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DECOLONISATION, CLASS STRUGGLES AND ECONOMIC EMPOWERMENT IN POST-COLONIAL STATES: AN APPRAISAL OF ZIMBABWE'S POST-INDEPENDENCE INDIGENIZATION PROJECT IN THE MINING SECTOR

BY

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MAY 2019

DECLARATION

I, **Sizo Nkala**, declare that,

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ii. This thesis has not been submitted for any degree or examination at any other University.

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CERTIFICATION

This is to certify that this dissertation titled "Decolonisation, class struggles and economic empowerment in post-colonial states: An appraisal of Zimbabwe's post-independence indigenization project in the mining sector" is an original work by Sizo Nkala (210550713)

The study was carried out under my supervision and academic guidance and is hence accepted and recommended for approval for the award of the Degree of Doctor of Philosophy (Ph.D.) in Political Science by the University of KwaZulu-Natal.

Kmtshali

Professor Khondlo Mtshali (Thesis Supervisor)

March 12, 2020

Date

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ABSTRACT

This study is an exposition of Zimbabwe's post-independence indigenization and economic empowerment policy, with a specific focus on how the policy unfolded in the country's mining sector. The indigenization policy was adopted as a conscious strategy towards overcoming Zimbabwe's historical legacy of settler colonialism. The colonial government's systematic racial discrimination and policy of separate development meant that the post-colonial government inherited a society characterized by gross economic and social inequalities along racial lines. In this, black citizens played a marginal role in the country's economy and were scarcely represented across the main sectors, particularly in the minerals industry. Hence the government's insistence that the indigenous population, defined as those and the descendants of those who experienced systematic discrimination before independence in 1980, control at least 51 percent of the major economic enterprises across all sectors of the economy. As such, through the lenses of state power, class relations and Zimbabwe's position in the world-system, this study problematized the conceptualization and the implementation of the policy as it unfolded in the country's mining sector. It sought to identify the factors that determined the process and the outcomes of the indigenization policy in the said sector.

The study used a qualitative methodological approach. Data was gathered through in-depth interviews and email correspondence with government officials, private sector players, academics, mineworkers, activists and journalists. Purposive sampling was used to identify and reach key participants. Documentary and online material including government reports, videos, social media statements from verified accounts of government officials and scholars were also key sources of data.

The findings of the study demonstrate that the indigenization policy in the mining sector was, by and large, unsuccessful. The large-scale mining sector is still dominated by an oligopoly of a few powerful foreign-owned companies. Numerous attempts at indigenous takeover (dominated by politicians) of foreign-owned mining failed because of lack of capital. Out of the 61 Community Share Ownership Trusts (CSOTs) established as vehicles through which rural peasant communities could gain 10% share ownership in mining companies, only one Trust actually had shares transferred to it. Further, only one mining company transferred shares to the workers under the Employee Share Ownership Trust (ESOT) scheme. The artisanal and small-scale mining (ASM) sector which comprises predominantly indigenous players has been thoroughly disempowered and disenfranchised by the state. The study cites the weak state, and Zimbabwe's position in the world-system as a peripheral player among some of the major determinants of these outcomes. An absent indigenous bourgeoisie and the disorganized working class, ASM players and peasant communities immobilized by state repression meant that the politicians dominated the indigenization policy.

