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Crisis, Mbingas and Artisanal Small-Scale Mining in Zimbabwe

Can informal mining entrepreneurship offer a gateway for youths?

Victor Muchineripi Gwande

Since the early 2000s, Zimbabwe has been marked by an ongoing crisis.¹ That has led its population, and especially the youth, to find creative and controversial means to ensure their livelihoods and create wealth. Among other activities, illegal artisanal and small-scale mining (ASM) has emerged as a key sector attracting young people. While informal mining has created employment and sustained the livelihoods of millions of people in Zimbabwe, young people operating in the sector have also suffered numerous challenges which have checked their potential to contribute to a sustainable economy. These challenges notwithstanding, the young miners' work ethic, endurance and creativity can promote entrepreneurship. Using the rise of mbingas² in ASM as an example of youth entrepreneurship in the informal economy, this Policy Brief highlights how that can be maximized to create long-term benefits for both young people and the economy.

One of the African continent's most significant developments is its "youth bulge".³ Africa's young population now numbers 420 million, and it is projected to double to around 830 million in the next 30 years.⁴ Africa is the only world region where the share of young people will increase.⁵ In terms of the age of its population, Africa is the youngest continent.⁶ Its young population is supposed to be a great advantage, with the potential to support productivity and strong economic growth – "but only if these new generations are fully empowered to realise their best potential".⁷ However, this population category is also the most impoverished and marginalized economically and politically. According to the African

¹ A. S. Mlambo, "From an Industrial Powerhouse to a Nation of Vendors: Over Two Decades of Economic Decline and Deindustrialization in Zimbabwe 1990–2015", *Journal of Developing Societies* 33, no. 1(2017): 99-125.

² Mbinga (plural: Mbingas) is Zimbabwean slang meaning young filthy rich individual; see "Meaning and Origin of Mbinga", Names.

³ A. E. Ouassif, *The Challenge of the Youth Bulge in Africa and the Middle East: Migration and the Brain Drain* (Rabat: Policy Centre for the New South, 2021), 3.

⁴ Lars Kamer, "African countries with the lowest median age as of 2022", *Statista*, 2023.

⁵ African Development Bank Group, *Jobs for Youth in Africa: Improve the quality of life for the people of Africa* (Abidjan: Africa Development Bank Group, 2018), 1-3; see also Brookings, *Figures of the week: Africa's growing youth population and human capital investments*, (Brookings Institution: Washington, D. C., 20 September 2018).

⁶ Noah Maulani and Billy Agwanda, "Youth unemployment and government pro-employment policies in Zimbabwe", *Journal of Social Policy Conferences* 78 (2020): 232; see also Kamer, "African countries with the lowest median age as of 2022".

⁷ United Nations, *Young People's Potential, the Key to Africa's Sustainable Development* (New York: United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States, n.d.).

Development Bank, “of Africa’s nearly 420 million youths aged 15–35, one-third are unemployed and discouraged, another third are vulnerably employed, and only one in six is in wage employment”.⁸ Consequently, approximately 60 per cent of these young people are concentrated in the informal economy, which accounts for almost 80 per cent of employment in some countries.⁹

One of the countries affected by high unemployment and its related challenges is Zimbabwe. Except for the brief rule by the Government of National Unity (GNU) between 2009 and 2013, Zimbabwe has generally been characterized by hyperinflation, high unemployment, informalization, deindustrialization, brain drain, and food and public health crises.¹⁰ This critical situation persists, with unemployment at 90 per cent and inflation reaching 175 per cent as of June 2022.¹¹ Of all the challenges plaguing the country, informalization is most noticeable and dominant. The informal economy has absorbed most of the labour force, a phenomenon common to Africa.¹²

Young Zimbabweans have resorted to informal livelihoods to cope with the steadily deteriorating economy. They also embrace informality as a form of entrepreneurship. As Hussmanns has argued, an informal economy (or “informality”) can be a productive ground for entrepreneurship and provide hope and employment to those who might not have found opportunities in the formal sector.¹³ Against this backdrop, I contend that the entrepreneurial spirit exhibited in informality should be harnessed and nurtured. Informality can be expanded from just offering livelihoods to becoming a springboard for employment and wealth creation that contributes to overall economic growth.

