settlements and served the majority of the community. A few smaller wells also existed, but were too shallow to serve any significant number of people. Proper sanitation was virtually non-existent (see Map 4.1 below).

Map 4.1   Bulyanhulu Pre-1996
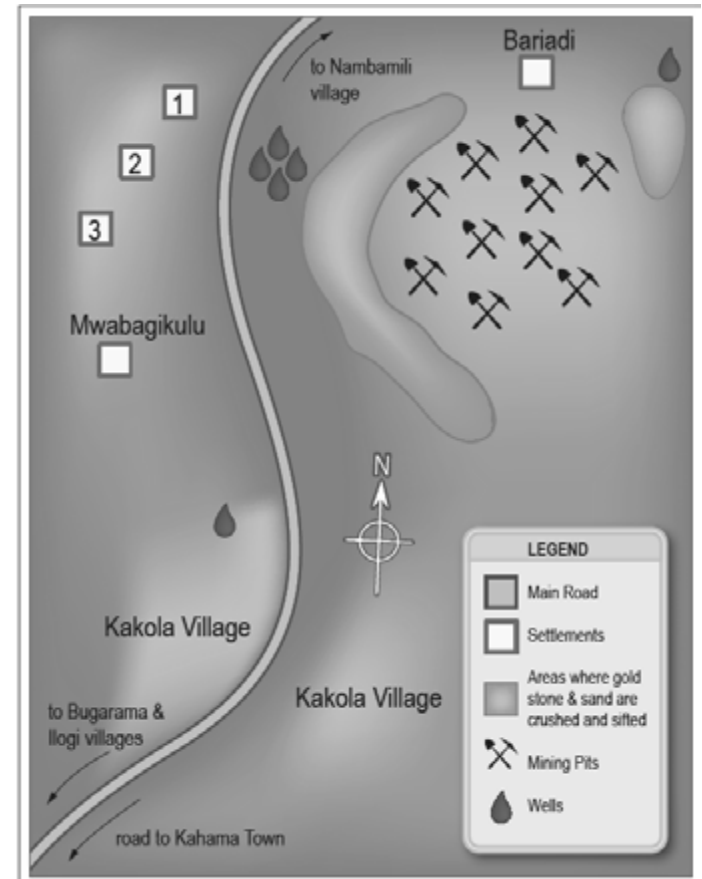
Source: Dennis Tessier & Craig McCrindle

In so far as displacement is concerned, the discovery of gold in the forest region resulted in little conflict between miners and the surrounding farming community as no agricultural activities took place in the forest. The

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absence of conflict over land-use laid the foundation for generally good relations between local farmers and the mining community according to most accounts. In fact, a relationship of interdependence emerged between the miners and the farming community as the miners relied on the farmers for a source of food and in turn the miners fuelled the local economy.

The above account of relations was fairly forthcoming from most of the respondents during the interview process. Responds were more reluctant to discuss problems between stakeholders. However, further along the interview process a clear picture emerged revealing a growing pattern of conflict that corresponded with the growing number of miners. As large numbers of miners began to come into the region in search of gold, following President Mwinyi's visit in 1993, a host of problems began to emerge. These problems included tension between local farmers and the miners as the mine site continuously expanded and as farmers began to abandon their plots in exchange for mining pits, health, safety and sanitation issues, and most importantly issues of security.

As miners began to venture onto farmers fields and as farmers began to become directly involved in mining activities the line between the miner and the farmer began to be blurred. This increased tensions between the indigenous and non-indigenous communities. Tension built until an agreement between the conflicting parties was reached, which usually resulted with the farmland being converted into mine sites and the farmer either moving on to other land or engaging in mining themselves. It is difficult to determine whether or not compensation for lost land was ever negotiated as no system to resolve conflict existed leaving each situation to be dealt with on an individual basis.

Health and sanitation proved to be a major problem on the Bulyanhulu site. The lack of sufficient clean drinking water, food being cooked in unsanitary conditions and lack of proper toilets for such a large population created an environment in which disease and viruses could spread freely. The majority of responds noted the health problems associated with the lack of cleanliness, which was only compounded by the fact that no real medical facilities existed in the area. Having no clear leadership structure or forum for members of the community to discuss and resolve problems ensured problems of health and sanitation continued to grow in severity.

Mine safety proved to be another major problem. With no central authority to regulate mining activities, miners were free to dig pits wherever and however they so pleased. Essentially, pit owners were their own masters and answered to nobody. Therefore, it is not surprising that death and injury due to mine cave-ins were common.

Security posed one of the greatest problems at the Bulyanhulu site. The combination of a large, unorganized and free moving population and the presence of large quantities of gold create the ideal conditions for crime and general insecurity. Theft of gold and the possessions of miners was the first major problem. Pit operators were, as said before, responsible for their own security and hired private security men called, "sungu sungu" to watch the pits. Those thieves that were caught and deemed guilty by the local population were often quickly punished through local and/or mob justice.

The fact that there was no clear legitimate buyer of the gold mined proved to be another problem. This attracted criminal elements to the mine site that sought to buy cheap gold to resell in the larger cities or across the border in Kenya. These middlemen or, "Kotta" roamed from pit to pit and frequented the settlements in search of clients to deal with. The illegitimate manner in which gold was bought and sold gained the mining industry a negative reputation among the non-mining community in the region.

In general the nature of stakeholder engagement at Bulyanhulu during the period spanning from 1980 to 1993 can be described as ad hoc, unorganized and in some cases predatory. The lack of supervision by the police or

the District Government created a relative state of lawlessness. The government had no organized system of tax collection and few of the miners contributed to local development. There also existed no legitimate management of the gold being produced by the mines and this left miners to fend for themselves. A virtual free for all existed as one respondent noted, "There was no security and there were no rules in the mining community" and the lack of sanitation, pit safety and security were the symptoms of this reality.

4.4 The Small-Scale Miners Committee (SSMC) 1993-1996

As for the relationship with the community (Bulyanhulu), everybody knew their role whether it was the miner, farmer or businessperson. Everybody was benefiting from the mine so little conflict arose. People simply sat down together and resolved their problems.[3]

The year 1993 was a year of transition for the Bulyanhulu site as it was visited by then Kahama District Commissioner, Harrison Iringa and by then President of the Republic of Tanzania, Mwinyi. During his visit of Bulyanhulu, DC Harrison Iringa suggested the establishment of a Small-Scale Miners Committee (SSMC) as a means to bring greater organization and legitimacy to Bulyanhulu. During President Mwinyi's visit that same year he recommended that all the gold extracted from the Bulyanhulu site be sold directly to the government through the National Bank of Commerce (NBC) at a price suggested by the Tanzanian government.

The miners followed both DC Iringa's and President Mwinyi's advice and established the SSMC on August 8th, 1993 electing Maalim Kaddau to be the SSMC Chairman. From that point on, the majority of the gold found at Bulyanhulu was sold directly to the government. It also

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[3] Recalls a former small-scale miner at the Bulyanhulu site and who now lives in the remaining village of Kakola.

attracted people in the hundreds of thousands in search of gold. The main objectives of the SSMC where created in response to the problems present at the Bulyanhulu site and are as follow:

1. The maintenance of peace and the protection of the miner's property
2. Conducting mine inspections
3. The selection of local leaders and the holding of meetings
4. Collection of taxes

Of the SSMC's responsibilities, the maintenance of peace and the protection of the miners' property were of greatest importance. In order to achieve this goal, the SSMC established a police station and hired 165 security guards or 'sungu sungu' and police as security at the site. This security force was responsible for keeping the miners under control, preventing theft and resolving minor conflicts. It was also responsible for assisting miners in debt collection to ensure miners did not take matters into their own hands. Any larger conflicts that arose on the Bulyanhulu site were dealt with directly by the SSMC.

The second priority was mine safety and the SSMC worked with the District Commissioner to establish a mine inspection department. The DC hired engineers who came periodically to inspect the pits. These engineers coordinated with the SSMC in assigning pit location and instructing the miners on proper digging techniques. This essentially eliminated the free for all digging that had previously existed at Bulyanhulu replacing it with a system where mining permits were required and pits were assigned numbers.

The third responsibility of the SSMC was the selection of local leaders and the holding of community meetings. As the mine site and the community were indistinguishable, so were the local government and the SSMC. Essentially, the two served as branches of the same organization, with the local government being

responsible for non-mining activities in the community and the SSMC dealing with matters specific to mining. According to former SSMC members, the SSMC and the village government met on an average of every three months or when a need to meet arose. The Village government and the SSMC in turn met with the District Council when the parties agreed to do so. The DC worked as a mediator between the village government, the SSMC and the Regional and Central government.

Many of the decisions implemented at Bulyanhulu were the result of such meetings. For example, the effort to organize the "mama lishe" or food providers so that the food served to the miners was cooked and served in a hygienic manner. Other examples include the decision to construct the two classrooms Kakola primary school and the Sagese primary school 37 km from Kakola, the paying of school fees for children whose parents could not afford them, the digging of proper wells and construction of some streets.

Taxation served as the fourth responsibility of the SSMC although the exact amount of taxes collected and the manner in which tax dollars were dispersed varied among the respondents interviewed. However, for the most part, there seems to be some consistency in the testimony of the former SSMC leaders, the members of the District Council and some former small-scale miners. The SSMC collected a tax of 30% of gold production directly from the pit owners on the Bulyanhulu site. This 30% tax was broken down according to the following: Village Tax (20%), Ward Tax (20%), Security (20%) and SSMC (40%). The taxes were intended to cover the salaries of local leaders, development projects, security and the management of the SSMC. Both the DC and the SSMC noted that although the DC never received any of the taxes collected by the SSMC, on occasion the DC would approach the SSMC and request funds for specific development projects. Those requests were discussed and an agreement was reached between the two parties.

It is also important to note that taxes were also paid directly to the Central government upon the sale of gold to the NBC and in the form of Revenue Tax. Essentially gold that was sold to the NBC had a tax of 3%, which went directly to the central government. In addition to the 3% tax, miners were required to pay an annual Tanzanian Revenue Authority Tax of 50,000 Tanzanian Shillings (approximately 49 USD today). The TRA tax was much more difficult for the government to collect, as was evident from the interviews. Some former small-scale miners remembered paying the tax, others did not and some did not even know that it existed.

What can be clearly seen with the introduction of the SSMC is a growing pattern of stakeholder engagement at the Bulyanhulu site. The establishment of the SSMC facilitated this in several ways. First of all, it presented a body that other stakeholders identify and deal with, and in turn, this allowed for the clearer definition of the stakeholders who had existed before, but were lost in the chaos.

The stakeholders included the SSMC, who oversaw the mines, organizing and representing the miners, the Village Government who addressed the needs of the larger community, the Ward, District and Regional Government, who were better able to monitor and control the mining activities within its jurisdiction and the Central government who was able to collect taxes for national development and communicate through the District Government. Furthermore, local business people, such as shop and guesthouse owners, "mama lishes" and so forth had a visible leadership structure that they could deal with.

According to most respondents the SSMC brought positive change to Bulyanhulu. It brought peace and security to the community, it improved mine safety and it increased the miner's legitimacy in the eyes of the government through improved communication within the mining community, with the District government and with the non-mining community.

However the SSMC is not excluded from criticism. Accusations of abuse of power and corruption did surface when discussing the SSMC. Some former small-scale miners recalled SSMC leaders spending SSMC funds lavishly, but dismissed it as a 'tolerable evil'. A major reason for the laissez-faire attitude of small-scale miners is the fact that the SSMC has been the only organization that has stuck beside them. In 1996 the Central government disbanded the SSMC and forcibly removed all of the small-scale miners, thus putting an end to the achievements made by the SSMC and the Local Government authorities.[4]

4.5   Gold Mining at Nyakafulu

The discovery of gold at Nyakafulu reads much like that of Bulyanhulu. Before the discovery of gold, Nyakafulu was made up of small subsistence farming settlements spread over the fertile countryside. No actual village existed and forest grew where the land was not cleared for farming activities. The local farmers were conscious of possible gold deposits and kept a keen eye for any indications of gold. However, no significant discovery had ever been made until the 1980's.

Local farmers who were working their fields first found gold in 1983. They found stones that were known to contain gold and brought them to the puddles on the main road to be washed. Upon washing, the stones revealed the gold within them. As the farmers continued to dig they began to attract greater attention and the discovery of gold quickly initiated a rush for gold attracting approximately 2000 miners to the site. The number of miners grew to approximately 5000 by 1990 and gradually declined from that point onwards. The Nyakafulu strike also sparked a rush of gold in the surrounding area resulting in finds at Luhala and Masumbwe.

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[4] This subject will be covered in Chapter 6, which deals with the current issues surrounding stakeholder engagement.

At first the farmer who owned the land in which the gold was found allowed for miners to mine as long as he was given a share of the profit. However, soon after, a businessman named only as "Mazovu" approached the owner and purchased the land. Mazovu managed the site, taking an unset percentage of the gold being extracted from the mines.

Most respondents who worked as small-scale miners at Nyakafulu noted that Mazovu did little aside from ensuring his share of the profit. Mazovu suddenly disappeared in 1994 following an incident where a boy was injured in the mines and sent for treatment at the hospital in Kahama town. When the hospital demanded the person in charge pay the fees for treatment, Mazovu fled in fear of being caught by the government for not having a mining permit and not paying taxes.

From the discovery of gold in 1983, the mine site quickly developed into the town site and the miners constructed makeshift houses, with the bordering forest acting as the toilet. During the rainy season, those miners without proper shelter moved away from the pits and into the forest where they slept under the trees and burnt branches for heat and cooking. No permanent structures existed nor did any proper sanitation (See Picture 4.1 below).