Key words: Indigenization, Empowerment, Decolonization, Class, Zimbabwe

LIST OF ABBREVIATIONS

AAC – Anglo-American Corporation

AAG - Affirmative Action Group

ACR - Africa Consolidated Resources

AFFEC - Anhui Foreign Economic Construction Group Co Limited

AFZ - Airforce of Zimbabwe

AIPPA - Access to Information and Protection of Privacy Act

AMWUZ -Associated Mineworkers Union of Zimbabwe

ASM - Artisanal and Small-scale Mining

BBBEE - Broad-Based Black Economic Empowerment

BBC - British Broadcasting Corporation

BEE - Black Economic Empowerment

BSAC - British South Africa Company

BSSMA - Bubi Small-scale Miners Association

CEE - Citizen Economic Empowerment

CID - Criminal Investigation Department

CIDA - Canadian International Development Agency

CIF - China International Fund

CIMGC - China International Mining Group Company

CIO - Central Intelligence Organization

COMZ - Chamber of Mines of Zimbabwe

CSC - Cold Storage Company

CSOTs – Community Share Ownership Trusts

DDE - Dubai Diamond Exchange

DMC - Diamond Mining Corporation

EGM - Extraordinary General Meeting

EIA - Environmental Impact Assessment

EMA - Environmental Management Agency

EPO - Exclusive Prospecting Order

ESAP - Economic Structural Adjustment Programme

ESOTs – Employee Share Ownership Trusts

FINDECO - Finance and Development Corporation

FPR - Fidelity Printers and Refineries

FYNDP- Five Year National Development Plan

GDP - Gross Domestic Product

GEM - Global Emerging Markets

GNU - Government of National Unity

HCCL - Hwange Colliery Company Limited

HRW – Human Rights Watch

IBDC - Indigenous Business Development Centre

ICA - Industrial Conciliation Act

IEEA – Indigenization and Economic Empowerment Act

IMF - International Monetary Fund

INDECO - Industrial Development Corporation

ITDG - Intermediate Technology Development Group

JOC - Joint Operations Command

JSE - Johannesburg Stock Exchange

KPCS - Kimberly Process Certification Scheme

LAA - Land Apportionment Act

LSM - Large-scale mining

MDC - Movement for Democratic Change

MIDF - Ministry Industry Development Fund

MILF - Mining Industry Loan Fund

MINDECO - Mining Development Corporation

MMA - Mines and Minerals Act

MMCZ - Minerals Marketing Corporation of Zimbabwe

MNCs - Multi-National Corporations

MP - Member of Parliament

MTD - Messina Transvaal Development Group

NEPB - Nigerian Enterprises Promotion Board

NEPD - Nigerian Enterprises Promotion Decrees

NIEEB - National Indigenization and Economic Empowerment Board

NIEEF - National Indigenization and Economic Empowerment Fund

NIET - National Investment and Empowerment Trust

NIT - National Investment Trust

NMWUZ - National Mineworkers Union of Zimbabwe

NPA - Native Purchase Areas

NRMC - Nkululeko Rusununguko Mining Consortium

NRZ - National Railways of Zimbabwe

NSSA - National Social Security Association

OECD - Organization for Economic Cooperation and Development

PDL - Poverty Datum Line

PGMs – Platinum Group of Metals

PPC - Pretoria Portland Cement

RBZ - Reserve Bank of Zimbabwe

RCM - Rhodesia Consolidated Mines

RDCs - Rural District Councils

RNLB - Rhodesian Native Labour Bureau

SEDCO - Small Enterprises Development Corporation

SMEs - Small and Medium Enterprises

SMM - Shabanie Mashava Mines

SMMEs - Small, Medium and Micro Enterprises

SWF - Sovereign Wealth Fund

TNDP - Transitional National Development Plan

UNIDO - United Nations Industrial Development Organisation

UNIP - United National Independence Party

ZANU-PF – Zimbabwe African National Union – Patriotic Front

ZAPU – Zimbabwe African People’s Union

ZCDC - Zimbabwe Consolidated Diamond Company

ZCE - Zimasco Consolidated Enterprises

ZCTU - Zimbabwe Congress of Trade Unions

ZDF - Zimbabwe Defence Forces

ZDI - Zimbabwe Defence Industries

ZDWUZ - Zimbabwe Diamond Workers Union of Zimbabwe

ZIA - Zimbabwe Investment Authority

Zimasco- Zimbabwe Mining and Iron Smelting Company

ZIMCO - Zambia Industrial and Mining Corporation

ZIMRA - Zimbabwe Revenue Authority

ZISCO - Zimbabwe Iron and Steel Company

ZLHR - Zimbabwe Lawyers for Human Rights

ZMDC - Zimbabwe Mining Development Corporation

ZMF - Zimbabwe Miners Federation

ZNA - Zimbabwe National Army

ZRP - Zimbabwe Republic Police

ZSE - Zimbabwe Stock Exchange

ZSM - Zimbabwe School of Mines

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CHAPTER 1

INTRODUCTION AND METHODOLOGY

1.1 Introduction: the focus and scope of the research

The question of indigenization and economic empowerment in Zimbabwe is one whose import traverses both the country's history and the present. Its origin could be traced to Zimbabwe's almost 100 years of settler colonialism during which indigenous people were subjected to severe economic, social, and political disenfranchisement. The colonizers invaded modern-day Zimbabwe in 1890 through a 500-man strong Pioneer Column sponsored by Cecil Rhodes' British South Africa Company (BSAC) (See Chikuhwa, 2013). This occupation of modern-day Zimbabwe followed the signing of the Rudd Concession between the Ndebele king Lobengula and representatives of the BSAC led by Charles Rudd on 30 October 1888. The concession granted Britain the full control and ownership of all minerals in Matabeleland and Mashonaland. In return, Lobengula was promised a 100-pound salary and some rifles (Mazarire, 2006). Bourne (2011) articulates how the colonizers immediately dispossessed the indigenous people of their economic resources upon settling in their territory:

> Recruits for the war against Lobengula in 1892 were offered 6,000 acres to farm, twenty gold claims, and a share of looted cattle. In 1895 Rhodes gave Alfred de Fonseca 33,000 acres of Ndebele land, and he awarded Cape MPs tracts of land in Rhodesia as freely as he gave them shares in his Chartered Company, to buy support. By 1899, 15.7 million acres had been given to Europeans…. Seen from the African viewpoint, it was a tale of unmitigated dispossession. The cattle, symbol of wealth for the Ndebele especially, were taken from them. An alien approach to land ownership was foisted on them. The best grazing land was now in the hands of the Europeans. (2011: 19-20)

Fisher (2010:1) describes the above as an "early act of white dominance" which has significant implications for the future. Good (1974: 11) also points out that Pioneer Column contingent was the "nucleus of the future settler society". It was precisely at this point that a vicious century-old class struggle that continues to unfold to this day was set in motion. Having conquered the indigenous people, the chartered BSAC became the de facto colonial government tasked with managing the Rhodesian colony on behalf of the British monarchy. The company immediately imposed a monetary economy and forcefully drafted the Rhodesian territory and its people into the global capitalist system (Clarke, 1980; Chikuhwa, 2013). The imposition of a capitalist system opened up the economy, especially the mining sector, to international investors who had the capital, thus excluding indigenous people to whom capital was an alien concept. This explains why Zimbabwe's economy from agriculture to banking, finance and mining, like any other post-colonial state, is dominated by Multi-National Corporations (MNCs). The preponderance of MNCs in the vital sectors of the economy is indeed the anti-thesis of the indigenization and economic empowerment discourse.

