

**The Socio-Economic Impact of Large Scale Mining on Local Community
A Case of Buzwagi Gold Mine in Kahama, Tanzania**

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Abstract

The general objective of this study was to investigate the socio-economic impact of large-scale mining on local community livelihoods around Buzwagi Gold Mine in Kahama District, Shinyanga Region. It specifically focused on identifying households' socio-economic characteristics; determining benefits and negative consequences emanating from large-scale mining as well as assessing the community's perception of mine operations on its general livelihoods.

The study was carried out in Mwendakulima ward in the vicinity of Kahama town. Mwendakulima Ward is made up of three villages of Mwendakulima, Chapulwa and Mwime. These villages surround the Buzwagi Gold mine. Kahama District is in Northwest Tanzania (South of Lake Victoria). Roughly, the district lies between latitudes 30015" and 40030" South of Equator and longitudes 31030" and 33000" East of Greenwich.

Buzwagi Gold mine is the largest single open pit mine and the second largest mine, fully owned by Barrick Gold Corporation, a Canadian international mining company. Its operations are run by The African Barrick Gold Company, a subsidiary of Barrick Gold Corporation. The mine was acquired in 2000 although it was not until May 2009 When production began. The mine is located some six kilometres south east of Kahama town.

This study adopted a case study research design. The selection of this design was prompted for two major reasons. Firstly, it was thought that the design would enable a detailed analysis of complexities and dynamics underlying mining activities within the local socio-economic context. Secondly, the design would enable the combination of different qualitative and quantitative research methods in data collection and analysis.

A sampling frame was drawn from registries of the three villages of Mwendakulima, Mwime and Chapulwa. A total of 86 respondents were drawn from a population of 10 000 people. Determination of the sample size was mainly done based on the convenience and accessibility of the respondents.

Table 11.1: Distribution of respondents by sex and location in three villages (n=86)

Sex	Mwendakulima	Chapulwa	Mwime	Total
Male	23	8	12	43
Female	12	12	19	43
Total	35	20	31	86

A total of 23 men and 12 women from Mwendakulima village and 12 men and 19 women from Mwime village were engaged in direct interview (Table 1). The other village, Chapulwa, had 8 and 12 men and women respectively who formed the study sample. Apart from sampling household heads, the researcher identified key informants notably village leaders, elders, local government officials and one mining official.

Purposive sampling was used, in this study, because it could easily lead the researcher to identify the villages that surround the mine considering that they were the ones intensively impacted by the mine operations when compared with other distant communities.

Both quantitative and qualitative data were collected in this study. Quantitative data were collected in order to describe which households, villages and individual respondents were impacted by the activities of the mine in their localities. Qualitative data were suitable to explain how household members perceived the presence and operations of the multinational mining company at the community level. These data were further considered useful since they helped the researcher ascertain participants' own meanings as expressed in different forms such as words and objects.

The researcher used both structured and semi-structured interviews in data collection. These interviews had both open ended and closed ended questions. The study also involved two Focus Groups each with six members. The first one consisted of youths and men between 25 and 45

years of age from Chapulwa village and women aged between 20 and 50 years from Mwime village.

Quantitative data were organised, coded and analysed using Statistical Package for Social Sciences (SPSS) version 18 and Microsoft Excel. Quantitative data were presented in charts, tables and graphs in order to provide Visual impression and easy comparison of items presented. On the other hand, qualitative data were documented right from the time of interview and field observations; coded, categorized and analysed using narrative and thematic analyses techniques, Thematic and narrative analyses were considered appropriate since they allowed the analysis of major concepts and issues emanating from discussions and topics.

The findings of this study relate to the contribution of the mining activities to local livelihoods, the negative consequences emanating from large-scale mining and the community perception of mining activities on their livelihoods.

With regard to income generation, there seemed to be a slight increase of household income after the establishment of mine although it was difficult to establish the direct link between the mine and this increase of household income. This is due to the fact that the flow of income generated from the mine such as employees' salaries and wages were limited. Not only that, there also seemed to be no strong private sector development in the surrounding areas.