Picture 4.1   Nyakafulu (Abandoned Mines on the Village Outskirts)

Local women worked as "mama lishe's" on the mine site went to the neighboring village of Masumbwe 5km away for supplies. Masumbwe, being more developed, also acted as retreat for resting miners. At Masumbwe, miners could stay in guesthouses, buy supplies, drink and engage in prostitution. However, according to a local businesswoman who currently runs the only restaurant in Nyakafulu and who also worked as a mama lishe at the

mine site during the height of the gold rush in the 1980's, a differentiation existed between local women and women who came from outside to engage in business. Local women would go to the mine site and cook during the day and then return to their families at night. They did not communicate with non-indigenous women who also engaged in prostitution and who were mostly based at Masumbwe.

For the most part, most respondents recalled a reciprocal relationship between the miners, the villagers and the shopkeepers who were the most visible groups at Nyakafulu. This was primarily based on the knowledge that everybody, farmer, miner, businessperson, whether they were skilled or unskilled labour, benefited from the mining going on.

However, as with Bulyanhulu before the SSMC, the absence of a formal governing authority meant disorganization and lawlessness. Miners hired private security or 'sungu sungu', who were paid a percentage of the gold found, to protect the pits and their property. Digging went uncontrolled and unmonitored by whomever so chose to do so. There was no workers' organization whatsoever and issues of conflict resolution, sanitation and so forth were dealt with in an ad hoc manner from situation to situation.

With regard to taxation, no mining taxes were paid initially. No government officials visited Nyakafulu for tax collection or for any other reason. Gold extracted from the pits was sold to middlemen, or "kotta" based in Masumbwe and the profits were divided up among the pit owners, miners and hired security. However, those miners who purchased land in the area did pay taxes. Furthermore, the miners at Nyakafulu followed the lead of miners at Bulyanhulu and began selling gold to the Central government through the NBC in 1993. This ensured a 3% tax was collected from all gold produced upon its sale to the NBC.

Various surveyors from the geology department at the University of Dar es Salaam as well as surveyors hired by private companies surveyed the site. According to the Nyakafulu Village Council, higher levels of government without the notice or consultation of the community granted permission for these activities. Neither the community nor local government officials were notified of the purpose or the findings of the surveyors.

4.6   New Formations and crisis

In 1992 East Africa Mines gained mineral rights of the Nyakafulu site from the Central government. Rather than evicting the small-scale miners it formed a partnership with them. Many of the miners owned land in and around the area granted to East African Mines. Under this partnership East African Mines would be ensured 40 percent of the profit from the sale of gold found at Nyakafulu and the remaining 60 percent would be divided up among the pit owners, miners and security. An agreement between the communities living directly on the Nyakafulu mine site and East Africa Mines saw the physical town moved away from the mining to a location closer to the main road. See Map 4.3 and Picture 4.4 below.

Map 4.2   Nyakafulu Village (December 2004)
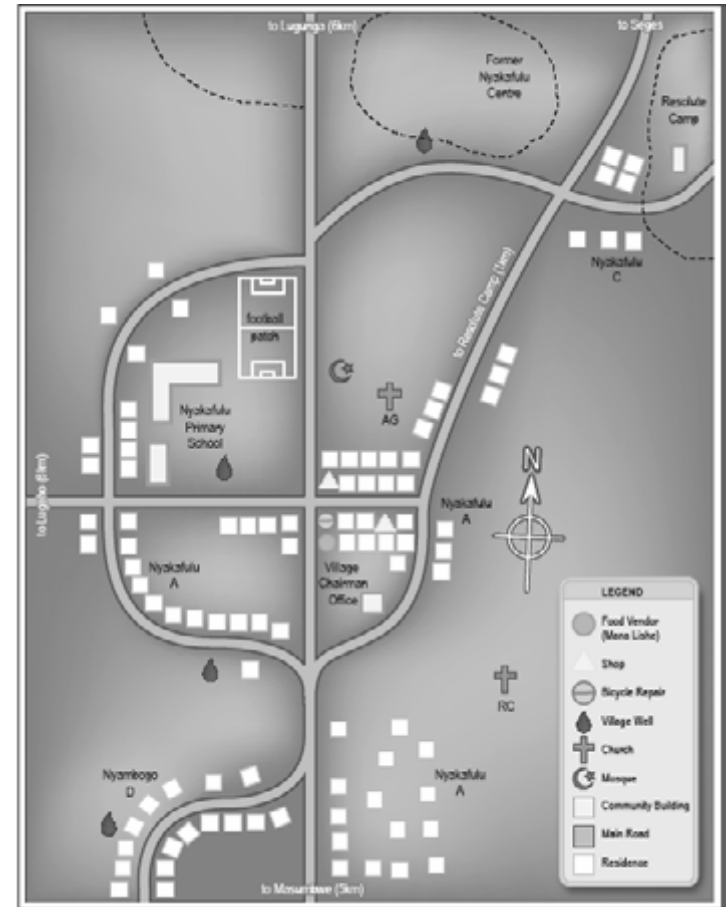
Source: Dennis Tessier & Craig McCrindle

Picture 4.2   Nyakafulu Village
                  (Relocated in 1992)

In 2000, Resolute Mining of Australia purchased the mineral rights from East Africa Mines. They obtained a notice from the Central government for the removal of the small-scale miners, upon which they met with the miners and agreed upon a date of 6 months for their departure.

4.7   Lessons from the Small-Scale Mining Period

Two clear lessons can be learned with regard to stakeholder engagement from this historical analysis of the small-scale mining that occurred at the Bulyanhulu and Nyakafulu sites prior to the introduction of large-scale, commercial operations.   The first of lesson is that if random, unorganized small-scale mining, that is inherent to gold rushes, is left unchecked; the potential for healthy stakeholder engagement is severely obstructed and/or undermined.   The lack of cooperation and organization among stakeholders creates an unsafe, unhygienic and exploitive environment that is vulnerable to criminal elements. There is no doubt that economic benefits can be still derived in such a condition, but such benefits are merely short term and individualistic and undermine the potential for long-term development of the community and nation.

The second lesson is the people interviewed, whether they are miners, government, local business owners or community members have the potential to be active stakeholders in the mining of minerals in Shinyanga region. The establishment of the SSMC in mining activities provides an example for miners, businesspersons and the various levels of government to collaborate and achieve results that benefit all parties. The collaboration between small-scale miners and East African Mines in Nyakafulu demonstrate that the potential for miners and communities and private companies in the region to work together towards an equally beneficial agreement is possible.

It is difficult to compare the realities of small-scale mining with those of large-scale industrial mining activities. Small-scale mining is labour intensive and lacking in technology. Large-scale is capital and technically intensive. However, this does not mean that exclusion needs to exist between the mining and non-mining communities.   This historical exploration suggests the benefits of stakeholder engagement for the improvement of relations between miners, businesspersons, communities and various levels of government. These lessons should not fall to deaf ears.

Chapter 5
Stakeholder Engagement in Tanzanian Mineral Legislation

5.1 Introduction

The Mineral Policy of Tanzania (1997) and the Mining Act (1998) are the key documents that provide the primary guidance and regulation to the mining sector in Tanzania. They also embody the major reforms that have occurred in the Tanzanian mining sector in recent years. It is for this reason that any understanding of stakeholder engagement in regards to the mining industry must begin with this legislation. Therefore, the following aims to review the 1997 Mineral Policy of Tanzania and the 1998 Mining Act, with a focus on the stakeholders addressed within it. Doing so will provide the foundation for a more detailed analysis of the current state of stakeholder engagement in the gold mining sector.

5.2 Defining Mining "Policy" and "Act"

Identifying the underlying differences between what is government "policy", and a legislative "act" is an essential first step in understanding the following discussion. "Policy" can be defined as, "A plan or course of action, as of a government, political party, or business, intended to influence and determine decisions, actions, and other matters (www.itiinstitute.com)." In this sense, it is not legally binding per se. Rather it serves as a foundation to legislators to be guided in the creation of binding laws. An "act" is the manifestation of policy and can be defined as, "a product, such as a statute, decree, or enactment, resulting from a decision by a legislative or judicial body (www.itiinstitute.com)." Therefore, whereas the Tanzanian Mineral Policy of 1997 serves as the guiding tool, the 1998 Mining Act is binding by law.

5.3 The 1997 Mineral Policy

In 1997 the Government of Tanzania (GOT), through the Ministry of Energy and Minerals consolidated its efforts in reforming the mineral sector and produced the Mineral Policy of Tanzania to serve as a central guiding tool. The main goals of the policy are first to promote private sector investment and leadership in exploration, mine development, mineral beneficiation and marketing. Secondly the policy seeks to rationalize "artisinal and small-scale mining activities into organized and efficient operations," and third to define the role of the Government of Tanzania as a regulator and administrator of the mining industry, providing investment guidance and facilitating growth in the sector. Identifying the key stakeholders in the Policy and determining what role these stakeholders play within it is the key to understanding the Policy.

The Policy identifies several stakeholders, or "target groups," which includes the Government of the United Republic of Tanzania, the private sector, artisinal and small-scale miners, local government, NGO's, the environment, communities and women and children.[5] See Diagram 5.1 below.

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[5] For the full text of the Tanzanian 1997 Mineral Policy, go to the Tanzanian national website, http://www.tanzania.go.tz, and click on the "policies" icon found at the bottom of the home page.

Diagram 5.1   Stakeholders within the 1997 Mineral Policy
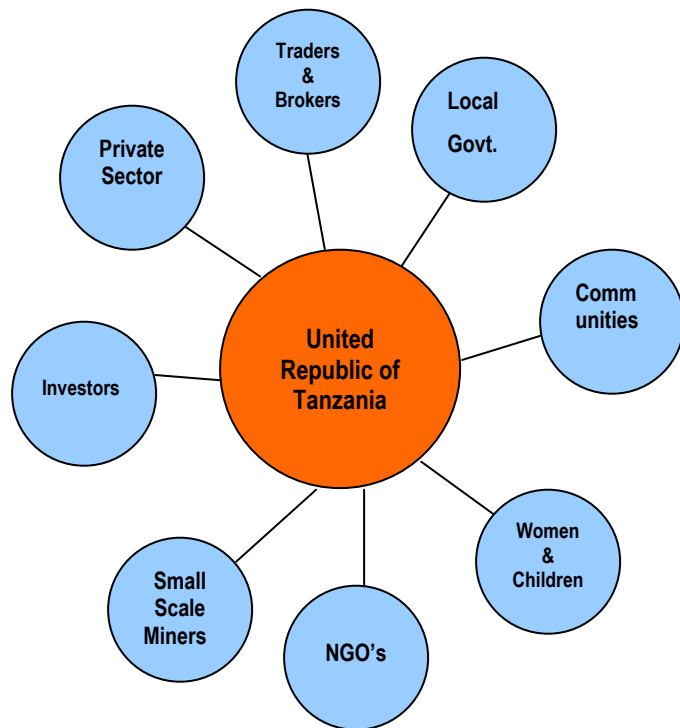
(Source: constructed form 1997 Mineral Policy).

As a primary stakeholder, the Government of the United Republic of Tanzania assumes the responsibility of managing the mineral sector. The Policy outlines six key strategies for the Government to meeting its responsibilities. They are as follow:

a) Developing and enabling legal, regulatory, fiscal and institutional environment for private sector investment in mining;

b) Strengthening the ability of the state to effectively carry out its regulatory, promotional (investment and marketing) functions;

c) Establishing environmental, health and safety guidelines and ensuring compliance;

d) Carrying out basic geological mapping, maintaining up-to-date mineral resource database, and promoting the development of the country's mineral potential;

e) Reinforcing the provision of extension services to assist artisinal and small-scale miners in adopting safe and environmentally sound mining and processing practices; and

f) Facilitating development of adequate industrial infrastructure of mining development (1997 Mineral Policy of Tanzania).

Essentially, the Government's greatest responsibility is to streamline the licensing procedures, "ensuring safe mining and environmental management practices and guarantees among others: security of tenure; stability of fiscal regime; freedom of Commercial operation; stability of environmental management regulations; rights to trade in mineral rights and access to foreign exchange at market rates (Tesha, 2000)." The logic being that an efficient and transparent mining framework that was friendly to private investment would in turn attract private investment in mining.

The private sector, which includes large and medium-scale foreign and local investors, small-scale and local investors, mineral traders and dealers, mineral beneficiators, the financial services sector and the capital markets, as well as the mineral sector support services. The above mentioned groups are the desired audience of

the Mineral Policy and therefore given special attention. This is made clear in Section 2 of the Policy, which reads as a sales pitch to the private sector. For example the Policy lists for potential investors, what it describes as, "competitive advantages," offering,

> ➤ A considerable exploration area with sizeable inventory of unclaimed mineral ground;
> ➤ An easily accessible and systematically archived geological and mineral resources data base;
> ➤ A business-friendly environment marked by sustained political stability and social harmony, with unlimited scope for private sector involvement in economic activities;
> ➤ A simplified investment approval procedure with a favourable regulatory framework and a competitive package for fiscal incentives for mining investments; and
> ➤ Opportunities for acquisition and/or rehabilitation of state-owned mining enterprises (1997 Mining Policy).

Furthermore, Section 3, which constitutes the main body of the Policy, expands on issues of macro-economic policy, taxation, legal and regulatory framework and other essential elements that are conducive to private sector investment. It is obvious that the majority of the policy caters to the private sector, as it is designed to answer key questions and concerns of this target audience.

A third group of stakeholders given significant attention within the 1997 Mining Policy is artisinal and small-scale miners. Although neither the 1997 Mineral Policy nor the 1998 Mining Act actually defines the difference between 'artisinal' and 'small-scale' miners it is important to do so here. The following definitions are extracted from a report written in 2000, by Aloyce. L Tesha, a Senior Geologist for the Tanzanian Ministry of Energy and Minerals. Tesha defines small-scale mining by saying,

> "Formal small-scale mining takes place legally with miners in possession of a primary mining license, which thus give them a legal right to mine."