As it were, on attaining independence in 1980 the new Zimbabwean government inherited an economy that was structurally configured to reproduce and reinforce the rigid social and racial relations of privilege and poverty. It was an economy veritably and unassailably dominated by the white settlers and international companies, while systematically excluding indigenous people and consequently condemning them to abject poverty (Sachikonye, 2011). Indeed Mandaza (1986) was spot-on in branding post-colonial Zimbabwe a 'post-white-settler-colonial-state'. Such a characterization aptly captured the economic and political domination of the white-settler minority at the dawn of independence and thus the overwhelming strength of the forces of continuity. Citing evidence of racial inequality, Raftopolous and Compagnon (2003: 15) note that 63% of senior management posts in the industrial, financial, commercial and other sectors were held by whites. In the vital agricultural sector, about 4000 white farmers owned 15 million hectares of the prime agricultural land while millions of black families had to make do with arid sub-prime communal lands (Moyo, 2007; Scoones et al, 2016).

In the same volume Kanyenze (2003: 37) corroborates these observations citing evidence of wide income inequalities between whites and blacks. The latter made up 97 percent of the population and controlled just 60% of the income, while the former controlled 37% of the income despite making up 2 percent of the population. There was also an international dimension to the economic inequality. Clarke (1980) meticulously documented the historical grip international companies have had on the various sectors of the Zimbabwean economy such as mining, transport, banking and manufacturing. In the mining sector, which is the focus of this study, foreign oligopolies have historically crowded out potential local investors (Chikuhwa, 2013). According to Sibanda (2018), the mining sector makes up between 12 and 16 percent of Zimbabwe's Gross Domestic Product (GDP). Consequently, the spotlight was focused on how the nationalist post-colonial government was going to handle the issue of economic inequality and exclusion (especially that of land redistribution) which was the very raison-detre of the armed liberation struggle. This is also the core premise of the economic indigenization programme which the government has dubbed the third phase of the liberation struggle or the ‘Third Chimurenga’ (See Zanu-PF Manifesto, 2013). Hence, this research is an inquiry into the post-colonial government’s efforts to change the ownership structure and reduce the influence of foreign capital in the mining sector through the indigenization and economic empowerment policy. The research explores and critiques the conception, methodology, and process of the indigenization programme with a view to finding a comprehensive explanation for the outcomes of the policy thus far. It is a historically grounded and context-based inquiry on the implementation of a potentially transformative policy within the context of Zimbabwe’s unique institutional framework, power politics, and external relations.

That said, this chapter serves primarily as a broad layout of this research inquiry. The first section of the chapter is dedicated to defining the research problem and the following section outlines the main objectives and core questions that this study seeks to address on the post-independence indigenization project in Zimbabwe. The objectives and the key research questions will help delineate the scope and focus of the study. A tabulated chronological account of what the author considers to be Zimbabwe’s most important milestones in nation-building stretching from its pre-colonial era to the present period will be presented. Such an account places the indigenization policy into perspective in the context of some of the moments that defined the course of the country’s history. Moreover, this chapter will also discuss a series of concepts that have dominated the indigenization discourse such as indigeneity and citizenship, nationalism and the national question, class formation and property rights. Finally, the justification for the study and the structure of the dissertation will be the subjects of the last two sections of the chapter.

1.2 Contribution of study to academic inquiry

A lot has been said and written about Zimbabwe’s indigenization and economic empowerment policy (Mufema, 1998; Raftopolous and Compagnon, 2003; Chikuhwa, 2013; Magure, 2014). Zimbabwe’s indigenization policy, which is a quest to build a more inclusive society unencumbered by the legacies of settler colonialism, is an urgent issue across countries that are trying to emerge from colonial experiences. While there are studies that have discussed the indigenization of the mining sector in Zimbabwe (Saunders, 2008; Magure, 2012), no study has yet been undertaken on the same subject whose scope transcends the pre-colonial, colonial and post-independence eras. Thus, what makes this study unique is that it is a comprehensive and in-depth investigation of Zimbabwe's indigenization policy in the mining sector that draws from the past to the current dynamics. It probes the historical, ideological, political, legal, social, economic and geopolitical contexts which not only possibly shaped the outcomes of, but also influenced the structure, content and process of the indigenization policy. The study relies on a historical and critical-interpretivist approach to investigate how the state, class dynamics and Zimbabwe's external relations combined to shape the trajectory of the indigenization programme in the mining sector.

That said, this research was based on the following hypothesis:

1. There is a relationship between the class character of state power and the trajectory of indigenization in the mining sector.

2. The indigenization of Zimbabwe's mining sector is significantly determined by the prevailing balance of power amongst the various class forces in the mining sector.

