

The impact of Covid-19 on artisanal mining communities in northern Tanzania

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Summary

Set up as a small qualitative scoping study, this *IPIS Insight* aims to highlight key elements of **the socio-economic impact of Covid-19 measures and restrictions on artisanal mining communities in northern Tanzania**, as observed by selected members of these mining communities. Between 5 and 19 May 2020, phone-based interviews were conducted with 37 key informants representing **gold, coloured gemstone, diamond, limestone** and **salt** mining communities in Kigoma, Geita, Shinyanga, Mara and Manyara region (N Tanzania). Informants were questioned on the implementation of preventive measures at mining sites, the impact of Covid-19 on mineral production, prices and trade (compared to pre-Covid-19) and the impact at large on mining communities in northern Tanzania. Follow-up interviews with 10 informants were held between 7 and 14 July 2020 to capture any immediate effects of reduced travel restrictions in/to Tanzania.

In May 2020, the impact of Covid-19 was evident in all artisanal mining communities studied. Mineral production, trade and communities' livelihoods, directly and indirectly, suffered notably albeit variously from the travel bans, border closures and other preventive measures put in place (inter-)nationally to curb the spread of the virus. Compliance with Covid-19 **preventive measures**, such as hand washing or social distancing, was attempted at mine sites, although challenging in its execution.

Not restricted by lock-down measures, artisanal mineral **production** in Tanzania continued, however, often at a reduced pace. Reported reasons for reduced production include reduced worker mobility, the reduced availability of capital, mineral equipment or cheap labour to maintain mining tasks and the reduced demand for certain minerals as, in the absence of often more lucrative international markets, miners are left with local markets only.

Field mineral prices plummeted across all sectors, as **mineral trade** was hit hard by international travel restrictions. Cut off from their foreign exports markets, the international trade of artisanal gold, tanzanite and diamond was effectively shut down due to Covid-19. In May 2020, the average price paid for a gram of gold was, on average, 22% less than before the outbreak of Covid-19. Diamond and tanzanite prices seemed affected worse, with reported reductions of 60 – 70%. In northern Tanzania, trade continued albeit at reduced levels. Local brokers and dealers are strongly in control, buying at bottom prices, and stock-piling minerals until new opportunities arise. Although less dependent on international trade, limestone and salt miners also reported price and trade disruptions, mainly due to the limited purchasing power of a reduced group of local customers only.

Overall, available income, employment and livelihood opportunities of **mining communities** were immediately impacted and communities across all studied regions and sectors struggled to secure basic needs.

Follow-up interviews from early July highlight the **dynamism** of Tanzania’s artisanal mining sector. With travel restrictions lifted, mineral prices – and especially the price of gold – are rising quickly again and miners are optimistic regarding the recovery of their sector. Whether these first steps of economic revival can be translated into a sustainable recovery of mining communities and supply chains in northern Tanzania remains to be seen.

Background

From the start of the global outbreak of the Covid-19 pandemic, it has been feared that artisanal and small-scale mining (ASM) communities would face unprecedented challenges and hardship. With borders closed and movement restricted, the effects of interrupted mineral supply chains very quickly trickled down to those at the bottom of the chain¹. It is estimated conservatively that around 42 million people are working in artisanal and small-scale mining globally². Many more are dependent on the sector for their livelihood.

In Tanzania, ASM has offered employment to a significant proportion of the rural population³. In Tanzania’s mineral-rich regions of Geita, Shinyanga, Mara and Kigoma (NW Tanzania), between 302,400 and 485,600 people are engaged, directly and indirectly, in artisanal mining⁴. In these poor rural areas, artisanal mining is a relatively rewarding source of employment. Mining is embedded in many of the surrounding communities, where it also delivers important contributions to health, education, road and village infrastructure⁵.

Northern Tanzania’s artisanal and small-scale mining sector is extremely varied and dynamic, in terms of its size, organization, workforce and mineral resources. It includes the extraction of gold, diamonds, coloured gemstones, limestone and salt, besides other minerals such as copper or opal. Artisanal mining of the blue zoisite “tanzanite” (uniquely found in the Mererani hills of Manyara region), is the most professionalized and organized sector in northern Tanzania. Production and revenue are, however, volatile⁶. Gold is Tanzania’s predominant mineral resource and artisanal gold mining sites of all sizes and levels of organization and mechanization can be found ubiquitously in the area of the gold-rich Greenstone Belt. Miners trade gold mostly in small quantities. In 2019, the Tanzanian government opened several regional mineral trading centres, to promote and regulate the trade of artisanal gold⁷. Before that, gold was sold to dealers and brokers who visit sites or neighbouring villages, without much control on e.g. prices or taxes⁸. In north-west Tanzania, artisanal diamonds are mined from alluvium. Active diamond sites are mostly located in the Maganzo district of Shinyanga region, where groups of miners work in small teams for various investors in rather basic mining operations. Diamonds are extracted for export, mainly to India, the United Arab Emirates and Belgium.

¹ OECD Civil Society “call to action”. *Emergency action needed for vulnerable artisanal and small-scale mining communities and supply chains*. 12.05.2020 <https://www.oecdwatch.org/2020/05/12/emergency-action-needed-for-vulnerable-artisanal-and-small-scale-mining-communities-and-supply-chains/>

² DELVE. A global platform for artisanal and small-scale mining data. Consulted on 27.07.2020. <https://delvedatabase.org/>.