This is contrast to artisinal mining, which Tesha argues, "hardly ever have a legal right to the mineral deposits they exploit and monitoring of their activities." Tesha further notes,

> "Mostly [artisinal miners] are found in rush areas either of gold, diamond or coloured gemstones. Although artisinal mining provides a source of income, it engenders a host of undesirable effects. Being uncontrolled, it is often unsafe, unhealthy and environmentally unsound, and can give rise to social problems and crime. It is a wasteful utilisation of mineral assets and full economic benefits are seldom realized through the activity (Tesha, 2000)."

A central objective of the Government of Tanzania and one that is pursued within the 1997 Policy is the rationalization of artisinal and small-scale miners. This includes curbing illegal mining activities and the illegal trade in minerals, addressing the environmental impact of small-scale mining, organizing small-scale miners, generating more employment opportunities, and promoting viable small-scale mining activities. In order to achieve this goal, the 1997 Mining Policy highlights seven key strategies, which include:

> a) Transforming and upgrading artisinal mining into organized and modernized mining;
> b) Facilitating the availability of appropriate and affordable mining tools, equipment

and consumables and encouraging the manufacture and supply of the same;

c) Promoting partnerships between local small-scale miners and large-scale investors to facilitate technology transfer and optimize mineral resources exploitation;

d) Providing supportive extension services in mining, mineral processing and marketing;

e) Streamlining and simplifying the licensing of artisinal miners and mineral dealers;

f) Preparing, disseminating and enforcing a code of conduct in mining and mineral processing; and

g) Promoting marketing arrangements, which are responsive to the requirements of the artisinal and small-scale mining sub-sector (1997 Mining Policy).

In all, the 'rationalization' of artisinal and small-scale miners, that is called for in the 1997 Mineral Policy, is intended to regulate all mining activities within Tanzania under one set of rules.

Local government, at the District, Ward and Village levels, and the NGO community are cited as a fourth group of stakeholders, particularly in addressing the need of small-scale miners. In regards to local government, the 1997 Mining Policy notes the importance of improving "coordination between central and local governments in planning developing the required infrastructure facilities in small-scale mining areas." What is meant by "infrastructure" is "reliable economic and social infrastructure, such as transport, water supply, power supply, communications, and education and health services."

The Policy further notes the role of NGO's in "supporting community initiatives to develop infrastructural facilities in mining areas and empowering NGO's and mining associations to mobilize miners to undertake such activities. Furthermore, NGO's are highlighted as a key ally in brining

about greater environmental awareness and protection in mining areas (1997 Mineral Policy)."

The environment is not stated as stakeholder per se, but does draw considerable attention in the policy and is therefore important to mention. Essentially the Policy highlights the negative impacts of mining, from the actual process of extracting minerals to the impacts on the environment from large influxes of population. The Policy then sets forth strategies to mitigate those environmental problems. Some key strategies include, drawing up comprehensive environmental management programmes, establishing clear environmental regulations, strengthening institutional capacity (especially in Mine Zonal Offices), improving environmental awareness to small-scale miners through the provision of education materials in Kiswahili, and promoting environmentally sound technologies.

Communities impacted by mining, with special attention to women and children represent a final group of stakeholders addressed within the 1997 Mining Policy. The policy states,

"Sustainable Mining Development requires balancing the protection of the flora and fauna and the natural environment with the need for social and economic development…the Governments policy is to initiate actions to: (a) reduce or eliminate the adverse environmental effect of mining; (b) improve health and safety conditions in mining areas; and (c) address social issues affecting women and children (1997 Mining Policy, 21)."

In regards to communities as a whole the Policy clearly states,

"Mining investment projects are often negotiated between the central Government and the mining companies. The Government's objective is to ensure that there is greater

involvement and participation of local communities in the implementation of mining projects. Experience in some mining countries shows that greater community participation and involvement in mining projects contributes significantly to their (projects) sustainability (1997 Mineral Policy, 26)."

In support of the above statement, the Policy highlights key strategies for strengthening community participation and involvement in mining. These strategies include "sensitising communities on the advantages of utilizing advanced technology," require companies to undertake social impact analysis, establish frameworks for good and timely relations with communities in mining areas, encourage mining companies to contribute to local development, establishing strategic partnerships between mining companies and local communities, and fostering collaborations between large and small-scale miners.

Women and Children are given specific notice in the 1997 Mining Policy. It is stated that women and children bear a disproportionate share of the negative impacts of mining, yet receive little of the benefits. The Policy outlines strategies that aim to improve the lives of women and children in mining by:

a) Encouraging and facilitating employment and involvement of women in mining development activities such as mining, processing and mineral trade, and the provision of economic services in mining communities;

b) Alleviating any technical, financial, and cultural barriers to the involvement of women as potential investors and owners of claims;

c) Conducting awareness programs to promote acceptability of women participating in mining

d) Enforcing regulations against child labour and imposing stiff penalties where violated;

e) Addressing the underlying poverty problem in mining areas and providing viable alternatives;

f) Targeting children in mining areas for special effort in their education; and

g) Supporting and promoting productivity-enhancement programmes, which can eliminate child labour.

The 1997 Mineral Policy established a guiding foundation thus paving the way for the creation of the legal structures essential to the transformation of the mining sector. This came in the form of the 1998 Mineral Act.

5.4 Translating Policy into the 1998 Mining Act

In 1998, the Government of Tanzania passed the Mining Act into Law. Through the 1997 Mineral Policy the Government of Tanzania clearly identifies what it sees as the primary stakeholders in the mineral sector. The 1997 Mineral Policy also sets forth specific strategies for meeting the needs of these stakeholders. In theory, the 1998 Mining Act should be the formalization of the 1997 Mining Policy, endorsing the legislative framework into law. In order to determine whether the 1998 Mining Act meets these strategic goals, it is important to determine whether or not it addresses the needs and responsibilities of the aforementioned stakeholders. See diagram 5.2 below.

Diagram 5.1   Stakeholders within the 1998 Mining Act
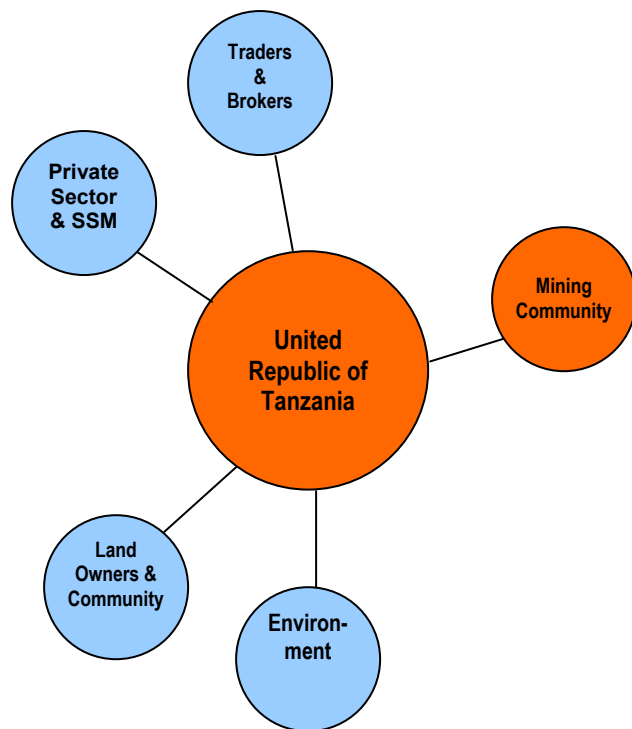
(Source: constructed from 1997 Mining Act).

The first stakeholder discussed in the 1997 Mineral Policy is the Government of the United Republic of Tanzania itself. As noted in the Mineral Policy, the Government seeks to establish itself as a regulator and administrator of the mining industry, providing investment and legal guidance and facilitating growth in the sector. The 1998 Mining Act succeeds in meeting these objectives. First, it clearly establishes the administrative hierarchy within the Government responsible for the regulation, and

administration of the mining sector. Secondly, the 1998 Act outlines the responsibilities of those entrusted with the facilitation of the mineral sector.

Part II, Section 5 of the 1998 Mining Act places the Government of Tanzania in firm control over all aspects of the mineral sector. It states, "Subject to this Act the entire Mineral property and control over Control of minerals on, in or under the land to which this Act applies is vested in the United Republic." The details of the management is invested in the Minister of Energy of Minerals is also detailed in Section II. Part III further elaborates on the Government hierarchy responsible for the regulation and administration of the mining sector. Section 16 of the Act allows for the President to appoint a Commissioner and Deputy Commissioner for Minerals. Their roles are to assist in the appointment of Mines Zonal Officers and to assist in the better administration of the Mining Act.

A key point of interest is the establishment of the Mining Advisory Committee, which would further assist the Minister of Energy and Minerals in research and decision making. The Committee consists of a Chairman, who is appointed by the President and the six additional members who are appointed by the Minister of Energy of Minerals. As Schedule 1, Section 1 of the Mining Act states,

> "The Mining Advisory Committee shall consist of - (a) the Chairman who shall be appointed by the President (b) six other members, of which two shall be appointed by the Minister who shall also appoint two alternates and one each by the Minister of Finance, the Minister responsible for protection of the environment the Minister responsible for lands and the Attorney General who shall each also appoint an alternate; a representative from the Ministry of Industries and (c) Trade (1998 Mining Act, 133)."

The membership of the committee is of interest due to the fact that it is only comprised of members appointed and therefore aligned with the Government. This raises concerns over biased decision making; however this is addressed in Article 4, which states,

> "In the exercise of their functions as members of the Committee, the Chairman and each of the members, and where applicable each of their alternates, shall act in accordance with his own judgment and shall not be subject to direction from any other person or authority (1998 Mining Act, 134)."

Regardless of the safeguards implemented in Section 4, the fact remains that the Government has made clear steps to ensure it remains in control of the regulation and administration of the mining sector.

Aside from the Government, the Policy sought to attract and encourage investment from the private sector therefore establishing them as a significant stakeholder. In order to do this the Mining Act establishes clear legal guidelines for those engaged in the mineral sector. This includes stakeholders identified as being the private sector and small-scale artisinal miners.

The Mining Act meets the needs of the private sector, insofar as it provides an ideal environment for investment and operation. This includes transparency and stability rooted in the binding laws of the Mining Act. More specifically, it provides a clear legal framework for prospecting, gaining licenses and mineral rights, taxation, financial services, environmental regulation, the resolution of disputes and the management of trade and dealers in minerals. The Mining Act also meets the needs of the private sector as it is complimentary and competitive with international standards.

The Mining Act also serves to integrate and therefore "rationalize" artisinal and small-scale miners under the singular set of laws outlines within the Act. In other words, artisinal and small-scale miners shall adhere to the same legal framework for the private sector.

As detailed in the Policy, the 1998 provides a framework for environmental management. Section 38(1)(d) requires an environmental management plan for a special mining license to be issued. The following is required within the plane;

> (d) the applicant's environmental management plan including his Proposals for the prevention of pollution, the treatment of wastes, the protection and reclamation of land and water resources, and for eliminating or minimizing the adverse, effects on the environment of mining operations (1998 Mining Act, 53).

Under Section 38(5) further requires the applicant of a special mining license to submit an environmental impact statement that has been conducted by an independent consultant approved by the government.

Communities and landowners are a final group of stakeholders recognized within the Mining Act. Section 95(b) states;

> 95. The holder of a Mineral Right shall not exercise any of his rights under his license or under this Act: (b) except with the written consent of the lawful occupier thereof, in respect of –
>
> (i) any land which is the site of, or which is within 200 meters of, any inhabited, occupied or temporarily unoccupied house or building;
>
> (ii) any land within 50 meters of land which has been cleared or ploughed or otherwise prepared in good faith for the growing of

agricultural crops or upon which agricultural crops are growing;

(iii) any land from which, during the year immediately preceding, agricultural crops have been reaped;

(iv) any land forming part of an aerodrome, other than an aerodrome referred to in paragraph.

It is also important to note that although communities and landowners must first provide written consent to mineral right holders to enter upon their land, under Section 95(b) the Minister of Energy and Minerals has the power to overrule the landowners decision if the Minister feels that the landowner is unreasonably withholding permission. The differences between the policy and the act are now worth examining below.

5.5 Differences between Mining Policy and the Mining Act

The 1998 Mining Act succeeded in addressing the needs of some key stakeholders yet failed to fully meet the needs of other stakeholders. It is evident that for the most part the Mining Act serves well the Government of Tanzania and private investors. However, the Mining act did not meet its stated objectives as outlined in the 1997 Mineral Policy with regard to small-scale miners, local government, the NGO community and women and children. Having not recognized all stakeholders within the legislation, the GOT has failed to meet its objectives, as outlined in the Mineral policy. Essentially, exclusion in legislation translates in exclusion from the stakeholder engagement process.

For small-scale miners, the Mining Act succeeded in establishing clear regulations to bring them under one singular legal umbrella, but failed to address the special needs of this group. The 1997 Mineral Policy sought to improve the system of information to small-scale miners; it

sought to improve access to credit, and to modernize small-scale mining practices for greater efficiency, accountability and environmental management. None of these special needs were given any voice within the Mining Act. Having not implemented legislation for the full integration of small-scale miners into the formal mining sector forces small-scale miners to adhere to laws that they either/or do not know exist, do not understand, or do not have the capacity to follow.

The Mineral Policy also sought to improve coordination between the Central government and local government bodies, yet no legal framework was provided to facilitate this task within the Mining Act. Local government bodies look to the Central Government for guidance. In not providing this guidance within legislation, inter-governmental coordination is severely hindered.

The role of NGO's was also excluded from the Mining Act. The Mining Policy highlighted the importance of NGO's in the mobilization and education of small-scale miners of better mining practices in order to reduce the negative impacts of mining on the environment. By not clearly defining the desired and/or required areas of focus for the NGO community, or providing a framework to coordinate efforts with NGO's, the GOT risks pushing the NGO community away rather than increasing cooperation as it should.