3. Zimbabwe's position in the prevailing world order and the concomitant implications it entails may significantly affect the implementation of the indigenization policy in the mining sector.

1.3 Key research questions

This research inquiry was guided by a series of questions that underpin the different dimensions of the research problem which include the historical, socio-political and international contexts. The subsidiary questions will help unpack the main research question in a more nuanced and systematic fashion. The questions are not arranged in any particular order but each of them sheds light on different aspects of the indigenization policy. Some of the questions address the wider political and economic dynamics which shaped the environment in which indigenization in the mining sector was implemented. The questions are as follows:

i. How has Zimbabwe's historical experience of settler-colonialism shaped its indigenisation and economic empowerment policy?

ii. What is the history, significance, and the structure of the mining sector in Zimbabwe?

iii. What has been the qualitative impact of the political, socio-economic context and external relations on the process and outcomes of the indigenization programme in Zimbabwe's mining industry?

iv. How much influence does foreign capital have in the minerals sector in Zimbabwe in the context of the indigenization policy?

v. To what extent has Zimbabwe's post-independence indigenization project achieved its objectives of an equitable distribution of wealth to the previously disadvantaged in the mining sector?

1.4 Research objectives

The main objective of this research is to describe and analyse the process of the indigenization policy in Zimbabwe's minerals sector. An in-depth descriptive account is likely to reveal as yet unknown facts about the application of the policy and help build a comprehensive explanatory account of both the process and outcome of the policy.

i. To give an account of the bearing of settler colonialism on Zimbabwe's decision to pursue economic indigenization.

ii. To describe the history and structure of Zimbabwe's mining sector

iii. To critically analyse the implementation process of indigenization policy in the mining sector with a view to identifying the factors that advanced or militated against the goals of the policy.

iv. To understand how the state framework, class relations and Zimbabwe's position in the global order shape the course of transformation in the minerals sector.

v. To evaluate the extent to which Zimbabwe's indigenization policy has realised its key objective of promoting the representation of local players in the mining industry.

1.5 Justification for the study

This study is a modest and timely intervention in the current discourse on Africa and the larger post-colonial world's developmental crisis. Decades after the attainment of independence, socio-economic transformation has proved to be an elusive goal for the majority of the former colonies. Economic stagnation, acute dependency syndrome, widespread poverty and severe underdevelopment still dominate the narrative on post-colonial societies (Ndlovu-Gatsheni, 2013; Moyo and Yeros, 2011). By casting the spotlight on Zimbabwe's much talked-about indigenization and economic empowerment initiative, the study touches on an urgent issue that resonates with most post-colonial countries and their people. The indigenization policy in Zimbabwe represents a search for an alternative strategy to combat the crippling development inertia. However, the search for effective policy alternatives must be premised on an adequate understanding of the context that post-colonial societies find themselves in.

This research is a historically grounded probe of Zimbabwe's experiences and efforts at transforming and indigenizing its minerals sector (one of its most lucrative economic sectors), in the post-independence era. The quest to indigenize Zimbabwe's mining industry has revealed some of the underlying determinants and forces that can help yield new insights on the trajectory of socio-economic transformation in the country. This study uses the tripartite framework of state power, local class struggles, and the global order as the primary determinants with significant influence on the course of economic indigenization. The tripartite framework enables a dynamic explanation of Zimbabwe and other post-colonial societies' present malaise from a careful and systematic synthesis of internal and external dynamics. The historical exploration of this dynamic triad may lead to new theoretical and conceptual vistas that may become the basis of better-informed policies in post-colonial societies.

This study was focused on the mining sector which is one of the more than a dozen sectors that have been targeted for local takeover in the 2007 Indigenization and Economic Empowerment Act. The mining sector will be very important in contributing to the successful indigenization of the Zimbabwean economy for a number of reasons. According to the Zimbabwe Investment Authority (ZIA) report in 2015, the mining industry is the second most sought after by foreign and domestic investment after manufacturing. In 2014 ZIA approved 38 investment projects in mining to the value of $488 million (ZIA, 2015). The new Emmerson Mnangagwa-led administration has announced plans to create a US$12 billion mining industry making it the center of the country's economic turnaround strategy (Samaita, 2019). This perhaps also justifies or explains why the indigenization drive made the mining sector a priority with some of the biggest indigenisation deals having been concluded with big mining companies (Impala Platinum - $900 million; Mimosa - $536 million) (*New African*, 2013). The mining sector has the potential to be the proverbial goose that lays the golden eggs hence this study's interest in efforts to transform the sector in Zimbabwe.

1.6 Research methodology: paradigm and approach

This study is informed by an interpretivist research paradigm. Interpretivism is a research paradigm that places emphasis on the interpretation of data be it from a subject or a document (Dean, 2018). It is a search for meaning in the words and actions of subjects. According to Ryan (2018:8) "interpretivism argues that truth and knowledge are subjective as well as culturally and historically situated based on people's experiences and their understanding of them". Interpretivism is based on the view that social reality does not exist independent of human consciousness, rather, it is created through consciousness. Reality is complex and multilayered and can only be understood from the perspective of the subjects in their interactions with each other (Searle, 1996). There are as many realities as there are subjects. The interpretivist enables a deeper understanding of the context and is appropriate for the case study method used in this research (See Cao Thanh and Le Thanh, 2015). Central to interpretivism is context which is deemed essential in making systematic understanding possible. The researcher makes an effort to make sense out of the data gathered through interviews, texts, and observation of behaviours, events and actions by thinking through the information (Kivunja and Kuyini, 2017). An interprevist paradigm is appropriate for the nature of the present study which is highly contextual and historical. The paradigm will help understand and process the actions and decisions of actors and stakeholders in the indigenization of the mining sector in Zimbabwe. The implementation of national policy is not a mechanical process. It depends on the subjective experiences and perceptions of the people involved.