Informality affords young people not only safety nets but also avenues for wealth creation. For youth, informal entrepreneurship represents a new form of employment that allows them to earn much more decent incomes than formal employment. As one young person explained, “If we really want to make it big, our fortunes lie not in formal employment but in entrepreneurship. It is only when you are your own boss that you can really get meaningful returns and care for your family like you would really want to.”¹⁴ The type of entrepreneurship referred to by this young person does not denote formality or regularized activities: in Zimbabwe, it often refers to the youths’ numerous informal activities. Youths describe and embrace their otherwise informal, and sometimes illegal, activities as “entrepreneurship” – and that calls for an investigation to identify ways to improve and regularize their modus operandi. That should start by studying the challenges that have inhibited informality from developing into an economically efficient endeavour. Informality in the gold mining sector best reflects the factors that hinder the expansion – or rather, the transition – from informality to formality.

⁸ African Development Bank Group, *Jobs for Youth in Africa: Catalyzing youth opportunity across Africa* (Abidjan: African Development Bank Group, March 2016).

⁹ Treda Mukuhlani, “Youth Empowerment through Small Business Development Projects in Zimbabwe: The Case of Gweru Young People’s Enterprise (GYPE)”, *Journal of Sustainable Development in Africa* 16, no. 5 (2014): 138–144.

¹⁰ Kirk Helliker and Gerald Chikozho Mazarire, “Mnangagwa’s Zimbabwe: Crisis? What crisis?”, *Journal of Asian and African Studies* 56, no. 2 (2021): 171–175; Mlambo, “From an Industrial Powerhouse to a Nation of Vendors”; Ian Phimister, “‘Rambai Makashinga (Continue to Endure)’: Zimbabwe’s Unending Crisis”, *South African Historical Journal* 54, no. 1 (2005): 112–126; Brian Raftopoulos and Ian Phimister, “Zimbabwe Now: The Political Economy of Crisis and Coercion”, *Historical Materialism* 12, no. 4 (2004): 355–382; Brian Raftopoulos, “The Zimbabwean Crisis and the Challenges for the Left”, *Journal of Southern African Studies*, 32, no. 2 (2006): 203–219.

¹¹ Teresa Nogueira Pinto, “Can Zimbabwe emerge from its crisis?”, *GIS Reports Online*, 20 July 2022.

¹² International Labour Organization, *The informal economy in Africa: Promoting transition to formality: Challenges and strategies* (Geneva: ILO, 2009).

¹³ Ralf Hussmanns, *Measuring the informal economy: From employment in the informal sector to informal employment*, Working Paper No. 53. (Geneva: ILO, 2004).

¹⁴ British Council Worldwide, “Next Generation Zimbabwe Report: A Hustling Youth in the ‘Jewel of Africa’”, *British Council*, February 2020.

Informality in the gold mining sector

Zimbabwe has seen the growth and expansion of informal ASM. The growth of artisanal mining is not peculiar to Zimbabwe: global trends show that the sector is ubiquitous with employment opportunities.¹⁵ Official organizations in Zimbabwe have reported that upwards of 500,000 small-scale – predominantly gold – miners are operating in the country and supporting approximately three million dependents; the Zimbabwe Miners Federation explains that 50,000 registered small-scale miners employ an average of at least 10 workers each.¹⁶ With the economy continuing its downward trend and the price of gold reaching new heights, the number of artisanal miners has soared to around 1.5 million.¹⁷ The disparity in the numbers of artisanal miners reported reflects differences in the term’s definition and categorization.

The growth of informal artisanal mining has resulted from three main reasons. First, the economic crisis in Zimbabwe has forced people to look for ways to survive by any means possible, leading them to several informal activities such as (informal) gold mining. Second, the Zimbabwean government opened the mining sector to all capable individuals. (Previously, mining was the preserve of huge international mining companies.) Third, gold is in high demand, locally and internationally. Any person with access to or in possession of gold has a ready market so gold easily attracts diggers.