Finally, the Mineral Policy made specific reference to the disproportionate share of the negative impacts of mining on women and children. However, no mention was given to this very important group of stakeholders. Of the seven strategies outlined in the Mineral Policy, no legal framework was implemented in the Mining Act. This includes strategies for education, training, the creation of employment opportunities and poverty alleviation within mining areas. If such strategies do not exist within legislation the likely hood that they are addressed is slim to none.

The reality for those stakeholders excluded from the Mining Act is that they are essentially excluded from law. In other words, they have no place within mining law, and therefore the mining industry. The consequences of this reality are great. It means not having a voice, it means stakeholders do not know their rights and responsibilities, and this in turn, creates two categories of stakeholders; those within the law and those outside of the law.

The GOT must seriously look at the benefits of translating all of the stated objects found in the 1997 Mineral Policy into binding legislation. The most obvious of these benefits would be the establishment of a mining industry committed to representation and sustainability. It cannot be overly stated that achieving representation and sustainability cannot be done through rhetoric alone. To date, the GOT has not matched action with rhetoric. This is evident in the fact that all the stakeholders outlined within the Mineral Policy are not given proper recognition within the Mining Act. In order to truly set itself on the desired path of sustainability, the GOT must revisit the 1997 Mineral Policy and work to integrate those stakeholders originally overlook in the creation of the 1998 Mining Act.

Chapter 6:
An Assessment of Stakeholder Engagement

6.1 Introduction

Previous chapters have highlighted the fact that gold mining has become a corner stone of the Tanzanian economy attracting international mining firms and large-scale investments in mine construction. In order to ensure mining contributes positively to Tanzania's socio-economic growth, the government of Tanzania (GOT) has developed policy guidelines and implemented legislation to facilitate a healthy relationship between the mining sector, government and communities. The following two chapters seek to determine whether or not what is written in policy and legislation truly reflects what is happening on the ground. To accomplish this goal it is necessary to take a close look at the interaction of the various stakeholders connected with mining. What the research findings reveal is a condition of stakeholder engagement with that ranges from fair to non-existent. To truly understand why such a conclusion has been reached one must first look at each stakeholder according to their relationship with the mining sector, examining how they contribute positively to, but more importantly, what obstacles are preventing a healthier stakeholder engagement process.

6.2 Bulyanhulu

6.2.1 Overview from 1996 to Present

The recent history of Bulyanhulu can be characterized as both controversial and volatile in the political arena and insofar as stakeholder engagement is concerned.

In recognition of this it is important to clarify that the purpose of the research is not to directly examine the ongoing legal conflict between small-scale miners, the Government of Tanzania and the Barrick Gold Corporation.

This includes choosing sides or passing judgment on any of the parties or events involved. However, one cannot ignore the impact of the unresolved conflict on the relationships between the various stakeholders connected to Bulyanhulu. The reality being that the scars left from the removal of small-scale miners from Bulyanhulu may be the greatest hurdle faced by the stakeholder engagement process.

It is of no surprise that with the liberalization of the mining sector in Tanzania, the Bulyanhulu deposit would be of specific interest to international mining firms. This was confirmed in 1994 the Government of Tanzania (GOT) granted a prospecting license to Kahama Mining Corporation Limited (KMCL), which was then a subsidiary of Sutton Resources of Canada. In July 1995, the GOT decreed that the small-scale miners at Bulyanhulu should leave the area; however, the GOT failed to implement a plan to ensure the site was properly vacated. On July 30, 1996 the GOT initiated a process of clearance and issued a final decree ordering all "illegal miners" to vacate the site. The Small-Scale Miners Committee challenged the decree and succeeded in having an injunction to the decree placed on July 31st, 1996. The injunction was overturned on August 2nd, 1996 and the miners were removed from the Bulyanhulu site throughout the month of August (LEAT 2002, CAO 2002).

According to most local accounts, local government officials and small-scale miners, who thought they had legal claims dating back to President Mwinyi's visit in 1993, heard the announcement of the removal of small-scale miners by radio broadcast. This left little time for people to plan their departure even if they had a place to go.

Allegations of the forced removal and displacement of some 30,000 to 400,000 small-scale miners, and the killing of 52 miners who were buried alive in their shafts drew, the attention of the Lawyers Environmental Action Team (LEAT), a environmental and human rights NGO, who spearheaded an investigation. LEAT released the findings of their investigation in a complaint to the Office of the

Compliance Advisor/Ombudsman (CAO) of the IFC/MIGA in 2001. Within the complaint LEAT provided testimony of small-scale miners who bore witness to the alleged human rights violations.

The CAO responded to LEAT's accusations by visiting Bulyanhulu and conducting an investigation of its own, releasing a report in October 2002. The report could not substantiate any of LEAT's allegations of any human rights violations. LEAT quickly responded in December 2002, dismissing the findings due to flaws in the CAO's methodology. To date, the controversy continues over Bulyanhulu, with LEAT and small-scale miners accusing KMCL and the GOT of whitewashing and intimidation, and KMCL and GOT countering with claims that the allegations have been fabricated.

For the purpose of this research it is important to emphasize the fact that this unresolved conflict has set a tone of bitterness and suspicions that was evident when interviewing respondents. Upon my arrival in the communities of Kakola, Bugurama and Ilogi I was treated with suspicion as community members assumed I worked for the company. Several people repeatedly asked us (me and my translator) to explain our association with the mine. During one focus group session, a heated debate ensued as some respondents would not accept that I was conducting neutral research. Furthermore, at the beginning of each interview I was asked to show my student card to prove I was a student of the University of Dar es Salaam. However, after several days respondents began to openly discuss the events of the displacement. It was evident that they were eager to have their stories heard.

One respondent from Kakola, who was a former small-scale miner spoke of the CAO's investigations, saying,

> "...Rachael Kyete, from the World Bank, came and spent 3 days in Kakola and within the Bulyanhulu site. People spilled their hearts to her and she only wrote lies and did nothing for

the people of Kakola. She turned her back on the village…"

Another respondent with the District Government, who wished not to be identified, noted that,

> "...There are two classes of people when it comes to mining, there are the VIP's (or very important people), meaning the large mining companies and the central government, and then there are the poor innocent victims (PIV'S) meaning everybody else…"

Such remarks clearly indicate that the alleged events of the displacement and killings are fresh in the minds of the community members of those villages closest to Bulyanhulu. One cannot refute that this constitutes a serious factor in any analysis of stakeholder engagement.

6.3 Stakeholder Engagement at Bulyanhulu

6.3.1 Kahama Mining Corporation (KMCL)

Kahama Mining Corporation Limited (KMCL), a subsidiary of the Barrick Gold Corporation assumed control over the Bulyanhulu property from Sutton Resources in 1999 at a cost of $280 million. KMCL has since invested $320 million in the construction of the large-scale underground mine found on the Bulyanhulu site. Exploration has revealed that gold reserves at Bulyanhulu stand at approximately 11 million ounces, giving the mine a lifespan of 25 years. Having possession of such gold wealth it is of no surprise that KMCL is the most significant economic force in Shinyanga, providing employment to Tanzanians, contracts to more than 90 suppliers and tax revenues for the Government. Furthermore, KMCL ranks as a key stakeholder within the gold mining sector as well as partner in development (KMCL, May 2004).

According to KMCL's May 2004 newsletter, in total, KMCL has committed USD 12.5 million towards community

development schemes since the mine opened in 1999 (KMCL, May 2004). This has been distributed amongst several development projects in the Kahama District, with the majority of the funds being spent in Bugarama Ward. KMCL, being a mining corporation and not a development agency, has sought assistance in meeting its community development objectives in Kahama District. This includes collaborations with private firms, NGO's, and local government authorities. These initiatives are detailed below in Table 6.1.

Table 6.1   KMCL Funded Development Projects 1999-2004

KMCL Funded Project	Project Description
CARE International Kahama Educational Enhancement Project (KEEP)	KMCL is fully funding the KEEP project with an investment of USD 1.9 million over 6years. The project seeks to improve basic education at the primary and secondary level within Bugarama Ward.
AMREF Health Education Programme	KMCL is fully funding an AMREF health through awareness education programme. This includes an AMREF a voluntary counselling and testing (VCT) clinic for HIV/AIDS in Kakola.
Habitat for Humanity Projects	KMCL has provided funding for the sustainable and affordable housing programme for local communities.
Renovating the Bugurama Dispensary	The renovation and expansion of the Bugarama dispensary and the provision of new medical equipment. Staff is also given training through AMREF.
The employee housing loan plan	KMCL has established a home-ownership programme to a provide KMCL employees access to interest-free loans towards the purchase of their own houses in Bugarama and Ilogi villages.

Upgrading the District medical facilities in Kahama	KMCL has provided funds for the renovation and expansion of the District Medical facilities in Kahama town.
Building of new police station in Bugarama.	KMCL has constructed the police station, with holding cells and two offices in addition to staff houses. KMCL has also provided vehicles for the officers.
Building a modern market in Bugarama village	KMCL has built a modern market, through a private contractor, on the outskirts of Bugarama village, which has since been placed under the authority of the District.
Local water supply	KMCL has constructed a water scheme to provide clean water to Bugarama and Ilogi villages from dug wells. KMCL has hired a private firm, WADECO, to manage the facilities.
A planned rural electrification scheme	A planned 135km extension from the national electricity grid from Shinyanga town to the Bulyanhulu mine.
Scholarship Fund	A total of USD 1,200 has been allocated towards funding students based on performance and need for funding.

KMCL's Community Development Department is responsible for managing KMCLs' development projects and overseeing stakeholder engagement. The Department's Manager, highlighted the key responsibilities of her department saying,

> "…The Community Development Department at KMCL is involved in training Tanzanians to work at the mines. They are also engaged in issues of child labour and in liaison with the Central, Regional, District, Ward, as well as various NGO's on development issues."

According to the informant, the first step for KMCL in the stakeholder engagement process is actually defining who the stakeholders are. In the case of KMCL, it first recognizes the most obvious of the stakeholders, being the various levels of government and local NGO's. The second, and much more difficult, step of KMCL in the process is to find a way to work collectively with all stakeholders towards defining and achieving common goals.

The informant further notes that the frequency of contact between KMCL and other stakeholders depends on the project and the stakeholder involved. KMCL meets representatives of the NGO's, such as AMREF and CARE, who are carrying out KMCL sponsored projects in the area, on a regular basis. KMCL meets with the Ward and communities on a monthly basis. Major meetings between all stakeholders for KMCL sponsored projects are held on a bi-annual basis. Wider stakeholder meetings are called depending on the issues that arise.

She referred to a recent publication by the World Bank's Business Partnership for Development (www.bpd-naturalresources.org) that highlighted KMCL's achievements in stakeholder engagement. Within the publication KMCL states that their Social Development Programme (SDP) "has been underpinned by a partnership approach." This includes the involvement of communities, the District Council, NGO's and donors. These partners form steering committees that meet to carry out social development programmes (SDP). The emphases of the SDP's are to build the capacity of local government, communities and NGO's for the long-term management of development projects. KMCL is working on capacity building so that it can step back from the leadership role it currently has taken due to the low capacity that currently exists.

On investigating KMCL it was evident that there had been a great deal of resources allocated to the community development department. The offices of KMCL were large and comfortable with a table of maps, computers with satellite Internet, and access to a library of compiled documents. Furthermore, the employees working within on

local development at KMCL all possessed a high-level of education, (at post-graduate level) and experience. KMCL's materials and personnel assets position the company well to be strong stakeholders.

As one of the most visible stakeholders, KMCL has a significant impact on stakeholder engagement, in both positive and negative ways. This was a point that Kiangi emphasized. According to the informant, KMCL takes great care in evaluating and improving itself in regard to stakeholder engagement. She does admit that KMCL is aware that such a large company does distort surrounding communities, but is quick to respond that KMCL continuously seeks to mitigate the negative impacts and focus on the positive impacts. She expanded on this point by providing a couple of examples of KMCL's strengths and weaknesses, describing how KMCL is addressing them.

The first example is the varied interpretations of development methodology concerning the direction KMCL should take when working within developing countries. Some within the company see development purely as a philanthropic endeavour or just giving free handouts, while others within the company see the need for greater participation of stakeholders to achieve more sustainable development objectives. KMCL recognizes the need for consensus on its approach to development and continuously works to improve its approach to development, collaborating with NGO's and the larger mining community as seen in Table 6.1 above.

Power represents a second strength and weakness for KMCL. As a stakeholder, KMCL possesses a great deal of economic and political weight, which in turn, allows it to have access to advanced technology, experts in the fields of development, politics, law and so forth. She notes,

> "…KMCL knows it has the ability to influence to help communities by influencing Government, as it is the only real economic activity in the region.."

The imbalance of power on the side of KMCL has equally negative consequences for stakeholder engagement. The informant admits that, "…due to the strength of KMCL some development projects are not necessarily what people want..." KMCL's decision to build a modern market on the outskirts of Bugarama Village may be a testimony to her point. The Market will be discussed in further detail below.

Regardless of the perceived strengths and weaknesses of KMCL's efforts in stakeholder engagement, to fully assess KMCL's claims to a true partnership, one must examine KMCL's completed and ongoing projects. This means meeting those people who participated in them to assess their level of involvement. The cases of the Bugarama Market Complex and the modern water delivery system serving Bugarama and Ilogi villages provide two examples.

The Bugarama Market Complex stands as a testament to the results of a weak stakeholder engagement process. While on tour of KMCL projects with the Community Development Site Inspector (CDSI) for KMCL[6], I visited the market that was built more than a year ago, but has sat empty since its completion. According to Kaboza, the market was handed over to the District, but the District has yet to develop a satisfactory taxation scheme. (See Picture 6.1). Either way, the CDSI indicated that the market is no longer the affair of KMCL and that the responsibility for the market's condition lies fully in the hands of the District.