The research methods that were used in this study relied on a qualitative approach. Qualitative approach is an investigation of the processes of the social world that places a premium on the meaning and motivation that individuals attach to their behaviours, actions and choices (Hancock, Ockleford and Windridge, 2009). According to Shank (2002) qualitative research is an empirical and systematic search for meaning. Astalin (2013) is of the view that qualitative research seeks to build a holistic description of a social phenomenon. Qualitative research makes possible an in-depth description and analysis of a complex world that cannot be easily captured by figures. Although flexible, qualitative approach is highly systematic. The qualitative approach makes possible a rich and in-depth study of the social phenomenon under investigation. Unlike a quantitative approach, the qualitative uses words, bodily movements, actions among other things to understand social processes (Ospina, 2004). Thus, qualitative research enables a better understanding of how and why certain events occur or why individuals make the choices they make (See Kielmann, Cataldo and Seeley, 2012). Some research methods used in a qualitative approach include case studies, unstructured interviews, participant observation and documentary analysis among others. The qualtitative methodology is appropriate for the present research because of its ability to go beneath the surface and unearth new perspectives while remaining sensitive to context. The indigenization policy implementation involves a lot of actors who must coordinate their actions. A qualitative approach would help to understand why actors may do things differently and their possible motivations because these affect the trajectory and the outcome of the policy. This study seeks to understand the indigenization of the mining sector in Zimbabwe from its complex history of settler-colonialism through to its contemporary politics and its position in the international system.

1.6.1 Case study approach: 'Casing' Zimbabwe's Indigenization Process

> A significant part of what we know about the social and political world comes from case studies. (Venesson, 2007: 223)

While colonialism was a transnational historical fact experienced by a large number of countries in the global south, the forms it assumed varied from country to country. The existing body of knowledge about colonialism is really an accumulation of case studies done in different colonial societies (Fanon, 1961; Ranger, 1985). There was no universal experience of colonialism – only varying experiences structurally and aesthetically proximate enough to share the label of colonialism. In the same manner, the quest to undo the damaging legacies of colonialism has led to the birth of universal (at least in post-colonial societies) concept of decolonization. However, decolonization is seldom anything more than a shorthand description of the strikingly diverse strategies adopted by post-colonies in redressing colonial injustices. Hence, it is the position adopted in this study that the story of decolonization can only be effectively told through case-studies which are also the building blocks of the knowledge of the phenomenon. This study intends to contribute to the understanding of the phenomenon through an exploratory and interpretative *case-study* of Zimbabwe's post-independence indigenization policy in the mining sector that seeks to redistribute mineral wealth from the foreign-owned companies to indigenous Zimbabweans who were previously excluded from the mainstream economy under the colonial government. Thus, the first and fundamental methodological decision of this study was to make it a case study of a historical and continent-wide phenomenon that has certainly impacted on the course of Africa and Zimbabwe's post-colonial history.

Case studies' epistemological value has been evidenced through their use in some of the most important works dealing with social transformation (Skocpol, 1979; Adedeji, 1981; Evans, 1995). There are many definitions of case studies that lay emphasis on different aspects. According to Yin (2009) a case study is an "empirical inquiry that investigates a contemporary phenomenon within its real-life context". Zainal (2007) adds that one of the defining features of case studies include "a detailed contextual analysis of a limited number of events or conditions and their relationships". Rose, Spinks and Canhoto (2015: 1) define a case study as the "investigation of one or more specific instances of something that comprise the cases in the study". Case studies can also come handy in clarifying the structure of a larger phenomenon by improving on theoretical explanation (See Venesson, 2007). A case study approach places the researcher in a better position to scrutinize information on a specific phenomenon within a specific context paying attention to detail. This approach has the potential to enrich or challenge an established theoretical framework or even trigger a revision of an accepted theory.

The case study method adopted in this study is by no means a fragmentation of a broader transnational phenomenon. Indeed, even though the variation of decolonization strategies and experiences from country to country has been palpable it is seldom so radical nor fundamental as to make these experiences utterly foreign to each other. Zimbabwe, like other post-colonial societies, possesses unique political, historical and cultural characteristics whose possible impact on the trajectory of the indigenization and redistribution policy merit deeper interrogation. The epistemological import of a case-study approach lies in its potential to reveal new aspects of a continent-wide historical process that has become a permanent part of post-colonial Africa's political discourse. Thus, the representation of the Zimbabwean experience has the potential to make new scientific contributions to the indigenization discourse in Africa and beyond.