The following statistics regarding gold production in Zimbabwe illustrate the growth of the sector. As of December 2022, the mining industry output was valued at USD 6 billion.¹⁸ Between 2020 and 2021, gold production and supplies to the country’s authorized buyer and refiner, Fidelity Printers, increased from 19, 052.65 kg in 2020 to 29,629.61 kg in 2021.¹⁹ ASM accounted for approximately 62 per cent of that.²⁰

Entering and participating in informal gold mining happens through “gold rushes”, which have been described as “seemingly uncoordinated, opportunistic, and hurried diggings by hundreds of individuals and collectives, many of whom used simple manual tools (hoes, picks, chisels, shovels, etc.) and were later joined by larger earthmoving machines (dozers and excavators) as better resourced actors moved in.”²¹ While this definition suggests chaos and disorder, in fact, hierarchies of power emerge. The hierarchy comprises of a title holder, sponsor, buyer and diggers and these form a syndicate or work gang. Each constituent part plays an important role. A title holder is crucial for access and offers a veneer of legality. A sponsor is a well-resourced individual who finances the activities of work gangs. Many times, a sponsor “owns or hires mining equipment needed by a group of miners, or the syndicate, to extract gold [...] [a role often played] by local business people or those with connections to powerful politicians including traditional leaders, local authorities like councillors or members of parliament”.²² While the roles of sponsors and title holders can be critical in patronage relations between the powerful political and business elites and the toiling diggers, the positions are flexible. These individuals can, “at different times or at the same time, serve as patrons, supervisors, brokers, and even labourers”.²³

¹⁵ World Bank, *2020 State of the Artisanal and Small-Scale Mining Sector* (Washington, D.C.: World Bank, 2020), 1.

¹⁶ Kennedy Nyavaya, *Zimbabwe’s Rugged Artisanal & Small-Scale Mining Sector* (Johannesburg: Rosa Luxemburg Stiftung Southern Africa, 2021), 1.

¹⁷ *Ibid.*

¹⁸ Facebook, *The Sunday Mail* Facebook page, 10 December 2022.

¹⁹ Mining Zimbabwe, “Gold Delivery 2020 and 2021 to Fidelity Gold Refinery”, *Mining Zimbabwe*, n.d.

²⁰ Melusi Nkomo, “The anatomy of a gold-rush: Politics, uncertainty and the organisation of artisanal mine work and labour in Zimbabwe”, *Extractive Industries and Society* 11, (2022), 1.

²¹ *Ibid.*, 4.

²² Nyavaya, 5-7.

²³ Nkomo, 4.

Informal gold mining's operating environment has created several challenges to both economy and society and in the process, is handicapping the sector's contribution to Zimbabwe's growth. Moreover, the fact that the sector is unregulated exposes it to abuse and exploitation. To begin with, the Mines and Minerals Act, which governs all mining activity in the country, allows all Zimbabweans to apply for mining permits, so ideally, every Zimbabwean can participate in mining. However, not everyone is able to participate in mining because of one or all of the following reasons.

First, acquiring a mining licence is costly and cumbersome for many aspirants. Taking the issue of costs, as Kenedy Nyavaya summarized, "While a prospecting license costs US\$100, it costs between US\$300 to US\$500 to pay a mining consultant to peg a claim. A prospector, responsible for marking where one should start digging, charges an average of between US\$200 and US\$300."²⁴ The process is made cumbersome by the fact that applicants have to deal with various government institutions, such as the Ministry of Mines and Mining Development, the Zimbabwe Republic Police, the Environmental Management Agency (EMA), the Zimbabwe National Water Authority (ZINWA) and local government, for authorization before a permit can be issued. Many applicants and artisanal miners resent such bureaucracies and what they say are unaffordable costs. Many of them contend that they can't cover the costs, the bureaucracy takes up their working time, and applicants don't know how to register claim.