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[6] The CDSI is responsible for the overall supervision of development projects sponsored by KMCL. This includes the housing development for miners, the construction of the modern market and police station as well as supervision of the wells and water pipelines servicing Bugarama and Ilogi villages.

Picture 6.1   Bugarama Market

Local business persons in Kakola and Bugarama paint a much different picture, claiming that the market was built without community input. They argue that if the community was involved the market would be in a city centre, such as Kakola, where markets are traditionally found. This is reflected in the words of one Kakola businessperson, who tried selling at the market, saying,

> "…The market was built just too far from village centres and therefore inaccessible for both merchants and customers. Those who attempted to establish business failed because of lack of customers. KMCL says that the market has yet to open, but it is open, it's just nobody goes there…?

Some also argued that the market location was intentional as KMCL wanted to draw people away from Kakola and into Bugarama, which was further away from the mine.

The construction of a well and water pipelines that service Bugarama and Ilogi villages provides a further example of weak stakeholder engagement. The project was carried out by KMCL, with a large well and pumping station being constructed between Bugarama and Ilogi villages. Pipelines connect the wells to water towers in each of the two villages, which in turn serve the KMCL staff houses and several water kiosks situated in the villages. Upon completion the management of the project was handed over to a private water and environmental development company called WEDECO LTD. WEDCO charges 1 shilling per litre for service to the houses and the water kiosks. If residents living outside of the KMCL housing scheme wish to have the service directly to their houses they must buy the necessary materials and pay for the installation.

The Community Development Site Inspector for KMCL informed me that the project was carried out in full partnership with the two communities and that the scheme had been implemented according to community wishes. However, according the Ilogi Village Council the project did

not include substantial community input. In fact, they claim that although KMCL selected people from the village to form a committee whose responsibility was to plan where the four water access points for villagers would be, the committee actually only consisted of one member who was handpicked by KMCL. This was the former Village Chairman. The Council further claims that this behaviour reflects KMCL's bogus claims to stakeholder engagement.

Upon examining KMCL's other projects it becomes evident that the majority are intended first and foremost to serve the actual mine. The employee housing loan plan only serves mine employees who are for the most part not native to the surrounding area. The modern houses stand juxtaposed to the traditional mud houses occupied by indigenous villagers. The Bugarama Police Station was built entirely with KMCL funds and obviously serves to protect mine interests. This was evident during my tour with the CDSI when company vehicles freely passed through the police checkpoint, only slowing down to hand to the police officer a 10,000 shilling note. I returned to the checkpoint after my tour with the CDSI and observed that this conduct was not a one-time affair. I also examined a taxi full of Kakola residents that were held at the checkpoint for some 30 minutes. 10,000 Shillings was obviously out of their budget. The rural electrification scheme from Shinyanga to the mine site is intended to meet KMCL's electricity needs as is the water pipeline from Lake Victoria designed to meet their water requirements. It is obvious that communities are secondary beneficiaries to the companies needs. This is not to say that it is not of some benefit as it is bringing development to the region. However, to claim that these projects are based on broad partnerships with all stakeholders is partly false.

It is not claimed that KMCL is failing to pursue stakeholder relationships entirely. With regard to collaboration with NGO's, KMCL, for the most part, matches rhetoric with reality. KMCL has recognized the need for the involvement of the NGO community for both effective delivery of development projects and for a neutral partner

for communities to deal with. In meeting CARE Tanzania's offices in Bugarama, as well as community members, it was obvious that this approach was working. CARE was able to meet, organize and effectively deliver development projects with communities while at the same time coordinate with KMCL. It was evident that KMCL interests did not compromise CARE's mandate. Therefore, KMCL's success sometimes stands in its ability to distance itself from the development process.

6.3.2 The NGO Community

The NGO community represents a key component to the stakeholder engagement process as they often provided essential services, expertise and representation that may not otherwise be accessible to other stakeholders at Bulyanhulu.

6.3.2.1 CARE Tanzania's Kahama Education Enhancement Project (KEEP)

"CARE realizes the importance of capacity building as strong partnerships and sustainability is born out of enhancing capacity." (Letica Pima)

CARE came to Bulyanhulu in 2001 after submitting a proposal for an education based development project with KMCL. KMCL agreed to support the project providing USD 1.9 million over 6 years.[7] The project aims to "enhance access to high quality basic education for children and adults, as well as increasing access to secondary education (KEEP Publication)." In order to achieve its goal CARE has developed a three phase approach the project. The first phase seeks to create an environment conducive of learning. This includes school construction, requiring

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[7] AMREF and Habitat for Humanity are also conducting KMCL funded development projects in Bugarama Ward. CARE serves as example of the stakeholder engagement process between KMCL funded NGO's and other stakeholders.

necessary teaching and learning resources and hiring and providing training for teachers. The second phase consists of improving teaching, infrastructure, the consolidation of a secondary school and enhancing community participation. The third phase seeks to ensure the sustainability of the project upon the completion of CARE's 6 year contract with KMCL (KEEP proposal, 2001). See Picture 6.2 below.

Picture 6.2
Newly Renovated Bugarama Primary School

According the KEEP Project Manager, CARE International, the primary stakeholders that KEEP works with are the District Education Office, the Ward Education Supervisor, and the 7 School Committees for the seven villages within Bugarama Ward. There is a general meeting held between CARE and the four main stakeholders twice a year. CARE meets individually with each stakeholder on a frequent basis. CARE facilitates the meeting between the stakeholders which includes representatives from KMCL'S Community Development Department.

CARE emphasizes that its mandate is a result of community concerns. CARE helps communities' decided priorities and then assists the communities in creating development proposals. Each of the seven communities CARE works with in Bugarama Ward is at a different level of success in achieving its goals. Before KMCL, small-scale mining fuelled the communities' economies. When mining was removed so was the income base for many people. The focus is to regenerate the economy in other areas than mining. As a result of poverty, communities are failing to contribute significantly to the process. CARE puts a priority on training people to contribute to their own development.

It is obvious that for the most part CARE is meeting its mandate. Most community members confirmed that CARE was actively involved in the community and that its approach to stakeholder engagement was effective. Many people interviewed in Kakola, Ilogi and Bugarama villages had attended meetings held by CARE and/or were actively involved in their education enhancement project. One respondent noted, "CARE and other NGO's often come to the village to discuss development issues. CARE focuses on education and comes to help the primary and secondary schools. A lot of people come to attend the meetings with the NGO's. The meetings are really popular."

While CARE is scoring real success within the communities, it is having more difficulties with the District government. According to the KEEP Project Manager, "the District is failing to conduct school inspections in the Ward although KMCL pays for the transportation and lodging." CARE continues, arguing that the District has to be pressured to play a more significant role in development. Currently KMCL has provided the structures for schools and the District has the responsibility of providing books and furniture. Under the Heavily Indebted Poor Country (HIPC) initiative of the World Bank, each student is allotted 10 USD for books and educational supplies. The Districts are not releasing those funds. At best it is only half. CARE is providing access to information to empower people to demand what is supposed to be allocated to the schools.

I was further informed that the District Education Office was confronted on its use of funds in a meeting in December 2002 between the Ministry of Education, representatives from the seven communities within Bugarama Ward, KMCL and CARE. The fact of the matter is that there is money given to the District, but the district is failing to provide it. The underlying problem was suspected to be corruption. District bureaucracy inhibits community planning because the District must approve everything. For example, the District decides which vendor the school supplies will be purchased from, therefore the District is directly connected to the vendor who charges high prices for the school supplies.

When asked why there is a problem with the District? The answer stated is that the District Government thinks that KMCL has the money for the funds. The issue is a controversy between KMCL and the District.

When I approached the District about the accusations I was informed by the Assistant to the Community Development Officer, responsible for Bugarama Ward that she only works with CARE and Habitat for Humanity only when it is needed. Her initial reason was that the NGO's have limited budgets and cannot share project money with the District. When we met on the bus to Kakola village the officer expanded saying that Bugarama Ward is KMCL territory and CARE works for KMCL. The same message was repeated by others who work for Kahama District in informal discussions. Essentially the District was warned not to interfere with the Company's affairs and this was interpreted as not interfering with Bugarama Ward at all. From both accounts it was obvious that the relationship between CARE and the District was stressed due to conflict of interest and therefore in need of improvement.

6.3.2.2 Lawyers' Environmental Action Team (LEAT)

Whereas AMREF and Habitat for Humanity share similar experiences in stakeholder engagement and local responses with CARE, LEAT has a much different experience. The reason for this is that LEAT was the only NGO that came to Bulyanhulu to investigate alleged human rights abuses. LEAT listened to what people had to say and assess the situation first hand and then acted as their voice in confronting the government of Tanzania, KMCL and the World Bank. While this has made LEAT a champion in the eyes of local people, it has essentially alienated itself with regard to its relationship with KMCL and the Central Government.

It is important to note that LEAT's has chosen a different mandate than that of CARE and AMREF, having a focus on advocacy. However, one must not overlook the importance of LEAT in its contribution to a healthy stakeholder process. LEAT was able to meet local community members and record incidents of alleged human rights abuses. LEAT was also able to bring those allegations to the forefront of the media's, World Bank and GOT attention. Although this has created a great deal of controversy it does serve the purpose of exposing underlying problems that threaten to poison any true partnership between the various stakeholders. Namely the underlying bitterness caused by the removal of the small-scale miners from Bulyanhulu.

6.3.3 Local Governmen (Village, Ward, District).

Local government faces many obstacles in regard to their ability to be effective partners with other stakeholders, such as KMCL, the NGO's working in Bugarama Ward and the Central Government. There are three underlying explanations for this: a lack in resources, a lack in capacity and a lack in power.

Upon entering the Office of a Village Chairman or Ward Executive Officer (WEO), it was observed that they seriously lack the resources necessary to carry out their duties. In Kakola the Ward Executive Officer and Village Chairman shared a two-room brick building. The WEO's office contained a small table with a plastic chair and one section of a filing cabinet. The office was void of supplies,

such as paper and pencils. The office of the Village Chairman had six chairs and no desk. The chairs were shared between the two offices depending on where meetings were held. In Ilogi village, the Village Chairman's office was constructed with mud bricks and was no larger than three meters square. When I interviewed members of the village council, some had to stand outside and look into the office. None of the offices had electricity, toilets or running water (see pictures 6.3 and 6.4 below). Having such an utter lack of resources poses a serious obstacle to the stakeholder engagement process. If Local leaders do not have paper and, pens necessary for a productive work environment, how are they supposed to carry out their jobs with dignity and effectiveness?

Picture 6.3   Local Government Offices – Kakola

Picture 6.4   Village Chairman's Office – Ilogi

Resources are more abundant at the District level. District employees have sufficient supplies of pens, paper and file folders. They also had sufficient office space, with proper furniture and filing cabinets. The District Executive officer (DEO) had a large office with a large desk, filing cabinets and so forth. However, there was no official transportation for any employees at the District level. The DEO walked to work, as did other employees. While visiting the DEO I met Ward Education Officers who were organizing transport to visit various schools. The land cruiser was borrowed for the job. The District also had no access to computers. The DEO used the internet café just as everybody had to in the city of Kahama.

A serious lack in capacity acts as another obstacle to the stakeholder engagement process. Village leaders have little formal education or practical training necessary for them to communicate and participate on a level playing field with other stakeholders.   This only inhibits their understanding of their rights and responsibilities, thus

preventing them from providing any effective services to their communities. A lack of capacity also results into lack of confidence, which further exacerbates the problem. The level of education increases at the Ward and District levels, but they still lacked training in mining regulation and practical development skills.

A lack of power constitutes the most serious obstacle to local government's ability to be effective partners in the stakeholder process. In fact, for the most part local government stands powerless and outside of the entire political process. This includes local government relations with KMCL, with Central Government and even with the District.

An informant, who is on the Kakola village Finance and planning committee argues,

> "…Local government has no negotiations with KMCL operators, not even on issues of local development. For development projects the mine makes its own decisions and does not include local government leaders. .."

The testimony of the Village Chairman in Ilogi supports those of the previous informant, in saying, "

> "…KMCL said when the first arrived that they would live and work in the village, but now the have separated themselves from the village. The have their houses there and the village is over here. Villagers no-longer communicate with KMCL..."

KMCL's Community Development Manager argues that "it is difficult to carry out development projects because the Wasukuma are culturally diluted and that there is generally a lack of leadership." Therefore the cycle of low-capacity equals no power continues to be perpetuated. However, local leaders argued that KMCL also has problems themselves. Mainly that,

"They [KMCL] don't want to talk to the local government in Kakola because it is the State that has given them permission to control the property at Bulyanhulu. Therefore, KMCL does not need to talk to local government as the Central Government has assumed all the control."

For Local government relations with the state an official of Kakola makes it quite clear that,

> "...senior government has total control of the mine and do not communicate with the local government. Local government has no power to do anything in the process. The Central Government has yet to make any efforts to include local government in any discussions, discussions concerning the mines and the benefits of mining…"

Local government leaders want to have productive meetings with the Central Government, but doubt that day will ever happen.

The opinion of Village leaders towards District government further echoes the voiceless-ness of local leaders as is clearly demonstrated in the words of Ilogi officials,

> "…The district government does nothing for the villages, if the District does not even talk to the village government how do we expect the National Government to talk to us?"

The Ilogi Village Chairman stated that local government leaders get all their information from the NGO's, like CARE, and not the Central or District governments or KMCL.

6.3.4   Communities

Communities are made up of various different groups of people and it is therefore important to look at some of these groups to gain a more accurate assessment of the state of stakeholder engagement and to determine what the existing impediments are. While Bugarama Ward I met with local business owners, women food vendors and groups of youth who were looking for work in the streets. It is important to emphasize two important points. First of all, these groups are not well defined; people often fall into more than one category.   Secondly, they all share one commonality, which is, they have long since lost any illusions of having a voice and, as a result, have learned to fend for themselves.