1.7 Data collection: sources and procedures

1.7.1 Research population: Sampling and selection of respondents

This study is an interpretive exploration of Zimbabwe's post-independence efforts to transform the minerals sector through the indigenization of mining enterprises. It explores the dynamics that have shaped the process and the outcome in significant ways. The indigenization policy in Zimbabwe has affected different constituencies in different ways and its implementation has involved a network of actors located in different spheres of the society. As such, to construct a nuanced and inclusive narrative it was necessary to cast the net wider and deeper by consulting the representatives of various constituencies on their perspectives on and experience of the indigenization policy. The target population for the study included government officials, members of parliament, academics, civil society activists, private sector players, trade unionists directly involved in the country's mining sector or possessing expertise on the sector.

The respondents were selected through *purposive stakeholder sampling* and *snowball sampling* techniques. Palys (2008) notes that stakeholder sampling is important in policy analysis research as it enables the researcher to gather the insights of the main actors in the implementation process. It is a non-probability sampling technique in which the researcher relies on their discretion and judgement in the selection of research respondents. Snowball sampling is also a non-probability type of sampling that relies on respondents to identify other respondents who may be knowledgeable about certain aspects of the research topic (Biernacki and Waldorf, 1981). There are many people who participate in the policy implementation process but work in obscurity. In such cases, people who are familiar and close to the processes can help identify other people with more information. Snowball sampling was used to locate more potential respondents while purposive stakeholder sampling was useful in selecting which respondents to interview. The criteria used in purposive sampling were the extent and nature of one's involvement in the indigenization of the mining sector and their expertise or knowledge of the same.

Using the sampling strategies just outlined, this study conducted in-depth interviews with people located and working in different organizations and capacities related to the implementation of the indigenization policy in the mining sector. Interviewees were drawn from the Ministry of Youth, Indigenization and Economic Empowerment; Ministry of Mines and Mining Development, the Zimbabwe Chamber of Mines, the University of Zimbabwe, the Parliament of Zimbabwe, Gwanda Community Share Ownership Trust, Umguza Community Share Ownership Trust, The Zimbabwe Miners Federation (ZMF), Indigenous Business Women Development, Zimbabwe School of Mines; National Mineworkers Union of Zimbabwe (NMWUZ); Associated Mineworkers Union of Zimbabwe (AMWUZ); National Indigenization and Economic Empowerment Board (NIEEB). The sample reflected the diversity of the participants in Zimbabwe's mining sector which include government officials, legislators, private sector players, civil society organizations, academics, workers, politicians and community leaders among others.

Table 1.1: Number of interviewees from various organizations

Organization/Occupation	Number of interviewees
Ministry of Youth, Indigenization and Economic Empowerment*	12

Ministry of Mines and Mining Development	7
The Zimbabwe Miners Federation (ZMF)	5
Mineworkers representatives	4
Chamber of Mines	1
Academia/Civil society	6
Legislators	1
Total	**36**

*Include interviewees drawn from the Ministry, NIEEB, NIEEF and CSOTs

The one-on-one interface with the key informants who are close to the policy making processes furnishes the researcher with first-hand information in addition to allowing for a deeper exploration on specific elements of the topic at hand (Kumar and Phrommathed 2005: 114). The main aim in conducting the interviews was to gather the perceptions and beliefs of the various stakeholders on the indigenization process as it was implemented in the mining sector. These perceptions were important in comprehending how the interests of the various actors related to each other concerning the indigenization process in the minerals sector. This information is crucial in that it can shed light on the nature of political relationships and power dynamics that underpin the decision-making within the context of policy implementation and compliance and also performance in terms of the extent to which the objectives of the policy are achieved.

1.7.2 Interviews (2017-2018)

Interviews constituted one of the chief techniques used to collect data for this study. Interviews are a systematic and orderly way of conducting a conversation with a research participant in a way that elicits deep exploration of the topic of interest in order to produce new knowledge (See Kvale, 1996). One of the advantages of interviews over other techniques is that they capture the feelings and motivations of the respondents making it possible to understand their views of reality which shape the decisions they make (Alshenqeeti, 2014). For a study based on a subjective interrogation of the indigenization process in Zimbabwe, interviews were the most appropriate method of gathering data. Unlike documentary sources, interviews give the researcher an opportunity to seek clarification on relevant matters from the respondents whose actions inform the text of the documentary sources in the first place. Interviews also make it possible for the interviewees to request clarity on the precise meaning of the questions posed.

Interviewees for this study included government officials, academics, small-scale miners, large-scale miners, trade unionists, and members of the civil society.

Before each interview began the researcher would give the interviewees a context of the interview by citing relevant government documents and other sources. The interviewee would be given the informed consent form to read and sign where appropriate. The first part of the interviews was a standard background check of the interviewees in terms of their profession and their role in an organization. The second and more important part of the interviews consisted of semi-structured and open-ended questions designed specifically for the interviewee in question. Semi-structured questions have the advantage of allowing the interviewee to express their feelings and views and give comprehensive answers to the questions posed, while also simultaneously allowing the interviewer to retain control of the interview especially the issues and themes discussed. The background of the interviewees for example Member of Parliament (MP), ministry official, trade union, civil society, or small-scale miner were known before the interview. This made it possible to construct and structure the interview questions in a way that was relevant for the interviewee. All interviewees signed the informed consent form as an expression of their agreement to participate in the interview.