³ Mutagwaba, W., Tindyebwa, J.B., Makanta, V., Kaballega, D. & Maeda, G. *Artisanal and small-scale mining in Tanzania – Evidence to inform an ‘action dialogue’*. IIED Research Report. 2018. <https://pubs.iied.org/pdfs/16641IIED.pdf>

⁴ Estimates based on the mapping and survey of 447 mining and processing sites located in Geita, Shinyanga, Mara and Kigoma, visited by IPIS in 2018. (Merket, H. *Mapping artisanal and small-scale mining in northwest Tanzania: A survey on its nature, scope and impact*. IPIS publication. 2019. <https://ipisresearch.be/publication/mapping-artisanal-small-scale-mining-northwest-tanzania/?hilite=%27Tanzania%27&highlight=Tanzania>)

⁵ *ibid*

⁶ Mutagwaba, W., Tindyebwa, J.B., Makanta, V., Kaballega, D. & Maeda, G. *Artisanal and small-scale mining in Tanzania – Evidence to inform an ‘action dialogue’*. IIED Research Report. 2018.

⁷ See e.g. The Citizen. *Government plans regional trading centres*. 18.03.2019. <https://www.thecitizen.co.tz/News/-Government-plans-regional-mineral-trading-centres/1840340-5029986-14wb8kiz/index.html>

⁸ Merket, H. *Mapping artisanal and small-scale mining in northwest Tanzania: A survey on its nature, scope and impact*. IPIS publication. 2019

Limestone and salt are produced in Kigoma region, in Kasulu/Uvinza and Uvinza districts, respectively. There, small groups of workers manipulate limestone layers and brines with very basic tools, predominantly for a more local and regional market⁹.

The first cases of **Covid-19** were detected in Tanzania mid-March 2020. The Tanzanian government reacted quickly by imposing restrictions on international travel¹⁰ and gatherings, and by issuing guidelines for infection prevention and control¹¹. While many countries imposed partial or total lockdowns, or sector-specific measures, Tanzania did not, as to allow economic life to continue. Official reporting on the evolution of Covid-19 in the country stopped on the 29th of April, with 509 cases and 21 deaths communicated. In June, Prime Minister Kassim Majaliwa told parliament that there were 66 active cases of Covid-19¹². On the 8th of June, President Magufuli declared the nation Covid-free, much to the skepticism of the international community¹³.

Methodology

To assess the immediate socio-economic impact of the Covid-19 pandemic on artisanal mining communities in Tanzania, IPIS conducted phone-based interviews with key informants active in five resource-rich northern regions. Set up as a small qualitative scoping study, this *IPIS Insight* wants to highlight key elements of the impact of Covid-19 measures and restrictions on Tanzania's most significant artisanal mining sectors (gold, coloured gemstones¹⁴, diamond, limestone and salt), as observed by selected members of these mining communities. Informants were questioned on the implementation of preventive measures at mining sites, the impact of Covid-19 on mineral production, prices and trade and the larger impact on mining communities in northern Tanzania. Conditions and practices right before the outbreak of Covid-19 (February 2020)¹⁵ were thereby compared to those at the time of the interviews.

Between 5 and 19 May 2020, qualitative data were collected from 37 key informants¹⁶ representing gold, gemstone, diamond, limestone and salt mining communities in Kigoma, Geita, Shinyanga, Mara and Manyara region (Table 1). Data were collected predominantly from miners / mine site owners / site managers (26 informants), besides site inspectors (3), dealers /brokers (4), village leaders (1) and members of mining cooperatives or regional miners' associations (3). Together they represent 37 different mining sites.

⁹⁹ *ibid*

¹⁰ Ministry of Health, United Republic of Tanzania. *Travel Advisory No.1*. 23.03.2020 <https://www.moh.go.tz/en/covid-19-info>

¹¹ A full list of measures taken in the light of Covid-19 was discussed during a speech of the Minister of Health, Development, Society, Gender, Elderly and Children, United Republic of Tanzania. *Hobuba ya waziri wa afya, maendeleo ya jamii, jinsia, wazee na watoto, Mhe. Ummu Ally Mwalimu (MB), Kuhusu makadirio ya mapato na ma tumizi ya fedha kwa mwaka 2020/21*. April 2020. <https://www.parliament.go.tz/uploads/budgetspeeches/1588245798-Hotuba%20ya%20Bajeti%20Wizara%20ya%20Afya.pdf>

¹² The Citizen. Tanzanian Government Closes more Covid-19 centres. 05.07.2020. <https://www.thecitizen.co.tz/news/Tanzania-government-closes-more-Covid-19-centres/1840340-5587938-9tbaekz/index.html>

¹³ BBC News. *Coronavirus: John Magufuli declares Tanzania free of Covid-19*. 08.06.2020. <https://www.bbc.com/news/world-africa-52966016>

¹⁴ Hereafter termed "gemstones" and mostly referring to tanzanite. As the term is used here for coloured gemstones, diamonds are excluded from the "gemstone" categorization in this publication.