Second, informal artisanal gold mining is fraught with violence, which emerges regarding the control and access to mining claims²⁵ and is perpetrated by gangs with different monikers. They use all sorts of weapons (machetes are common) to attack and rob diggers of their ore, gold and money.²⁶ The levels of violence reached such alarming levels that the police and army carried out an operation code-named "*Chikorokoza ngachipere*" (putting an end to illegal gold panning) as they sought to remove machete-wielding gangs from mining areas.²⁷

In many cases, violent gangs operate with impunity because they have links to powerful politicians – who use them for their political ends.²⁸ In addition, ruling party elites are emerging, who rely on their political power to exploit the toiling youths. These elites use youths to perpetrate political violence.²⁹ Such practices fuel patronage politics, which often disadvantages young people and favour mbingas. Patronage politics serve to politicize opportunities and access. Only those with connections or political party affiliations get priority in allocations or protection when they break laws³⁰ – so they are beholden to political elites. These practices also engender vices such as corruption and bribes, with "hustlers" resorting to paying "protection fees" and bribes to maintain their access to opportunities and ensure impunity. In terms of governance, the conditions of informality allow for a "schizophrenic state" that wavers back and forth in its policies and actions [...] [as it taps] into the prevailing chaos against the moral and political imperatives to enforce order and

²⁴ Nyavaya, 3.

²⁵ Wesley Mwatwara, Joseph Mujere and Grasian Mkodzongi, "Between violence and negotiation: Gold-rushes, gang violence, and negotiated access in artisanal gold mining along Zimbabwe's Great Dyke", *Extractive Industries and Society*, 11, no. 7 (2022): 1-9; Showers Mawowa, "Tapping into the Chaos": Crisis, State and Accumulation in Zimbabwe," (master's dissertation, University of KwaZulu-Natal, 2007).

²⁶ Toby Sithole, "Letters to the Editor: MaShurugwi menace poses danger to Zim", *Chronicle*, 29 October 2019.

²⁷ Nyavaya, 3.

²⁸ A recent [Al-Jazeera documentary](#) details how government officials are engaged and tied to in illegal gold mining practices and smuggling in Southern Africa.

²⁹ Ivo Mhike, Political Violence in Zimbabwe's National Youth Service, 2001–2007, in *What Politics? Youth and Political Engagement in Africa*, ed. Elina Oinas, Henri Onodera and Leena Suurpää (Leiden: Brill Publishers, 2018), 246.

³⁰ Maulani and Agwanda, 244, 246; Godfrey Maringira and Simbarashi Gukurume, Youth Patronage: Violence, Intimidation, and Political Mobilization in Zimbabwe, *Social Science Research Council, African Peacebuilding Network, Working Papers*: No. 28, (2020).

accountability”.³¹ The state’s manipulative intervention thus creates a new form of accumulating class that self-reproduces and self-perpetuates through grab-and-take economics – disrupting the empowering potential of the young peoples’ informal enterprises.

The ores mined informally have been sold on the black market, with local and international individuals caught at ports of exit, trying to smuggle minerals out of the country. A case in point includes a Zimbabwean man nabbed with smuggled gold worth USD 730,000 at OR Tambo International Airport in Johannesburg, South Africa.³² In another case, Zimbabwe Mining Federation President Henrietta Rushwaya was intercepted at Robert Gabriel Mugabe International Airport trying to smuggle 6.9 kgs of gold.³³ In these cases, smuggling was scuttled, but it remains rampant. Gold barons and unregistered buyers form alliances with sponsors and sometimes international capital to perpetuate the illicit mineral trading and financial flows. The existence of a black market coupled with the low prices that Fidelity Printers (the sole authorized buyer of gold in Zimbabwe) pays to diggers encourages informal mining. For all these reasons, artisanal miners decide not to formalize their operations.

While the problems associated with informal gold mining are apparent, it has also proven that it is indispensable for alleviating poverty in Zimbabwe. By employing hundreds of thousands of Zimbabweans who support millions of others, informality has undoubtedly become the bedrock of the local economy. It has provided survival nets for most of the country’s population, especially youths. It has also allowed the growth of the phenomenon of mbingas: wealthy young people who live in luxury. Zimbabwean mbingas have received criticism and admiration in equal measure. Although few in number, their opulence is revered by many youths across the country: mbingas are viewed as positive influencers who embody entrepreneurial spirit. Thus, notwithstanding the vices that have emerged with it, ASM can be helped to become a launch pad for Zimbabwe’s economic transformation and wealth accumulation.