Owning a business was a very common occupation of most respondents, especially amongst those who used to be small-scale miners, and especially in Kakola village. Business' included guest houses, shop owners, café's and food stands, taxi services, shuttle mini bus owners and suppliers of small-scale mining supplies.

When asked if their business' were benefiting from the mine most respondents said that business people have no idea what is happening with the mine as discussions take place within the protected mine site. The mine meets with government officials inside.   In fact, business people requested the Ward Executive Officer to request a meeting with the company but the WEO refused because the subject is too controversial claiming he does not have any access to information.

While discussing with a local guesthouse owner in Kakola I was informed at first that he derives no business from the mine. However, he later mentioned that some of the miners did stay in his guesthouse, but the number of miners actually staying in his guesthouse has dropped considerably as miners are staying in lodging provided by the company. When asked if he ever discussed issues of lodging of miners with KMCL simply replied "no".

It is important to note that although many business owners are not satisfied with the impacts of the large mine on their livelihoods; they do not consider the current situation the responsibility of KMCL. Rather, much of the blame is directed towards the local government.   One businessperson argued,

> "…Local business people are not given any opportunity to voice their concerns about the mine's impact on the community. There is no way of voicing their concerns although they have sought a way to communicate their concerns through the Ward..."

He further explained that Local government is not helping whatsoever. At every meeting, local government officials insist that people return to farming and running their local businesses rather than focus on anything relating to the mine or mining. It is obvious that local government fears disturbing the mine, but that come at the expense of local business owners who could possibly benefit from a good relationship with KMCL.

Bugarama's youth represent a large portion of the population and therefore a group of specific concerns. Groups of young men are ever present on the streets, looking for any form of employment or simply something to do. Most of the youth are employed with petty jobs. This may be pushing wheel barrels, driving the dala dala's (bicycle taxis). Some girls are still working in the remaining small mines breaking stones and sifting sand. Some girls also work in prostitution, but most of the prostitutes in Kakola come from other regions.

I met with a group of youth in Bugarama outside a bicycle repair shop. At first the interview consisted of just a few people in their early twenties. Within five minutes the crowed had swelled to over forty people.   The group's

concerns echoed like a chorus of consensus. The greatest problem with the youth is opportunity. There are no jobs in the area and nothing for the youth to do, but farming. There are no employment opportunities for youth within the mine. Therefore, unemployment is a major problem and other problems result from this. Some youth feel that they are discriminated against because they are from the area. They claim that unskilled labour is not hired out of the villages. Someone can come from outside the region and get a job the next day, but somebody from one of the villages would not.

In an interview with three youth who were born in Kakola one respondent in his twenties said,

"…The NGO community is doing more to help the youth than anybody. CARE is coming to the villages and improving the education system, but what is education if you cannot get a job. AMREF comes and stays in guesthouses and to talk to the youth about preventing HIV/AIDS and having protected sex. AMREF gets maximum contact with the youth, but HIV/AIDS is a symptom of a greater problem. Habitat for Humanity also comes to talk to youth about building good houses. You enter an agreement with an individual. They then build the foundation and Habitat will build the house. The person then slowly pays back the total cost of the house. This would be a good program if the youth had jobs, but they don't. The youth understand that everybody is responsible for their own development and finding their own jobs, but what do you do when there are none?"

He continued pointing to the failures of local government, saying,

"…Village government does not think about the youth when planning development activities. Part of the problem is that the village government thinks that they youth are migrants and not from Kakola…"

It is obvious from the above statements that while there is some progress being made in bringing youth into the fabric of stakeholder engagement, almost entirely on the side of NGOs, a greater effort needs to be made to have their voices heard to find solutions to underlying problems. Empowering youth through the provision of opportunities in education and employment is critical to bringing about sustainability. If youth's are not given the opportunity no long term progress can be achieved.

A final group interviewed was women food vendors, who are referred to as mama lishe's or mama ntilie's. Most of these interviews were conducted informally and only made possible by eating at their restaurants, as the women were far too busy to conduct an interview in any other way. Interviews were conducted in the morning with the women who served chapatti and tea. In the evening they were conducted with the women who would prepare some chicken and potato chips. This situation brings up a question in itself, how do you include women in any stakeholder engagement discussion when they have such little time to actually participate?

Obviously, there has not been any answer to this question as these women were the most voiceless of all respondents interviewed. It is neither that they did not have the potential; nor that were they not informed but that they did not have the time. . While conversations go on between men eating lunch and women are occupied cooking the meals and tending to the children, women are also listening to those conversations. However, that is where it often ends as most women are working for basic survival and any sort of participation in stakeholder engagement was far from their immediate priorities. However they would not fail to take advantage of any positive opportunities to become involved or benefit from a healthier stakeholder engagement process.

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Towards the end of my stay in Kakola I was invited to an informal meeting of community members over coffee in a local shop. The meeting was composed of local business owners (mostly men, but a couple women), some elderly who spent most of their time in the café, a couple young men who had worked as surveyors, but were currently unemployed, and other patrons who moved in and out of the room to listen, debate or contribute their own comments. I posed the question to the group, "How does the community voice concerns?" The informed me that community members are supposed to go to local government, but the local government is not listening or willing to talk. Local government cannot talk about any issues relating to the mine. The main reason is that they are also left out of the process. Another reason is that they are too afraid to bring up the issue. Local government simply does not have the capacity to improve the communication process. The group recalls 7 meetings that have occurred between the community and the local government. The community gave proposals for construction of roads in Kakola, getting clean water, hospital and health services, and improving the primary school, yet little to nothing has been done.

When asked to describe their relationships with the NGO's present in the village, they informed me that AMREF and CARE does come to the communities and meet community members. AMREF runs the HIV/AIDS clinic, and CARE comes to discuss various issues with community members, but they can only do what is instructed by KMCL as all of their funding comes from KMCL. This is they expanded beyond the NGO's saying,

> "Now within Kakola people must get permission to build wells and any other construction from the Company. The reason being that KMCL wants people to move to Bugarama and Ilogi so they are not giving permission to build in Kakola. Their intention is to destroy Kakola totally. "

The group challenged me to look at Kakola and compare it to Bugarama and Ilogi. They asked me if I thought it was coincidence that all KMCL's development projects (the employee housing, market, water pipeline etc.) were not extended to Kakola?

6.3.5 Central Government

Any analysis of stakeholder engagement in the Tanzanian mining sector must begin and end with the Government of Tanzania. The reason being that the GOT holds all the power. The GOT is responsible for developing, implementing, enforcing and overseeing mining regulation. More importantly, the GOT sets the tone for all stakeholder engagement. Unfortunately, while the GOT has succeeded to develop and implement legislation to strictly regulate the mining industry, it has failed to show any leadership with regard to its responsibilities in strengthening partnerships between stakeholders. This fact is reverberated from all respondents ranging from KMCL, through to local government levels and communities in mining areas.

In interviewing an official at KMCL she made clear that while KMCL has a healthy relationship with GOT on issues of mining regulation, KMCL has been left to fend for itself insofar as dealing with other stakeholders is concerned. It was explained that the Government has no serious framework on how to deal with mining outside of the regulation of the industry and that has had negative impact on the entire stakeholder engagement process. The GOT has simply not provided any clear leadership in this realm. KMCL has worked to forge its own partnership process with NGOs and local government, but it is a mining company not a development organization.

The above argument was confirmed during my two visits with the Mine Zonal Office (MZO) in Kahama town that I made on November 17th, 2004, towards the beginning of research in the field. During this visit I was informed that the Mine Zonal Officer was unavailable for a meeting and was

instructed to leave my question which his associates promised he would answer. They also informed me that a meeting between all stakeholders was to be held on the 22nd of November and that I was invited if I was interested. The MZO's assistants did not specify what stakeholders were involved, but I still confirmed that I would attend the meeting.

On the 22nd of November I called the MZO, upon which they informed me that the meeting was cancelled. I went to MZO to inquire as to why only to find that the meeting was actually taking place. The MZO accountant informed me that certain government officials did not like the idea of a researcher coming to the meeting, but told me those officials were meeting with "the Canadians" on issues of stakeholder engagement with communities.

I asked if any local leaders were attending the meeting and he said it was between the company and the Government.

Although I did not attend the meeting, I was able to meet with an Official who was visiting from the Tabora Mines Zonal Office. I asked him to answer some questions concerning the MZO and he agreed. He informed me that the MZO is responsible for enforcing the 1998 Mining Act, which includes mine safety, monitoring operations, mine inspections, and confirming the quantity of gold extracted and royalties paid. The MZO also conducts Environmental Impact monitoring every two to three months. The Environmental Impact experts that work out of the office are provided by KMCL. The MZO also meets with mining companies and local government on issues of mine development. I asked him what obstacles the MZO has regarding stakeholder engagement and he stated that a lack of capacity represents the greatest obstacle for the MZO. The MZO basically only monitors the large mining companies when there is a major problem with the company. The MZO basically leaves the company to themselves and has "good faith that the company will have good community relations." When asked what measures

the GOT has taken to improve stakeholder engagement among all stakeholders he instructed me to look to the 1998 Mining Act to answer any questions I might have.

In meeting employees of the MZO two things have been made clear. First, the GOT has little time or energy for any substantial partnership with any stakeholders outside of mining companies and secondly the MZO lacks the capacity or resources to carry out the job of stakeholder engagement. The MZO employees were accountants and office manager tasked with keeping conducting inspections and keeping records. Furthermore, they did not have any resources to assist other stakeholders if they so chose. When I asked for a copy of the 1998 Mining Act the Official referred me to, not one could be found in the MZO besides his personal copy. How is the MZO supposed to inform small-scale miners of regulations if the MZO does not have a copy itself?

In meeting local government leaders and community members it was made clear that any level of stakeholder engagement was simply non-existent. In meeting the Kahama District Community Development Officer (DCDO) I was informed that the District Government was not involved at all in the creation of the Bulyanhulu mine. The District Government went to the Central Government to voice their concerns but was ignored. He further mentioned that the Central Government does not provide proper information to the District and he argues that they are very defensive and secretive about the issue.

6.4 Conclusions on Bulyanhulu

Due to weak stakeholder engagement, mining's ability to contribute to the sustainable development of the seven communities in Bugarama Ward is questionable at best. The areas in which stakeholder engagement has taken root (as noted with the efforts of the NGO community) are severely hindered by the lack of stakeholder engagement amongst other stakeholders. There exist two fundamental explanations for this lack of cooperation. The first being explanation being the entrenched tensions

between small-scale miners, community member, local government and the Central Government and the second reason being a fundamental imbalance in access to resources, individual and institutional capacity and in power relations.

Chapter 7
Interpreting the Mainstream: Protocols and Best Practices

7.1   Introduction

Gold mining near Nyakafulu village in Bukombe District, Shinyanga Region provides a second example of stakeholder engagement to be analyzed. Although the Nyakafulu mine site is found less than 100km from Bulyanhulu, the two differ considerably in terms of size, development, impact and nature of stakeholder engagement. In terms of size, the physical mining area at Nyakafulu is significantly smaller than that of Bulyanhulu, as is the local population and number of small-scale miners living in proximity of the mining area. In terms of development, the Nyakafulu deposit is merely in the exploration stage, in comparison to that of Bulyanhulu, which is in full operation. These factors have contributed to fewer complexities and a lower impact, which, in turn has allowed for a less charged environment that is more conducive to stakeholder engagement.

7.2   Overview Since 1998

. Nyakafulu has had experience with private mining operations with East Africa Mines who came in 1982, but it was not until Resolute Mining Ltd., purchased the mineral rights from East Africa Mines in 2002 that the real impact of the 1998 reforms was felt by small-scale miners and the community of Nyakafulu. The reason for this is that whereas East Africa Mines simply exploited small-scale mining activities for a profit, if opened, Resolute would operate modern large-scale gold mining activities.

Resolute acquired the Mineral Rights for mining at Nyakafulu officially through the GOT in accordance with the 1998 Mining Act. This document was then presented to local levels of government as well as to the community of Nyakafulu. Like Bulyanhulu, the local government, small-

scale miners or the community of Nyakafulu was never consulted with regards to issuing a mineral permit or opening large-scale mining operations near the village.

Unlike at Bulyanhulu, tensions and conflict have not escalated. In fact, in order to facilitate a peaceful transfer of land to Resolute, the company negotiated a settlement with those residents who occupied land that the company wanted to vacate. The settlement consisted of private settlement negotiated between the company and each affected landowner. Furthermore, they negotiated an agreed time frame of six months to allow small-scale miners to conclude operations. All parties respected the agreement and Resolute has since moved in to conduct exploration before deciding whether or not to open a large mine. As a result the company, small-scale miners and the community have avoided a bitter conflict like the one affecting the stakeholder engagement process at Bulyanhulu. When I arrived in Nyakafulu, Resolute was still conducting exploration at the mine site approximately one kilometre from the village.

7.3   Stakeholder Engagement at Nyakafulu

Overall, the level of stakeholder engagement at Nyakafulu can be characterized as being fairly weak, facing similar obstacles as those discovered with some of the stakeholders at Bulyanhulu. However, unlike Bulyanhulu there is potential for a healthy stakeholder engagement process to be built from the ground up. The reasons for this assessment are based on the facts that the mine is merely in the early development stages, small-scale miners were removed from the site through negotiation and not force, and that Resolute recognizes the importance of gaining greater stakeholder acceptance for the project. However, in order to give these arguments greater weight, it is important to examine each stakeholder individually according to where they stand in the stakeholder engagement process, focusing on how they contribute positively to the process and what obstacles are preventing them from greater participation.

7.4   Resolute Mining Ltd.

As already mentioned Resolute came to Nyakafulu in 2002 and began conducting exploration. Today, the operation continues to be merely in the exploration stage. The site consists of a small base camp with one main building and a few smaller structures surrounded by a barbed wire fence. The camp is serviced by generators and provides the necessary comforts for researchers to do their work. The staff at the camp consists of just a few core Resolute employees and local villagers from Nyakafulu who have been given employment as labourers and security guards.