¹⁵ Hereafter referred to as "pre-Covid"

¹⁶ The key informants were selected from IPIS' informant database built during the 2018 mapping of 447 artisanal mining and processing sites in NW Tanzania (Merket, H. *Mapping artisanal and small-scale mining in northwest Tanzania: A survey on its nature, scope and impact*. IPIS publication. 2019). Informants were selected based on their credibility, sector and region to ensure representative, qualitative data were collected. New key contacts from the gemstone community in Manyara (representing mostly tanzanite mineral extraction and trade) were added to this existing database, to include the impact of Covid-19 on this specific resource sector in Tanzania.

Table 1: Distribution of the 37 key informants contacted between 5 – 19 May 2020, per mineral and per region. Mine site districts are added in brackets.

	gold	gemstones*	diamond	limestone	salt
Kigoma	1 (Kakonko)			4 (Kasulu)	4 (Uvinza)
Geita	7 (Geita)				
Shinyanga	6 (Kahama, Msalala, Shinyanga DC)		1 (Kishapo)		
Mara	8 (Bunda, Butiama, Musoma rural, Tarime)				
Manyara		6 (Simanjiro)			

* Tanzanite (5) and moonstone (1)

Ten key informants, from the gold (3), gemstone (2), limestone (3) and diamond (2) mining communities in the study area, were (re-)contacted between 7 and 14 July 2020 to capture any potential immediate effects of reduced travel restrictions¹⁷ and resumed international flights to/from Tanzania¹⁸. Key findings of these follow-up interviews will be mentioned separately, in the final section of this report.

Results

Covid-19 measures: awareness and compliance at artisanal mining sites

With no specific measures issued for the mining sector¹⁹, miners referred to **general preventive measures** in order to limit the spread of Covid-19 at mining sites. Buckets of water and soap or hand sanitizer seemed available at most sites for hand washing. This appears to be the measure that was most widely respected. To a lesser degree, the use of face masks, temperature scans and social distancing were reported. Additional measures for Covid-19 prevention seem rare. One such exception is the Nyamongo gold mining site (Tarime district, Mara region), whose owner decided to close the site, similar to the government school closures during the first months of the pandemic²⁰. Two gold mining sites in Shinyanga DC reportedly had restricted access to the site, prohibiting workers inside the mining site to leave and those outside to re-enter. At a small moonstone mining site in Simanjiro district (Manyara), existing staff was also maintained (albeit without access restrictions) and new recruitment was put on hold due to Covid-19.

More often, miners attested to the **challenges** they faced in adhering to Covid-19 measures. They include the availability and/or price of water, soap and face masks, the impossibility of social distancing during mining activities (e.g. during deep mining for tanzanite extraction), a lack of awareness, negligence or cultural traditions. "There is limited awareness, especially on the use of face masks. It seems life goes on as miners are usually moving in and out without any precaution", according to a gold mine site owner from Shinyanga region.

¹⁷ Ministry of Health, United Republic of Tanzania. *Travel Advisory Third Edition*. 18.05.2020
<https://www.moh.go.tz/en/covid-19-info>

¹⁸ Further Africa. *Leading international airlines resume flights to Tanzania*. 15.06.2020
<https://furtherafrica.com/2020/06/15/leading-international-airlines-resume-flights-to-tanzania/>

¹⁹ Minister of Health, Development, Society, Gender, Elderly and Children, United Republic of Tanzania. *Hotuba ya waziri wa afya, maendeleo ya jamii, jinsia, wazee na watoto, Mhe. Ummu Ally Mwalimu (MB), Kuhusu makadirio ya mapato na matumizi ya fedha kwa mwaka 2020/21*. April 2020.

²⁰ The Citizen. *Tanzania extends school closure, bans Union, May Day celebrations as Covid-19 cases rise to 53*. 14.04.2020.
<https://www.thecitizen.co.tz/news/Tanzania-extends-school-closure--bans-Union/1840340-5524070-d6gly8/index.html>



Government officials did organize meetings and regular public announcements on Covid-19 in villages and local wards. Despite this, a need for increased awareness was mentioned by informants from all sectors and regions covered in this study. A salt miner from Uvinza district (Kigoma) stated *“There are limited awareness activities in the mining areas. The awareness creation is only conducted in villages. Sometimes miners are not available in their villages when the Covid-19 education is provided and this limits their knowledge of the pandemic and actions to prevent the spread of the Corona virus”*.

Miners complying with Covid-19 preventive measures, such as hand washing, social distancing and wearing face masks, at the Nyamwillonge gold mining site (Kakonko district, Kigoma). Photos courtesy of Kigoma informants

Socio-economic impact of Covid-19 on artisanal mining

Mineral production

Tanzania’s artisanal mining sites are extremely varied in their sizes, organization and production practices²¹. Besides mineral-specific factors, production can be influenced by the availability of capital, workers or mining equipment, by market demand, global mineral prices or geological/environmental factors, to name a few.

In May 2020, the Covid-19 pandemic affected artisanal mineral production in northern Tanzania in various ways and to different degrees.