The interviews were recorded through an audio-recorder upon the permission of the interviewee. Some of the interviewees, especially government officials were very reluctant to put their responses on record as they feared what one of them referred to as ‘political persecution’ if their responses happened to reach the ears of their superiors. This reflected how politically sensitive the issue of indigenization is in Zimbabwe. The languages used to conduct the interviews were a mixture of local languages, Shona and IsiNdebele, which the research was all comfortable with and English. The flexibility over the use of languages proved extremely advantageous as it allowed the interviewee to express themselves without any inhibitions or limitations.

The process of getting access to the interviewees most of whom held leadership positions in the private sector, in civil society, government and academia was notoriously difficult. The potential interviewees lead very busy work lives and most could only be accessed through their secretaries. Sometimes even sticking to the previously agreed-on appointment times proved a challenge for some of the respondents when appointment times clashed with unscheduled work meetings or other engagements. In a number of cases the researcher had to go back and forth several times before I successfully got the opportunity to talk to the respondent. This was very costly in terms of time and financial resources. The interviewees were located in different parts of Zimbabwe but the majority reside in Bulawayo and Harare which meant a lot of travelling between the two cities that are more than 400 kilometers apart. Most of the interviews were done in the two cities because most of the stakeholders (legislators, civil society activists, ministry officials and mining company offices) are located there. The researcher also held interviews in Gwanda town which had one of the most successful Community Share Ownership Trusts and some of the biggest mining companies in the country. They also travelled to Zvishavane town which hosts the platinum minning company, Mimosa. However, the several efforts made in securing an interview with the CEO were unsuccessful due to factors beyond the researcher's control. The contact details of the interviewees were obtained online or from their places of work through the administrators. In a number of cases, respondents had moved offices without changing the details on their official websites which made locating their new work stations a difficult challenge. Some of the potential respondents' contact numbers seemed to be dysfunctional which made communication all but impossible.

Also, in some cases the researcher had to contact the targeted respondents through their social media pages on Facebook and Twitter if they were available on those platforms. Communication with a good number of respondents was initiated through social media platforms which I found very convenient, faster and cheaper. Some respondents preferred using email platforms which, while very efficient, curtailed the ability to follow-up on some of the answers to the questions posed. In other cases, respondents would ask to view the questions first a few days before the interview took place so they could prepare their responses. There was no problem with this. Some respondents though responded to the questions impromptu. This did not seem to affect the quality of the responses. In the case of Parliament, the researcher had to seek the permission of the administration and also attend a few sittings just to get access to the parliamentarians. Moreover, there were also cases were respondents asked to be 'given something' which meant monetary awards. Such requests were politely turned down as they violated research ethics code. Fortunately, the respondents understood my situation and still continued with the interviews. There were also some occasions where the researcher had to interview three or four respondents at the same time especially amongst government officials who shared office space providing an unscripted focus group set up. Although unplanned, this was a bonus as it meant more diverse views on the topic being discussed. At the same time, this may have inhibited the respondents' ability to freely give their opinions. The researcher suspected this was the case as most of their answers to the questions asked tended to be in agreement.

The first few interviews were in many ways a learning curve. A lot of mistakes, omissions and commissions that weighed negatively on the quality of the interviews could have been avoided. The author went into the interview without having researched the background of the interviewee, and without adequate information on the details of their organization and their role in the organization. In some cases, the researcher cited information they had read elsewhere to challenge some statements they would have made to which they did not take very kindly. Such gaffes affect the quality and flow of the conversation. However, there was improvement with time and the quality of the responses also improved markedly. Another concern was the way the interview questions were structured. Questions that were politically sensitive often attracted long and winding answers short of substance. At times, interviewees would avoid answering questions they thought were too political. The interview questions had to be structured in such a way as to divest them of possible political trappings which may result in responses that defend one's political views and affiliations.

1.7.3 Documentary sources

Besides interviews, the other major source of information for this study consists of documentary materials. Documentary research refers to the analysis of documents that have recorded information regarding events, processes or entities under study (Ahmed, 2010). Public and private documents were consulted in gathering data for this study. Most important among these were government documents such as Acts of Parliament comprising of the various legislations on indigenization and Parliamentary Hansards containing parliamentary debates and minutes of parliamentary committee meetings. Other government publications (including policy statements and regulations, government gazettes, government departments' reports, statistical reports and ministerial reports), also provided invaluable information on the indigenization programme. Complementing public documents were private publications (including political party reports, company reports, civil society organizations research papers) which also provided useful information on the indigenization programme. Moreover, reports from Community Share Ownership Trusts, companies that were targeted for indigenization, trade unions, and associations like the Zimbabwe Chamber of Mines and Human Rights Watch were important in filling in information gaps or corroborating available information on the indigenization policy. Journalistic reports from private and public electronic and print media, especially investigative reports on the sale and acquisition of shares in mining enterprises and reports on government policy pronouncements proved invaluable as credible sources of data (Chikanga, 2003; Chiriga, 2004). It is important to note that documentary research is much more than a mere regurgitation of recorded facts. It involved a rigorous and meticulous process of locating the information obtained within a theoretical framework that improves the intelligibility of the phenomenon being investigated.