I met with community members in Nyakafulu for two days before visiting the Resolute mine site. In meeting Village Chairman, local business owners, farmers and former small-scale miners I discovered that most Nyakafulu residents were generally accepting Resolute to open a mine. Negotiating with small-scale miners certainly improved the company's image. This is reflected in the words of one resident, who stated,

> "..East Africa Mines was so cruel to the community…Resolute has come and introduced themselves and communicates with the community..."

Many of the respondents interviewed feel they have good relations with Resolute. They informed me that one of Resolute's employees, a man from Nepal named Mr. Biren passes through the surrounding villages to talk to village leaders. Community members also informed me that when a community member is sick the company allows for the Resolute company vehicle to be used to transport them to hospital.

Resolute has also created employment opportunities for former small-scale miners and the youth of Nyakafulu. Some villagers are working as security guards and as labourers at the Resolute site. The company has

met with village leaders who agreed to organize a list of village youth seeking employment. The Village chairman registers a list of youths who are able to work and have organized a shifting schedule to allow equal opportunity for everyone to work.

The Village Executive Officer (VEO), also spoke positively of Resolute. He informed me that the village government meets about development issues when there is a need. Resolute is invited to the meeting and they usually send a representative. The meetings are usually monthly, but the company is usually only invited when issues pertaining to local development are discussed. The Company occasionally helps with building materials, like cement wood, bars and so forth. It has also provided football jerseys and sports equipment when the village approached the company and asked.

The Village Chairman also informed me that the village council has had discussions with Resolute representatives concerning when the mine opens. In those discussions the village council informed Resolute that when the company opens the mine the should build a school, dispensary, workers housing in addition to creating an employment scheme that ensures jobs and training for Nyakafulu residents.

In meeting Resolute's Chief Geologist for the Nyakafulu Project, it was iterated that Resolute has yet to submit a project mining project-mining plan to the Government. He continued explaining that any plan should include some development plan for the local community. However, in order for this to be done the question "what is sustainability?" must be answered. He informed me that Resolute was aware that for a mine there is only a set lifetime. However, how the mines profits are used is the most important thing to focus on in the discussion on sustainability. . According to the Chief Geologist,

"…The key is to increase the capacity of local government and communities. If you simply

pump money into the local economy the price of everything will increase. That will only create problems in the future, as the economic boom of the mine is short lived. With high prices and inflation there will be economic hardships with few lasting benefits..."

In order to do this one must look at the surrounding community. It is primarily farmland and the Wasukuma are farmers. Perhaps sustainability may be in increasing the capacity of farmers, generating new projects and markets etc.

7.5   The NGO Community

Unlike Bulunhulu, Nyakafulu is void of any NGO presence. Incidents of Mass displacement and human rights abuses have not occurred and therefore not attracted the attention of NGOs such as LEAT. Furthermore, the fact that the mine is still in the exploration stages means a lack of funding from large mining operations, which has also prevented NGOs, such as CARE, AMREF or Habitat for Humanity from carrying out projects. However, the need for such initiatives is still needed in and around Nyakafulu. Education and training needs to be enhanced, local capacity needs to be improved. More specifically, programs need to be delivered to local government, communities and small-scale miners that inform them of their rights and responsibilities in regards to mining and mining regulation. The NGO community has experienced in this area and that experience is not being put to use in and around Nyakafulu.

7.6   Local Government (Village, Ward and District)

For the most part local government faces the same challenges in becoming stronger stakeholders as the local government bodies in neighbouring Kahama District. However, local government in Bukombe District, in particular with regard to Masumbwe Ward, was in better communication between the village, ward and district and had a better relationship with the communities they served.

As with the case of Bulyanhulu, the main obstacles to the local governments' participation as active stakeholders in Bukombe Ward, lack of resources, lack of capacity and lack of power rank among the greatest. The village council, which represented 2013 Nyakafulu residents, meet in a mud brick house that was only half constructed (See picture 7.1 below). Three hand made wooden benches and a desk serves as the furniture and carefully printed sheets of poster are tacked to the wall listed all of the villages residents according to name and age.

Picture 7.1   Nyakafulu Village Council Office

As with Bulyanhulu, the amount of available resources increases from the village to the District level, but even at the district resources are scarce. According to the Ward Executive Officer, for Masumbwe Ward, the greatest problem Local government faces is financial. It is very expensive and difficult to have meetings because there is no money for transport or even stationary. The WEO have to take the bicycle dala dala's (See picture 7.2 below) to meetings and pay for stationary out of their own pockets.

Picture 7.2   Primary Mode of Transport in Masumbwe Ward

Lack of capacity provides a second obstacle. Local government has no financial resources to conduct training, acquire reading materials, or take advantage of free

information on the internet. In general, the level of education amongst government employees does not exceed that of secondary school. Furthermore, there is no NGO active in the region that could assist in enhancing capacity, nor is there any support from higher levels of government.

The lack of power is the most challenging of obstacles. Local government receives directions down the chain of command, which the GOT sits at the top of. As the Divisional Secretary responsible for Masumbwe, Lugunga, Iponya, Bukondwe wards pointed out,

> "…In regards to mining in Masumbwe District all permission begins from the top at the Ministry of Minerals. East Africa Mines first explored the area and now Resolute has taken over. It is the Districts understanding that the Resolute is preparing the mine at Nyakafulu for operations. However, he is not entirely sure. The permit holder, in this case Resolute, presents a letter from the Central government to the District level. The letter essentially gives the company permission to either prospect or mine and advises the District not to disturb the mining activities. As far as the District knows, once the mining company gets the license to mine there is no negotiation in terms of social or environmental impact assessments, taxation funds for the local government or local development or any planning for the communities affected..."

The Divisional Secretary made clear that one cannot overlook that although Resolute meets with other stakeholders, that the fact remains that the company is doing so on its own will. There is nothing forcing either the company or the government to consult communities or local government. This reduces communities and local government to pawns in a stakeholder game, with the government and company deciding the terms [parameters of any partnerships, if any at all.

Local government in Bukombe District does possess one point of strength that was not visible in Kahama, and that is cooperation between the Village, Ward and District. This was witnessed on several two occasions when the Ward Executive Officer and the Nyakafulu Village Chairman accompanied me to visit the Ward Divisional Secretary. It was to my surprise when a key informant had informed me that he had been talking to the District Executive Officer who had met with other local leaders and apologized for not having the time to meet as he had been away. From this experience, it is clear that a more cohesive and approachable local government reduces conflict and suspicion between them and other stakeholders thus, leaving more time for productive discussions.

7.7 The Community

Nyakafulu is an isolated community of farmers located on a rough dirt road some 5 kilometres from the main road leading to Kahama from Burundi. There is a primary school, and a secondary school in neighbouring Lugunga village. For the most part, there is little to no economic activity other than the subsistence livelihoods of the farmers. For the people of Nyakafulu, their crops determine their survival. It is needless to say that the residents of Nyakafulu face many obstacles in forming any partnerships with other stakeholders. However, their tendency to be open to new ideas and technology and willingness to meet outsiders and engage in discussions is of great benefit.

In discussing the obstacles faced by the average citizen of Nyakafulu, one must simply multiply the lack of resources, lack of capacity and lack of power by several times of that faced by local government to understand the challenges they face. To further complicate their struggle towards being equal partners, one must consider the amount of time required in forming partnerships, time that farmers rarely have. I quickly discovered this obstacle as I conducted my research in November when fields were being prepared for the coming short rains. Every available

person, including students, was working in the fields. Any stakeholder engagement planning would have to be sensitive in regards to finding the appropriate time to meet. In such a situation, time would be set by the farming community according to their preference.

As for the community strengths, the farmers at Nyakafulu are aware of the potential of their land and have a vision of how to develop it. In interviews with farmers living in Nyakafulu discussions and ideas of new and improved seeds, the use of fertilizer, the use of irrigation schemes and of other, more advanced, farming techniques emerged. They informed me that they were open to new ideas that could improve their lives.

This discussion moved on to the mine. In talking about development goals with a focus group, respondents admitted that they are both optimistic and reluctant about opening a mine so close to their land. A large mine means a negative impact on the environment, an influx in the population and a whole host of negative impacts. On the other hand, the mine represents an opportunity for local development if it is handled properly. Unfortunately, the lack of information and community voice creates suspicion about the true benefits, if any, a mine will bring. It is not the details of the discussion that one must focused on; it is the fact that the residents of Nyakafulu are prepared to discuss, to meet and to work towards making mutually beneficial decisions.

7.8   Conclusions on Nyakafulu

Nyakafulu represents an opportunity to navigate the problems that have created numerous difficulties to the stakeholder engagement process and ultimately the goal of achieving sustainable development. This is particularly true for the Government of Tanzania and any mining company interested in mining the Nyakafulu deposit. Currently, the imbalance of resources, capacity and power in favour of the GOT and Resolute pose a possible threat to any healthy stakeholder engagement process. The opportunity lies in

the fact that the community of Nyakafulu and the various levels of local government in Bukombe District are open to discussions on how to make mining mutually beneficial and sustainable. The GOT and Resolute should seize this opportunity and establish clear a clear framework to ensure stakeholder engagement is a success in reality as much as it is on paper.

Chapter 8
Conclusions and Recommendations

8.1   Introduction

The previous chapter assessed the current condition of stakeholder engagement at Bulyanhulu and Nyakafulu sites in Shinyanga Region. This assessment discovered levels of engagement that ranged from fair to non-existent. The purpose of this chapter is to first revisit the research expectations discussed in Chapter Three and compare those expectations to the research conclusions. Secondly, this chapter shall make recommendations, based on the research findings; with the goal of finding solutions to those obstacles standing in the path of a healthy stakeholder engagement process.

8.2   Expectations and Conclusions

In Chapter Three, three primary research expectations were listed. The first of these expectations was that, "communities had developed ways of negotiating and managing mining activities that occurred close to their communities." This expectation proved to be true in part. Indeed communities had developed management strategies in regards to mining, as was true with the creation of the Small-Scale Miners Committee at Bulyanhulu. However, what I discovered in my research is that the "community" and the "mining activities" were not autonomous of each other. Rather, the two existed in interdependence and interconnection. In other words, the mine could not be differentiated from the community.

The second expectation was that," the lack of stakeholder engagement in the creation of mining legislation has created negative development trends." The research findings support this expectation. Small-scale miners, communities, local governments were not included in the creation of the 1998 Mining Act, or in any other capacity with regards to mining. Not having a voice in legislation has

clearly translated into not benefiting from mining development. This has created bitterness, tension and mistrust amongst those stakeholders excluded. This is in addition to no real development, let alone sustainable development.

The third expectation to discover was, "that communities do recognize the obstacles faced with mining development and can develop the capacity to participate as equal stakeholders." This expectation was also confirmed. Community members were well informed of the obstacles they faced, especially in regards to how their lack of resources, capacity and power prevented any real participation on their part. Most community members also demonstrated the willingness to develop the capacity that would enable them to participate. This reflected the general acceptance of respondents to new ideas and discussion on issues of mining and development as a whole.

8.3   Recommendations

It is hoped that this research will not only contribute new knowledge to the debate on the role of stakeholder engagement and sustainable development in the mining sector, but also contribute to positive change. In light of this the following recommendations are proposed below. It must be clearly stated that the potential success of these recommendations lies in their combined implementation. The reason for this approach is that all of the recommendations are interdependent. Furthermore, these recommendations must not be taken at face value. Their success depends on the negotiation and agreement of their terms by all stakeholders involved. The recommendations are as follow.

Firstly, all parties affected must work to resolve the conflict over the displacement of the small-scale miners at Bulyanhulu. This mediation process may require an independent inquiry from an impartial body, such as a private firm specialized in conflict resolution or human rights.

The success of an independent mediator depends on several factors. First of all it would require a degree of cooperation in good faith between small-scale miners, KMCL, LEAT, Local and Central Government bodies. Secondly, the inquiry must reach a conclusion as to the number of people displaced and the losses incurred, human and property, as a result of the displacement. Thirdly, the conclusion must make recommendations on how to move forward in a manner that all stakeholders can put the issue to rest. This may be through compensation, the assuming of responsibility, or as one respondent requested, just a memorial, recognizing the human cost or a combination of several possibilities. The key factor must be that all parties involved participate in reaching an agreement.

Secondly, mining companies need to continue developing coherent development visions for themselves. They must also continue to develop tangible stakeholder engagement strategies that are flexible and can be implemented effectively. Most importantly, companies have to recognize the long-term economic benefits of stakeholder engagement. It is only then that their claims to stakeholder engagement will be transformed from rhetoric to reality.

Thirdly, there is a need for continued political leadership and accountability, especially from the top levels of Government. The Government of Tanzania has made considerable achievements in the regulation of its mining industry. The industry's contribution in terms of foreign investment, job creation and revenues earned is a testament to the Government's success. The GOT needs to extend this leadership and create an environment that is conducive to stakeholder engagement, in order to further contribute to a cutting edge mineral sector. Strong leadership requires reaching out lower levels of government, bringing them into the process. It requires taking responsibility for and learning from success and failures, and most importantly, it requires listening to and meeting the needs of other stakeholders.

Fourthly, a stakeholder engagement framework must be developed and implanted by the Government of Tanzania. As discussed in Chapter 5, the 1997 Mineral Policy of Tanzania details key objectives for wider stakeholder engagement. The framework must address and expand upon all those objectives detailed in the policy. The 1998 Mining Act has been implemented to regulate the prospecting, mining and trade in Tanzania mineral wealth. A successful framework should ensure an environment of neutrality for all stakeholders, representation of all stakeholders, independent monitoring, access to information, and transparency. Finally, the framework must have binding participation guidelines for monitoring, analysis and fixing of problems when they arise.