Artisanal gold mining suffered from reduced **gold production** in half of the sites covered in this study. This reduction can partly be linked to a reduced number of workers, which was reported in more than half of the gold mining sites (12 out of 22 sites). A member of Mara’s regional miners’ association (Marema) explains that *“at the beginning miners were very afraid of Covid-19 and, therefore, the number of people in the mining sites was reduced.”* Another member of Marema adds that *“there is a big impact on production because miners have decided to stop mining activities and have opted to stay home with their families.”* The other 50% of studied gold sites reported no impact on production, including several sites in Geita and Mara, and all 6 sites studied in Shinyanga region. Often these are more mature gold mining sites, managed by owners who have relatively good capital and networks in the region to continue their operations. Miners in Shinyanga indicate that production is influenced by many factors besides Covid-19, so *“we can’t blame Corona”*. Local context plays a significant role. For instance, since the end of April, sites in Shinyanga have seen an influx of new miners due

²¹ Merket, H. *Mapping artisanal and small-scale mining in northwest Tanzania: A survey on its nature, scope and impact*. IPIS publication. 2019

to the government-ordered closure of gold mining operations in nearby Kakola²². In search of new opportunities, evicted miners have come to the gold mining sites in Kahama, Msalala and Shinyanga DC districts, significantly increasing – often even doubling - the existing work force. A similar example of the high mobility of artisanal miners²³, notwithstanding the Covid-19 pandemic, was found in Kishapo district, Shinyanga. An influx of ca. 7000 workers was recorded there due to a diamond rush in Mwang'holo village, located near the industrial diamond mine of Petra Diamonds.

In Kigoma region, miners and mine site owners attest to overall reduced **limestone production**. With less capital and cheap labour available, limestone production in Kasulu district has significantly dropped. Limestone mining and processing sites in Makere (Kasulu district) depend heavily on low-wage workers from Kibondo, Uvinza and Kifura villages, as well as from the nearby Nyarugusu refugee camp. Strict Covid-19 restrictions in Kigoma's refugee camps, combined with precautions taken by regional workers, limit the flow of workers coming to Makere for mining activities. With international borders closed and regional buyers absent, limestone producers can only sell to local markets, which significantly reduced the demand for limestone. A Makere mine site owner details that *"the production has dropped due to Covid-19. We have limited buyers from other regions and Burundi at present. We find ourselves with only markets here in Makere and Kasulu town. In previous times I used to produce 1600-1800 bags of limestone but now I am just collecting stones and fuel wood to resume production when the situation returns to normal"*.

Salt production in Kigoma's Uvinza district seems less impacted by the Covid-19 pandemic. Most sites report little changes in production due to Covid-19, although reduced numbers of workers are common. Salt production in Kigoma is a rather basic and small-scale operation that relies heavily on dry conditions (evaporation) to produce salt minerals from brines²⁴. Environmental conditions, such as seasonal rains and overflowing rivers, have therefore affected production more than a changing number of workers.

Due to the nature of its exploitation, **artisanal tanzanite production** is characterized by a large variability and it is not unusual for mining sites to be in development without production for months²⁵. A more constant group of workers can generally be found on tanzanite mining sites. These workers are specifically skilled for the gemstone's deep mining operations and have longer-term financial arrangements with site owners (mostly informal). Informants from Mererani (Simanjiro district, Manyara) confirm that tanzanite miners and their numbers remained unchanged at their sites since the start of the Covid-19 pandemic. Production activities in all studied sites were reported slow in May, due to the unreliability of the gemstone market (see [next section](#)) and the reduced availability of explosives that are needed to blast bedrock. With international borders closed, the supply of explosives has been irregular and increased prices are common. As such, tanzanite mining has been mostly affected in its production costs.

Different mineral sectors witness different changes in the availability of **mining equipment** due to Covid-19. About 36% of informants in the gold mining sector (8/22) mention difficulties in obtaining mining equipment. When equipment is available, it is often sold at higher prices than before. Limited cash flows worsen access to

²² The resident Mining officer in Shinyanga region closed the small-scale gold mining operation of Ntambalale Wisolele and Kakola (number 2 & 9) for 7 days to due to dangerous hazards. Within 7 days, mine leaders must address existing gaps, such as a lack of protective gear while conducting mining operations. He stressed that mining pits were to stay closed, if safety measures were not observed. (Ipp Media. *Mgodi mdogo wafungwa baada ya kuwepo viashiria vya hatari*. 27.04.2020. <https://www.ippmedia.com/sw/habari/mgodi-mdogo%20wafungwa-baada-ya-kuwepo-viashiria-vya-hatari>)

²³ IPIS' 2018 mapping of artisanal and small-scale mining sites in NW Tanzania revealed that, in pre-Covid-19 times, an estimated 33% of workers arrived from a different region and many others travelled within regions in pursuit of employment opportunities (Merket, H. *Mapping artisanal and small-scale mining in northwest Tanzania: A survey on its nature, scope and impact*. IPIS publication. 2019)

²⁴ Merket, H. *Mapping artisanal and small-scale mining in northwest Tanzania: A survey on its nature, scope and impact*. IPIS publication. 2019

²⁵ Mutagwaba, W., Tindyebwa, J.B., Makanta, V., Kaballega, D. & Maeda, G. *Artisanal and small-scale mining in Tanzania – Evidence to inform an 'action dialogue'*. IIED Research Report. 2018.

equipment for many. “The drop of gold prices amid Covid-19 made a good number of miners not interested to purchase mining tools from Geita and Kahama”, according to a mine site owner in Kakonko (Kigoma). Miners who do not experience these issues are often miners with the capital to have a decent stock of equipment or in close proximity of larger towns where provisions are more readily available. Limestone miners from Kigoma regret the absence of traders from Nyarugusu refugee camp. “Mining equipment is limited because previously we used to get the tools (hoes, spades, ...) from refugees who are also traders. As they are now not allowed to get out of the camps, due to Covid-19, we have limited access to these tools. So, we buy them from Kigoma and other regions, but prices are high”, states a mine site owner from Makere. The low mechanization of Kigoma’s salt production limits salt miners’ needs for regular inputs. They report no issues of getting mining equipment, except access to iodine, which they need to make their salt qualified for consumption.