From the revenues earned from informal gold mining, diggers have diversified into other entrepreneurship endeavours. The case of Pedzai “Scott” Sakupwanyanya is noteworthy (see Infobox). Other young people regard Scott as a mbinga. Scott has shown that it is possible – and more beneficial – to transition from informal operations to regularized and formal activities. If these examples are replicated at a larger scale, young Zimbabweans stand a chance of improving their circumstances.

³¹ Mawowa, 69-70.

³² Siphosiso Mabuza, Zimbabwean arrested at South African airport with smuggled gold worth US\$730k, *ZimLive*, 9 May 2021.

³³ ZimFieldGuide, Rushwaya gold-smuggling case exposes a microcosm of the corruption that exists in Zimbabwe today, ZimFieldGuide, n.d.

Pedzai „Scott“ Sakupwanya³⁴

Outside Zimbabwe's huge mining houses, Scott Sakupwanya is the largest individual operating in the gold sector. At the inaugural 2021 Mining Industry Awards held by the Ministry of Mines and Mining Development at State House, Scott scooped the Best Gold Buyer of the Year award, a testimony to his omnipresence. He has also entered politics and is an elected municipal councillor representing the ruling ZANU PF party for the constituency where he grew up. Born in Harare's high-density suburb of Mabvuku and now 44 years old, Scott's meteoric rise is seen as inspiring: a poor ghetto boy who dusted off his impoverished back-ground and became a millionaire. Interestingly, Scott claims he was born an entrepreneur and never believed that school or education would help him make it. From his mining interests, where he claims to be employing 4,000 diggers across the country, he has established the formal businesses: Better Brands Jewellery and Better Brands Mining Company. In March 2022, Sakupwanya was appointed President of the Black empowerment Affirmative Action Group (AAG) and Chairperson of the Gold Buyers Association of Zimbabwe. Scott participates in ZANU PF's Resource Mobilisation Committee for raising funds for party activities and the preparations for the 2023 elections.

Conclusion and Recommendations

The challenges that young people face in their endeavours in informal mining are apparent. What can be done to improve their situation and that of Zimbabwe overall? I suggest ways to tackle the issues.

1. The broad goal must be formalizing the rampant informal mining. This is imperative for both the state and the young miners because only through formalization can mining become sustainable. More importantly, it brings accountability because the authorities will know the people formally involved in the sector.
2. Education and awareness campaigns must be conducted to equip mining youths with knowledge and information about the process of getting mining licences. This is important because youths have remarked that they don't know enough about how to regularize their ventures. Practical education and awareness include induction and training workshops on understanding the laws and procedures for formalizing their activities.
3. The young informal miners raised their concern that regularizing their operations – beginning with licensing – is unaffordable. Therefore, access to credit and finance for the youths is imperative: the government must create a revolving fund for these young miners to finance their registration and improve their working areas.
4. The cumbersome compliance process in various government departments needs to be streamlined. This tempts people to pay bribes to get licences or for their release if they are apprehended for non-compliance.

³⁴ The details about Pedzai "Scott" Sakupwanya come from various media reports: Pindula, "Pedzai Sakupwanya", Pindula, n.d.; H-Metro, "Scott Kupa wins top award", *H-Metro*, 30 March 2022; Zimbabwe Profiles, "Scott Sakupwanya Biography: Age, Education, History, Controversies", *Zimbabwe Profiles*, 6 April 2023); Pindula, "Zanu-PF Resource Mobilisation Committee", Pindula, n.d.; Mining Zimbabwe, "BREAKING: Scott elected Chairman of National Gold Buyers Association", *Mining Zimbabwe*, 25 March 2021.

5. Governance and law enforcement must be improved to deal with the challenges of illicit gold trading, corruption and violence. The scourge of violence causes young diggers to lose their ore to violent gangs, while illicit gold trade deprives the government of huge revenues. The need to benefit from the minerals informally mined must force authorities to improve governance of the sector.

Victor Muchineripi Gwande is a Senior Lecturer in History at the University of the Free State, South Africa, with research interests in the economic and business history of Southern Africa. He participated in the 2022 Megatrends Afrika Fellowship Programme.

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www.megatrends-afrika.de
megatrends-afrika@swp-berlin.org

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