Fifth, the lines of communication and cooperation between the various levels of government need to be strengthened. Currently, village, ward, district, and Central Government bodies are working in opposition of each other. This situation only creates an atmosphere of confusion and frustration for all stakeholders. Increasing the cooperation of government at all levels will improve stakeholder engagement considerably. It would increase the flow of information thus turning an environment of exclusion into an environment of inclusion.

Sixth, the capacity of Mine Zonal Offices (MZOs) and their employees should be expanded, incorporating more services, so that it can better serve as a liaison between the GOT and other stakeholders. MZOs must be made more open to the public, possess necessary information, documents and forms regarding mining legislation and the rights and responsibilities of small-scale miners and communities. The MZO should also participate in educating small-scale miners and the public. Once developed, the MZO should play a role in monitor and regulating the stakeholder engagement framework in collaboration with independent bodies.

Seventhly, the capacity of local government, at the District, Ward and Village levels, must be enhanced. This

will require the efforts and cooperation of the Central government and its Ministries, Local government leaders, and the NGO community. Capacity building must include education of leadership on mining legislation, participatory action research, office and project management, and stakeholder engagement. Ensuring local government has essential resources are important to the process. Local government leaders require access to learning materials, training, and funding for such things as office supplies and transportation fees. Increasing the capacity of local government and ensuring essential supplies are provided will sow the seeds for greater transparency and effectiveness of local government offices.

Eighth, an education program designed to inform and empower small-scale miners and the general population must be developed. This education must focus on the dissemination and explanation of mining legislation as well as educating people of their rights and responsibilities with regard to mining and living within mining areas. The expertise of NGOs, such as CARE Tanzania must be exploited to ensure effectiveness of delivery and that it is accepted by those it is intended to serve. Education may come in the form of formal training, community meeting or publications in the newspaper or newsletter. Most likely, any education plan will incorporate several methodologies. It must also be ensured by those implementing education programs that the information is understood rather than just being accepted by those receiving it.

Ninth, communities vary in their capacity, and therefore a needs assessment needs to be conducted. Training through workshops, inter-community meetings and exercises as well as meetings from experts are important, as it provides communities with valuable information on their rights and secondly, it allows them to network. Furthermore, any needs assessment must look at communities not as a homogenous grouping of people, but as various groups that make up the community. The needs of business owners, youth, elderly, women and children, and so forth, must be examined independently. This will ensure more

inclusiveness and therefore more effective programs are developed.

Finally, the potential of communities to contribute to the entire process should not be underestimated. I discovered the Wasukuma to be very humble and logical people who are willing to listen and are open to implementing new development projects. They have the desire to develop and participate in their own development plans. What they require is a chance to contribute to their own development, a source of funding and guidance in the implementation of their projects.

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Respondents							Appendix 1.
Respondent	**Age**	**Sex**	**Occupation**	**Village**	**Dist/Region**	**Home Region**	**Date of Interview**
1	50s	M	District Community Development Officer	Kahama	Kahama, Shinyanga	Bariadi District, Shinyanga	Nov 17th, 2004
2	30s	F	Assistant Community Devt. Officer – Bugarama Ward	Kakola	Bugarama Ward, Kahama, Shinyana	Mara/Mbey	Nov 17th, 2004
3	40s	M	CCM Youth Wing Fr. General Secretary + Sub location Chairman for the SSMC	Kahama	Kahama, Shinyana	Shinyanga	Nov 17th, 2004
4	30s	F	Manager of Social Responsibility – Community Devt. Dept. - KMCL	Bulyanhulu Gold Mine	Kahama, Shinyana	Kenya, Mozambique, Zimbabwe. Studies in S.A	Nov 18th, 2004
5	50s	M	Community Devt. Site Inspector - KMCL	Bulyanhulu Gold Mine	Kahama, Shinyana	N/A	Nov 18th, 2004
6	40s	F	KEEP Project Manager for CARE international	Bugarama	Kahama, Shinyana	N/A	Nov 18th, 2004
7	52	M	Guest House Owner Former SSM	Kakola	Kahama, Shinyana	Bugarama Ward	Nov 19th, 2004
8	N/A	M	Village Chairman Former SSM	Kakola	Kahama, Shinyana	Iringa Came in 1982	Nov 19th, 2004
9	79	M	Assistant Ward Officer Former SSM	Kakola	Kahama, Shinyana	Ukalele Dist. Mwanza	Nov 19th, 2004

Name	Age	Sex	Occupation	Village	Dist/Region	Home Region	Date of Interview
11	62	M	Farmer Former SSM	Kakola	Kahama, Shinyana	Kilimanjaro Came in 1980	Nov 19th, 2004
12	Age	Sex	Occupation	Village	Dist/Region	Home Region	Date Interviewed
13	31	M	Farmer	Kakola	Kahama, Shinyana	Kakola	Nov 19th, 2004
14	56	F	Mama Lishe Former SSM	Kakola	Kahama, Shinyana	Kagera Came in 1986	Nov 19th, 2004
15	57	M	Ward Shekh – Bugarama Former SSM	Kakola	Kahama, Shinyana	Tabora Town Came in 1992	Nov 19th, 2004
16	67	M	Farmer Former SSM	Kakola	Kahama, Shinyana	Maswa Dist. Shinyanga Came in 1982	Nov 19th, 2004
17	44	M	Coffee seller Former SSM	Kakola	Kahama, Shinyana	Singida Came in 1984	Nov 19th, 2004
18	64	M	Farmer	Kakola	Kahama, Shinyana	Arusha Came in 1984	Nov 19th, 2004
19	59	M	Business Person selling used clothing Formerly selling equipment for SSM	Kakola	Kahama, Shinyana	Zanzabar Came in 1979	Nov 19th, 2004
20	48	M	Farmer Former SSM	Kakola	Kahama, Shinyana	Kakola	Nov 19th, 2004
21	28	M	Farmer Formerly gold exploration	Kakola	Kahama, Shinyana	Maswa Dist. Shinyanga Came in 1991	Nov 19th, 2004

Respondent	Age	Sex	Occupation	Village	Dist/Region	Home Region	Date of Interview
22	62	M	Former SSMC Chairman and pitt owner	Kakola	Kahama, Shinyana	Zanzibar/Pemba Came in 1990	Nov 20th, 2004
23	72	M	Farmer	Ilogi	Kahama, Shinyana	Ilogi	Nov 20th, 2004
24	50	M	Farmer	Ilogi	Kahama, Shinyana	Ilogi	Nov 20th, 2004
25	50	M	Farmer Traditional Doctor	Ilogi	Kahama, Shinyana	Ilogi	Nov 20th, 2004
26	63	M	Farmer	Ilogi	Kahama, Shinyana	Ilogi	Nov 20th, 2004
27	59	M	Farmer	Ilogi	Kahama, Shinyana	Ilogi	Nov 20th, 2004
28	50	M	Ward Asst. Executive Officer -Bugarama	Ilogi	Kahama, Shinyana	Ilogi	Nov 20th, 2004
29	39	M	Farmer	Ilogi	Kahama, Shinyana	Ilogi	Nov 20th, 2004
30	52	M	Farmer	Ilogi	Kahama, Shinyana	Ilogi	Nov 20th, 2004
31	25	F	Wife/Farmer	Bugarama	Kahama, Shinyana	Bugarama	Nov 20th, 2004
32			House girl	Bugarama	Kahama, Shinyana	Bugarama	Nov 20th, 2004
33	90+	M	Farmer	Bugarama	Kahama, Shinyana	Bugarama	Nov 20th, 2004
34	90+	F	Farmer	Bugarama	Kahama, Shinyana	Bugarama	Nov 20th, 2004

35	Age	Sex	Occupation	Village	Dist/Region	Home Region	Date of Interview
36	25	M	Farmer	Bugarama	Kahama, Shinyana	Bugarama	Nov 20th, 2004
37	28	M	Farmer	Bugarama	Kahama, Shinyana	Bugarama	Nov 20th, 2004
38	24	M	Farmer	Bugarama	Kahama, Shinyana	Bugarama	Nov 20th, 2004
39	38	M	Bicycle repairman	Bugarama	Kahama, Shinyana	Bugarama	Nov 20th, 2004
40	21	M	Farmer	Bugarama	Kahama, Shinyana	Bugarama	Nov 20th, 2004
41	19	M	Farmer	Kakola	Kahama, Shinyana	Bugarama	Nov 20th, 2004
42	40s	M	Mines Zonal Officer	Shinyanga /Tabora	N/A	N/A	Nov 22nd, 2004
43	35	M	Ward Executive Education Officer Former SSM	Lugunga	Kahama, Shinyanga	Masumbwe Ward, Bukombe Dist.	Nov 24th, 2004
44	47	M	Farmer Former SSM	Luhala /Lugunga	Bukombe, Shinyanga	Miatu Dist. Shinyanga	Nov 24th, 2004
45	50s	M	Divisional Secretary Masumbwe	Masumbwe	Bukombe, Shinyanga	N/A	Nov 25th, 2004
46	50s	M	Ward Executive Officer - Masumbwe	Masumbwe	Bukombe, Shinyanga	Bukombe	Nov 25th, 2004
47	40s	M	Village Executive Officer	Nyakafulu	Bukombe, Shinyanga	Nyakufulu	Nov 25th, 2004
48	N/A	M	Chief Geologist – Nyakafulu Project – Resolute	Resolute Site	From Australia	From Australia	Nov 25th, 2004

49	Age	Sex	Occupation	Village	Dist/Region	Home Region	Date of Interview
50	40	M	Deputy Village Officer Farmer Resolute Camp Security	Nyakafulu	Bukombe, Shinyanga	Bariadi Dist. Shinyanga	Nov 29th, 2004
51	25	M	Mineral Exploration Farmer	Nyakafulu	Bukombe, Shinyanga	Igunga Dist. Tabora	Nov 29th, 2004
52	58	M	Farmer Former SSM	Nyakafulu	Bukombe, Shinyanga	Igunga Dist. Tabora (1984)	Nov 29th, 2004
53	60	M	Farmer Former SSM	Nyakafulu	Bukombe, Shinyanga	Mwanza Came in 1984	Nov 29th, 2004
54	36	M	Village Health Worker Farmer	Nyakafulu	Bukombe, Shinyanga	Maswa Dist.	Nov 29th, 2004
55	32	M	Unemployed Former SSM	Nyakafulu	Bukombe, Shinyanga	Igunga Tabora	Nov 29th, 2004
56	19	M	Mine Guard Resolute Camp	Nyakafulu	Bukombe, Shinyanga	Nyakafulu	Nov 29th, 2004
57	54	M	Farmer	Nyakafulu	Bukombe, Shinyanga	Nyakafulu	Nov 29th, 2004
58	39	M	Farmer	Nyakafulu	Bukombe, Shinyanga	Nyakafulu	Nov 29th, 2004
59	54	M	Farmer	Nyakafulu	Bukombe, Shinyanga	Nyakafulu	Nov 29th, 2004
60	40	M	Farmer	Nyakafulu	Bukombe, Shinyanga	Nyakafulu	Nov 29th, 2004
61	42	F	Farmer Mama Lishe	Nyakafulu	Bukombe, Shinyanga	Nyakafulu	Nov 29th, 2004

Appendix 2. Informed Consent Form

University Of Dar es Salaam
Informed Consent Document

Title of Study:

The Role of Stakeholder Engagement in the Sustainable Development in Tanzania's Gold Mining Sector

Researcher:

Mr. Dennis Tessier

Master's Student

Institute Of Development Studies – University of Dar es Salaam

Investigators' statement

I am a Master's student at the University of Dar es Salaam in the Institute of Development Studies. Under the supervision of Professor Magdalena K. Ngaiza, I am conducting research on how communities can participate in the sustainable development of gold mining. The purpose of this consent form is to give you the information you will need to help you decide whether or not to be in the study. Please read the form carefully. You may ask questions about the purpose of the research, the possible risks and benefits, your rights as a volunteer, and anything else about the research or this form that is not clear. When all your questions have been answered, you can decide if you want to be in the study or not. This process is called 'informed consent.'

Purpose

The purpose of this study on community engagement in the gold mining sector is to fulfill the requirements of my Master's programme. Additionally, the three main objectives of my research are to:

1. Conduct a historical analysis of gold mining activities in Tanzania.

2. Conduct a review of existing legislative reforms in regards to mining in Tanzania.

3. Determine what changes, if any, need to occur to increase their role in the participatory process.
.

Benefits

Although there are no direct personal benefits to you in participating in this study, the study will be made available to the community upon completion. I hope that the study can be used to make positive changes to the structure of gold mining in Tanzania that will lead to the betterment of the community as a whole.

Procedures

You are being asked to participate in a semi-formal or informal interview. The time frame and location of this interview will be agreed upon by both the researcher and yourself before commencement. The interview may be tape-recorded and notes will be taken in order to assist the researcher in the future. You have the right to read any notes.

Participation

Participation in research is entirely voluntary. You may refuse to participate or withdraw from participation at any time.

Private Information

Your name and your personal information will be kept confidential unless you give consent for the researcher to use it.

Contact Information

If at any time you have questions regarding the research or your participation, you should contact the researcher, Dennis Tessier, so he can answer all of your questions. His telephone number is 0744 932 961. I can also be contacted at the following address: C/O LINKS Office, Room 225, Main Administrative Building, the University of Dar es Salaam, Dar es Salaam, Tanzania, P.O BOX 35091.

Participant's Statement

I have read the above purpose of the study, and understand my role in participating in the research. I volunteer to take part in this research. I have had a chance to ask questions. If I have questions later, about the research, I can ask the investigator listed above. I understand that I may refuse to participate or withdraw from participation at any time without jeopardizing the rights to which I am entitled. I certify that I am 18 years of age or older and freely give my consent to participate in this study.

Subject's signature/consent: _____ Date: _____

Name (Printed): _____