Mineral prices and trade

Supply chains of artisanal gold, diamonds and other gemstones have been majorly affected by border closures and the shut-down of international air travel. Cut off from the global market, **field prices** of artisanal gold, diamonds and gemstones have generally decreased due to Covid-19, including on the African continent²⁶.

gold (N=21)	
Pre-Covid price range (per gram)	85,000 – 120,000 TZS (36 – 51 US\$)
Pre-Covid average price range (per gram)	100,000 TZS (43 US\$)
May 2020 price range (per gram)	55,000 – 110,000 TZS (24 – 47 US\$)
Price reduction	5 - 41% (average: 22%)

N = number of data points
TZS = Tanzanian Shilling; US\$ = United States Dollar

In Tanzania, **prices for artisanal gold** reportedly have been down since 25 March 2020²⁷. In May 2020, the average price paid per gram of gold, as reported by informants from Mara, Geita, Kigoma and Shinyanga, was 78,000 Tanzanian Shilling (TZS) or about 33 United States Dollar (US\$). This signifies a reduction, on average, of 22% compared to prices paid before the outbreak of Covid-19 (Table 2). These reductions are in line with numbers published for several other African countries²⁸, although they appear less drastic than the 40-50% gold price reductions reported from, e.g. South Africa²⁹ or the Democratic Republic of Congo³⁰. As information from northern Tanzania was collected in May, our study potentially did not capture the peak impact on pricing during the first months of the Covid-19 pandemic³¹.

Table 2: Evolution of gold field prices in NW Tanzania due to Covid-19. Pre-Covid prices are those paid in February 2020.

²⁶ The DELVE database on the COVID-19 impact on artisanal mining includes data from 16 African countries (data update of 10.07.2020). Tanzania is not included. (DELVE. COVID-19 impact reporting. <https://delvedatabase.org/covid-data>)

²⁷ Artisanal Gold Council (Telmer, K. & Kroll, M.) COVID-19 and ASGM communities – an early look at the Crisis. 23.03.2020 <https://www.artisanalgold.org/covid-19-and-asgm-communities-early-look-crisis/>

²⁸ Artisanal Gold Council (Blore, S.) Gold Database Extract: Artisanal Gold Prices Pre and Post Covid-19. 21.04.2020. <https://www.artisanalgold.org/2020/04/gold-database-extract-artisanal-gold-prices-pre-and-post-covid-19/>

²⁹ Reuters (Reid, H. & Lewis, J.) Subsistence miners lose out as coronavirus crushes local gold prices. 31.03.2020. <https://www.reuters.com/article/health-coronavirus-mining-artisanal/subsistence-miners-lose-out-as-coronavirus-crushes-local-gold-prices-idUSL8N2BN670>

³⁰ de Brier G. Impact of Covid-19 on artisanal miners in DR Congo. IPIS Briefing June 2020. 16.07.2020. <https://ipisresearch.be/publication/ipis-briefing-june-2020/>

³¹ Recent IPIS data from eastern DR Congo reveals that the biggest impact on artisanal gold pricing due to Covid-19 was noticed in March and April 2020. In May 2020, local field prices were reported to rise again (forthcoming publication on the Covid-19 impact on ASM in eastern DR Congo).

With their main export markets located abroad³², the suspension of international travel due to Covid-19 effectively shut down the (international) market for artisanal gold traders in Tanzania, which trickled down as a significant drop in field prices, as illustrated above. Government-controlled mineral trading centres, where gold prices are linked to the global market and fair prices for artisanal gold should be guaranteed, seem beyond the reach of remote mining sites. Gold miners in northern Tanzania are still selling minerals to the same **local brokers and traders** as before, but miss out on international and regional buyers. *"We sell our gold to one big dealer in Kakonko town. We have no access to other dealers from Burundi and Rwanda due to Covid-19 and complications in the border areas for traders wanting to come to Tanzania"*, according to a mine site owner from Kakonko district (Kigoma). Local dealers use the lack of international markets, their position of power and the vulnerable financial position of artisanal miners³³ to buy gold at bottom prices. Miners' minimal bargaining power leaves traders strongly in control, even more than before. A member of Marema operational in Mara's Butiama district clarifies that *"miners are forced to sell to local gold traders at throw-away prices in order to meet their basic operational demands."* Overall, trade continues albeit at reduced levels. Traders reportedly are stockpiling gold until after the pandemic. The situation is precarious as, without possibility to sell internationally, dealers themselves indicate to run out of capital to buy gold from miners or to pre-finance mining activities. As cashflow problems rise within existing networks, new traders could step in and grasp opportunities. At the time of study, this did not seem a trend³⁴.