On direct employment opportunities, there were about 15 villagers employed by the mine permanently or on contract bases. Furthermore, about 300 household heads were participating in the external mine circumference surveillance on a two month rotational basis. Mwime village had 122 posts while Mwendakulima and Chapulwa villages had 74 and 104 posts, respectively.

Each household head participating in the external fence circumference surveillance had an opportunity to Offer the services for a period of not more than two months in a year. According to the VEOs and respondents, each security guard was paid monthly a salary of TZS 90 000. If a household had nobody to offer that service, negotiation was done with somebody else to fill the gap on condition of sharing the payment. Despite the fact this contractual work helped households to boost up their incomes, most of the respondents complained about inadequate payment and harsh working conditions.

With regard to the extent to which the mine had influenced the development and expansion of local businesses, it was found that business activities were at the peak during the early stages of the construction of the mine when unprofessional labourers were recruited. Gradually businesses started to decline as a large number of casual labourers were replaced with a small number of professional labourers.

The findings further showed that the mining company did improve some social services. Table 11.2 shows the mine's fund allocated to community development projects by the mining company.

Table 11.2: Community Development Fund Allocation between 2009 and 2012

Project	Beneficiaries	Number of beneficiaries	Value in US\$	Period
Water	Communities	15 000	500 000	2012
Education	Students (primary and secondary schools)	2 000	1 200 000	2009-12
<u>Health</u>	Communities	15 000	410 000	2012
Road infrastructure	Communities	15 000	150 000	2012
Income generating activities	Communities	15 000	115 000	2012
Total			2,375,000	

On the other hand, mining activities had some negative effects as summarised in Table 11.3.

Table 11.3: Summary of negative consequences of Buzwagi mine (n=86)

Economic impact	Counts	Valid (1%)	% of cases
Loss of portions of whole land	8	7.7	11.0
Loss of mining pit	7	6.7	9.6
Loss of employment	16	15.2	21.9
Loss of grazing area	3	2.9	4.1
High costs of living	71	67.6	97.3
Total		100.	143.8

Note: These are multiple responses. They may, therefore, exceed actual number of respondents (86)

With regard to community perceptions of the socio-economic impact of mining, the study showed that many respondents had unfavourable attitude towards the mine in relation to income generation and employment creation.

Basing on the above findings, the study made the following recommendations:

- The mining company, in collaboration with the Government and other private stakeholders, should focus on developing sustainable agricultural programmes which absorb communities displaced from their former traditional sources of income generation. This is based on the fact that traditionally the local people were used to farming and its related activities. Agro-pastoral farming, fishing, livestock keeping, gardening, floriculture and irrigation schemes could be the best alternatives for this community.
- Apart from stimulating the local people to produce agricultural products, the mining company should open up its market to the community. Instead of buying vegetables and other livestock products from the distant suppliers, the company may reserve a certain margin of its market for these producers.

- The company should continue investing in priority areas such as health, water and education for the community.
- Efforts should be directed towards building the capacities of farmers to run their on-farm and off-farm enterprises. The company could also inject some capital in community groups currently running income generating activities.
- The on-going damage to local people's houses jeopardizes the life and the general well-being of the people. Since the company has a stake in the matter, the Government has the mandate to review the mine environmental impact assessment report and take action against the violent explosions. The company should comply with the national and international laws governing mining as well as resettling households living near the mine plant. .
- The Government should have proper mechanisms that enable redirection of mining benefits to communities affected by mining operations. There is a need to have policies and legal frameworks that state clearly the way the affected communities could meet their needs through mine revenue.
- Finally, building good relationship between the community and the company is critically important. Relationship demands participation of all the three parties i.e. the community, the company and the Government. The company should consider the community as an equal partner in the mining processes. Both the Government and the mining company should ensure that the community participates fully in the identification, planning, implementation and control of mining projects that affect their affairs. People should not be mere recipients of information but rather, a more active partner in generating new ideas and challenging the externally generated ideas for the sake of attaining a common goal.