Prices of tanzanite and diamond seem to suffer significantly more than those of gold, with decreases of 60 – 70% reported. In May 2020, the owner of an artisanal **diamond** mining site in Shinyanga, e.g., mentioned a price drop from 500 US\$ to 200 – 230 US\$(per carat). Although the sample size of diamond miners in this study is too limited to draw any firm conclusions, this example is in line with trends recently reported from artisanal diamond mining communities in the Western Central African Republic³⁵ and Sierra Leone³⁶. Again, Covid-19 restrictions on movement and travel appear at the heart of crashing field prices. The diamond site owner from Shinyanga further clarified that *"the biggest impact is on trade. There was a lock down in India and we depend on Indian traders to buy diamonds"*³⁷. *Even the Indian traders who remained ran out of capital to buy diamonds"*.

Similarly, Manyara **tanzanite** miners attest to a highly unpredictable, restricted market for their gemstone, with highly volatile prices as a result. Depending on the quality of the stones, miners used to receive around 700,000 to 800,000 TZS (ca. 300 - 340 US\$) per gram of tanzanite before the outbreak of Covid-19. In May 2020, these prices were cut down to 200,000 – 350,00 TZS (ca. 90-150 US\$)³⁸. A site owner from Mererani describes the situation as follows: *"The drastic fall of mineral demands has caused malicious pricing at buyers' discretion. There is a significant change from profitability to subsistence production and trading. Miners do sell minerals at break-even price just for the sake of maintaining mining operations and to serve as subsistence in transition"*. As for

³² As for many African countries, Tanzania's gold is mostly exported to the United Arab Emirates and traded in Dubai (e.g. Reuters (Lewis, D., McNeill, R. & Shabalala, Z.) *Gold worth billions smuggled out of Africa*. 24.04.2019 <https://www.reuters.com/investigates/special-report/gold-africa-smuggling/>)

³³ Even without Covid-19, access to capital is difficult for artisanal and small-scale miners in NW Tanzania. Powerful gold trader networks fill that void by pre-financing operations in return for a monopoly on buying (part of) the production. Artisanal miners are therefore highly dependent on the conditions set by traders (Merket, H. *Mapping artisanal and small-scale mining in northwest Tanzania: A survey on its nature, scope and impact*. IPIS publication. 2019)

³⁴ Only one mine site owner from Musuma rural district (Mara) so far hinted to this practice.

³⁵ Jaillon, A. *The impact of Covid-19 on gold and diamond artisanal mines in Western Central African Republic*. IPIS Insight, July 2020. <https://ipisresearch.be/publication/impact-covid-19-gold-diamond-artisanal-mines-western-central-african-republic/>

³⁶ Kimberly Process Civil Society Coalition. *The Impact of COVID-19 on African communities affected by diamond mining*. KPCSC Report, June 2019. <https://www.kpcivilsociety.org/wp-content/uploads/2020/06/The-Impact-of-COVID-19-on-African-communities-affected-by-diamond-mining-KPCSC.pdf>

³⁷ Cf. Merket, H. *Mapping artisanal and small-scale mining in northwest Tanzania: A survey on its nature, scope and impact*. IPIS publication. 2019

³⁸ Lowered prices for coloured gemstones were also indicated by 97% of respondents in the DELVE database (DELVE. *COVID-19 impact reporting*. <https://delvedatabase.org/covid-data>. 10.07.2020 update).

gold, tanzanite miners are mostly still selling to the same local brokers and (master) dealers, who accept the risk of buying the gemstone as an investment for the future. Several informants reported the presence of new brokers and dealers and overall disrupted lending and borrowing practices between artisanal miners and master dealers.

Supply chains of limestone and salt are fundamentally different from those of gold, tanzanite or diamond. They are more focused on local and regional trade (although limestone production in Kigoma also has secure markets in neighbouring Burundi) and they are less depending on “middle men” to deliver products to customers³⁹. Despite this, since the outbreak of Covid-19, **limestone miners** are also experiencing trade disruptions and lower prices paid per bag of limestone. Limited purchasing power of local customers and the absence of the more lucrative export market in Burundi seem to be the main drivers of this change. Miners regret that they can no longer receive a fair price: *“Before Covid-19 we would sell limestone at 7,000-8,000 TZS per bag of 25 kg. Now, I sell limestone at a price of 5,000 TZS to markets available here in Makere. Last week I got a customer from Mtukura, who wanted to buy limestone at a price of 4000 TZS per bag. I declined.”*

Similar stories are heard from Kigoma’s **salt mining** community. With travelers – who used to be an important group of salt buyers in Uvinza village – largely absent, only very local markets are still present, which significantly reduces the demand for salt. As local communities are struggling to make ends meet (see [next section](#)), lower prices are now common and profits for salt miners are minimal. Miners from the Kinyo site (Uvinza district, Kigoma) explain that *“the gatherings where we used to sell our salt – open community markets, popularly called “minada” – are closed. This has slowed down our business and prosperity. We now struggle to find better salt prices.”*

Community impacts

Artisanal and small-scale mining creates key economic and livelihood opportunities for rural communities in northern Tanzania⁴⁰. With trade disrupted and mineral prices down, miners and their communities are significantly affected. Informants from all sectors and regions included in this study report **reduced income** from mining activities. The spill-over to available income and cash flow in mining communities is immediate. A shift supervisor from a Mererani tanzanite site puts it candidly: *“Mining communities are hustling to accommodate basic needs for survival”*.

Overall **employment and livelihood opportunities** are impacted by the Covid-19 pandemic. Women seem particularly affected. *“In the beginning of the crisis, some workers – and especially women – were afraid to continue their work”*, according to several members of the gold mining sector. Similar testimonies are recorded in Kigoma’s limestone communities. The lack of clear, official information on the status of Covid-19 in Tanzania – absent since the end of April 2020 –, contributed to heightened anxiety in mining communities. In Kigoma, salt is typically traded by women, along main roads, at bus stops and in local markets⁴¹. As salt business is down, women in Uvinza district are struggling to gain incomes. Mine site restrictions, put in place as a preventive measure against Covid-19, also had an impact. For a certain time, casual workers were not allowed to enter gold mining sites in Shinyanga, for instance. Community members offering goods and services at mining sites (such as food and supplies) were also limited for a while. With less (frequent) visits from merchants to mining sites, prices of supplies increased and access to certain goods became challenging for miners struggling with already reduced incomes.

³⁹ Merket, H. *Mapping artisanal and small-scale mining in northwest Tanzania: A survey on its nature, scope and impact*. IPIS publication. 2019

⁴⁰ *ibid*

⁴¹ *ibid*

Access to basic goods seems often problematic. As limestone miners from Kasulu district explained: *"the local community markets in Makere, Nyamidaho and Mvugwe were closed because of Covid-19, which gave us a hard time to get basic needs (cooking oil, salt, flour and beans), for community members and in the mining areas". "As miners in the mining sites need food and other basic goods, the closure of the markets affected mine owners as they were required to buy food at unfair, high prices. They failed to feed the workers for so long. Therefore, workers stopped coming".* Price increases for basic goods were reported by several informants, whereas others indicated price reductions for agricultural products such as rice or corn.

Several other issues were raised by informants from specific regions or sectors. Tanzanite miners from Manyara added that, due to the limited availability of financial means in communities, **informal financing** for mining activities, through friends or family members, is basically non-existing anymore. One gold mine site owner from Shinyanga observed the increased **presence of children** at his mine site, involved in non-mining activities such as selling food and household items. Despite prolonged school closures and families' needs to add additional income, child labour is not observed commonly in this study. Lastly, limestone miners from Kigoma highlight local side effects of Covid-19 taking global headlines for months. In Makere Forest Reserve, known **human rights violations**⁴² against limestone mining communities are now continuing, as the government has concentrated its activities in containing Covid-19 and no longer in conflict-resolution. Limestone miners state: *"We are in a long struggle to build good relationships with the government, especially for limestone miners in Makere North Forest Reserve. (...) We were in good negotiations with government authorities regarding solutions for the situation of limestone miners in the reserve. All these efforts and communications have now slowed down due to Covid-19".*

Towards recovery?

With Covid-19 decimating revenue streams from all-time strongholds such as tourism, Tanzania's mining sector is considered most crucial for the country's economic development⁴³. Projections for Tanzania's 2020 economic growth are bright, despite the impact of Covid-19, and this thanks to its status as **major gold exporter**⁴⁴.

The government is keen to relaunch the sector and its gold exports. At the end of June, Tanzania's State Mining Corporation (STAMICO) announced its ambition to support artisanal and small-scale gold mining communities

⁴² In Kigoma region, limestone mining communities report escalated tensions with conservation authorities, mandated with enforcing laws and regulations that discourage human activities in reserves, over resource use in Makere Forest Reserve. Reports are made of the excessive use of force against miners (such as beatings and torture), corruption, and the unlawful seizure, confiscation and destruction of private properties (Mawala, E. *Limestone mining and human rights issues in Kigoma region*. Voices from Tanzania – case studies on Business and Human Rights. 2019. <http://ipisresearch.be/publication/voices-tanzania-case-studies-business-human-rights-vol-1/>)

⁴³ The Citizen. *Tanzania to register fastest economic growth in East Africa*. 10.07.2020. https://www.thecitizen.co-tz.cdn.ampproject.org/v/s/www.thecitizen.co.tz/news/-Tanzania--to-register-fastest-growth-economy-/1840340-5590990-view-asAMP-gsxisgz/index.html?usqp=mq331AQFKAGwASA%3D&_js_v=0.1#referrer=https%3A%2F%2Fwww.google.com&_tf=From%20%251%24s&_ampshare=https%3A%2F%2Fwww.thecitizen.co.tz%2Fnews%2F-Tanzania--to-register-fastest-growth-economy-%2F1840340-5590990-ittey8z%2Findex.html

⁴⁴ Mold, A. & Myeyange, A. *The impact of the Covid-19 crisis on trade. Recent evidence from East Africa*. Africa Growth Initiative at Brookings, Policy Brief July 2020. https://www.brookings.edu.cdn.ampproject.org/v/s/www.brookings.edu/research/the-impact-of-the-covid-19-crisis-on-trade-recent-evidence-from-east-africa/amp/?usqp=mq331AQFKAGwASA%3D&_js_v=0.1#referrer=https%3A%2F%2Fwww.google.com&_tf=From%20%251%24s&_ampshare=https%3A%2F%2Fwww.brookings.edu%2Fresearch%2Fthe-impact-of-the-covid-19-crisis-on-trade-recent-evidence-from-east-africa%2F

in the face of Covid-19, by buying gold from local miners at 10 million US\$ (about 23 billion TZS) per week⁴⁵. Artisanal miners from northern Tanzania have regretted the absence of **incentives** for their sectors during this crisis. They cite awareness raising as the only tangible input from the government during these challenging times. In May 2020, a tanzanite mine site owner from Mererani criticized that *“no incentive packages have been introduced. Instead all government taxes, fees, royalties and other dues are still maintained at the same level, regardless of Covid-19 impacts”*.

With the country declared Covid-free in June 2020⁴⁶, Tanzania is currently one of few African countries without international travel restrictions. STAMICO's gold stock, like most of the country's gold, is destined for the gold markets in Dubai⁴⁷, which are accessible again after bans on international travel were lifted. The effect of **resumed international trade** seems immediately reflected in the field prices paid to artisanal gold miners. Follow-up interviews with gold miners in northern Tanzania (July 2020), reveal that **gold prices** have risen again to pre-Covid levels (900,000 – 120,000 TZS). Considering the recent rise of the international gold price, this increase does not mean a full recovery of the sector yet. **Tanzanite prices** are reported to be at about 80% of pre-Covid levels. In contrast, **prices for diamond** still remain low, at around 50% of prices paid before the outbreak of Covid-19. Local diamond traders lament that international buyers have not yet returned. **Limestone miners** from Kigoma are also more optimistic, reporting increased domestic sales and the perspective of restarting exports to Burundi at the end of July 2020.

The downside of this 'return to normal' seems to be that, at least in gold mining communities, **compliance with Covid-19 preventive measures** has basically ended. Informants report that it is now rare to find hand washing stations on mining sites and that most miners no longer wash hands, wear face masks or respect social distancing. These preventive measures are still advised by the government. Considering the vulnerability of often remote artisanal mining communities to this crisis - limited in the medical care and health information available to them, highly mobile and in search of livelihoods -, this trend is worrying.

While mineral markets and trade in Tanzania might have started their recovery in pursuit of conditions that are better than before, it remains to be seen if mining communities and supply chains can recover from the Covid-19 crisis in an equally 'better', i.e. sustainable and responsible, way.

Conclusion

In May 2020, the impact of Covid-19 was evident in artisanal **gold, gemstone, diamond, salt and limestone mining communities in northern Tanzania**. Mineral production, trade and communities' livelihoods, directly and indirectly, suffered notably albeit variously from the travel bans, border closures and other preventive measures put in place (inter-)nationally to curb the spread of the virus.

Not restricted by lock-down measures, artisanal mineral **production** in Tanzania continued, however, often at a reduced pace. Reported reasons for reduced production include the reduced number of workers present at mining sites (e.g. in 50% of gold mining sites), the reduced availability of capital, mineral equipment or cheap labour to maintain mining tasks (e.g. reduced workers from Nyarugusu refugee camp in Kigoma's limestone mining and processing sites) and the reduced demand for certain minerals as, in the absence of often more lucrative international markets, miners are left with local markets only (e.g. Kigoma's limestone sector). It is

⁴⁵ The Citizen. *Stamico to buy \$10m gold a week*. 24.06.2020 <https://www.thecitizen.co.tz/news/1840340-5582124-b0cd5l/index.html>

⁴⁶ BBC News. *Coronavirus: John Magufuli declares Tanzania free of Covid-19*. 08.06.2020.

⁴⁷ The Citizen. *Stamico to buy \$10m gold a week*. 24.06.2020.

necessary to note that mineral production is influenced by a diverse range of factors and not all observed changes in production can be attributed to Covid-19.

Field mineral prices plummeted across all sectors, as **mineral trade** was hit hard. With their main export markets located abroad, the suspension of international travel due to Covid-19 effectively shut down the (international) market for artisanal gold, tanzanite and diamond. Reduced markets and the vulnerable financial position of artisanal miners left traders strongly in control, even more than before. In May 2020, the price paid for a gram of gold was, on average, 22% less than before the outbreak of Covid-19. Diamond and tanzanite prices seemed affected worse, with reported reductions of 60 – 70%. In northern Tanzania, mineral trade continued albeit at reduced levels and with local buyers only. Local brokers and dealers were mainly found to be stock-piling minerals, until new opportunities arise. Although less dependent on international trade, limestone and salt miners also reported price and trade disruptions, mainly due to the limited purchasing power of a reduced group of local customers only.

Challenges in the mining sector immediately trickled down to impact the available income, employment and livelihood opportunities of **mining communities**. With incomes reduced, communities across all studied regions and sectors struggled to secure basic needs. Moreover, with Covid-19 demanding all attention, solutions for other long-term struggles – such as human rights violations of limestone mining communities in Kigoma region – no longer receive the attention they require.

Follow-up interviews from early July highlight the **dynamism** of Tanzania's artisanal mining sector. The resumption of international air travel in June 2020 has linked Tanzania's artisanal gold sector again to its international markets. The effect was felt immediately and gold miners report now to receive more or less the same prices for their product as in the first months of 2020, before the outbreak of Covid-19. In other sectors recovery seems slower, although optimism is present. The downside of this rather quick 'return to normal' is a rapid decline of compliance with Covid-19 **preventive measures**, such as hand washing or social distancing, observed at mine sites. Overall, these measures posed challenges in the mining sector, even during the peak of Covid-19 in the country. Continued and increased public awareness raising and up-to-date information sharing on Covid-19 is much needed, especially in the rural and often remote areas where mining activities take place.

Despite this dynamism, whether these first steps of economic revival can be translated into a sustainable recovery of mining communities and supply chains in northern Tanzania remains to be seen.