In dealing with documentary sources for this research four quality control principles were strictly applied: authenticity, credibility, representativeness and meaning (Scott, 2006). This was done to ensure that the information contained in the documents came from credible sources and could be meaningfully incorporated into the analysis of the indigenization programme in the mining sector. The challenge in relying on documentary evidence, especially on a programme as politically sensitive as indigenization, is that there is a lot of misinformation and misrepresentation done with political motives. There were several instances where even highly regarded national newspapers in both the public and private sectors published stories with misleading information on the indigenization policy[1]. Getting reports from government departments proved to be a challenge as most of the reports were classified as sensitive and confidential and one had to go through an arduous process to get access.

[1] *The Herald*, 13 July 2013, reported that 50 Community Trusts each worth US$10 million had been set up across the country. However, most Trusts had value far below that amount.
The Chronicle, 16 October 2011, reported that Zimplats handed ten percent shareholding to Ngezi Community Trust. This was never the case.

1.7.4 Cyber-ethnography

It goes without saying that in this age of digital revolution, the internet has increasingly become an important intellectual platform that has created new vistas for scholarly research. In this study, the internet proved to be the go-to place for historical and current information. Advances in information and communication technology has made possible the collection of data through cyber and virtual ethnography (Hetland and Morch, 2016). Cyber ethnography is also referred to as digital ethnography, internet ethnography and netnography. According to Black (2016: 105) cyberethnography involves collecting data using online participant observation, blogs, online focus groups, social media sites, chats, Skype and YouTube. Hallet and Barber (2014) point out that with the proliferation of the internet, online spaces have become crucial for social interaction, identity formation and recreation of relationships. They suggest people now have an online habitat in addition to a physical habitat (2014: 307). Emails, Facebook, Twitter, blogs, websites have replaced print media as preferred sources of information. Important data can be gathered in these online platforms. Thus, online communities are increasingly becoming field sites where researchers can collect information from their research participants. Hetland and Morch (2016) are of the view that internet ethnography is less time consuming, less prone to intrusion and uses less resources. This study used such sites as Twitter, Youtube and Whatsapp and other online platforms to collect data some of which pertains to the implementation of the indigenization policy in Zimbabwe.

Through various video-streaming such as YouTube I was able to watch and listen to parliamentary debates and inquiries, political speeches, media interviews that had valuable information on the indigenization policy. Social media was also important especially because a lot of people in leadership positions in government and in the private sector and companies and institutions have verified social media accounts where they posted information pertaining to the indigenization programme. The major advantage of social media sites like Facebook and Twitter is that they provided the opportunity to identify and have interaction with potential research participants. Company websites and ministry websites also became a reliable source of information. However, most government departments in Zimbabwe including those responsible for the indigenization policy have dysfunctional digital pages lacking any useful information. This compelled me to visit them in person to solicit for information.

Just like the documentary sources, internet sources were also subjected to a thorough vetting before being incorporated as admissible evidence. The biggest challenge about using the internet for information is that it is open to everyone and anyone can upload anything. As such the importance of thoroughly verifying the credibility and quality of a source before admitting it cannot be overemphasized. Two sets of 5Cs models for verifying internet sources were faithfully and diligently applied. The first set includes content, credibility, critical thinking, copyright and citations. The second set includes currency and continuity, censorship, connectivity, comparability and context (Kaushik, 2012). Although a significant number of sites failed to make the grade, it was pleasing to note that the majority of internet sources were of high quality

1.8 Data analysis and interpretation

Data analysis is a crucial phase of a research that systematically establishes order, coherence and meaning in an otherwise non-descript mass of raw data. According to Schwandt (2007) data analysis is about making sense of and deducing overarching theories or statements on collected data. As already stated this study collected extensive data on the process of the indigenization of the mining sector in Zimbabwe. The chief aim of the study was to understand the indigenization process from the experiences, actions and decisions of the various actors who were close to the indigenization policy processes in the mining sector. Thus actions, events and decisions related to or surrounding the state, mining firms, government officials, government agencies, trade unions, mining community leaders, international leaders and organizations, civil society players provided the raw data for this study. Statistics from specialist agencies like the Zimbabwe Investment Authority and the Central Statistics Office among others were also collected as data. The actions and attitudes of different actors occupying different places in the production relations of the mining sector and also the opinions of experts in this topic constitute the data that this study dealt with. Informed by a critical constructivist perspective, the data gathered for this study were put through a rigorous qualitative analysis process using thematic, content, textual criticism, and historical analysis techniques.

Thematic analysis was one of the chief techniques used to construct relevant themes and concepts that like rays of light illuminate an otherwise opaque and mysterious phenomenon.

Alhojailan (2012:40) recommends thematic analysis as a valuable and effective tool for "analyzing classifications and presenting themes" which contribute to the intelligibility of the social world. Maguire and Delahunt (2017) emphasize that thematic analysis involves much more than summarizing data – it is instrumental in making sense of the data gathered. Braun and Clarke (2006) even go further to point out that thematic analysis should be the foundational method for the analysis of qualitative data as it also enables the researcher to learn other forms of qualitative analysis. In the process of conducting a thematic analysis for this study, some procedures learnt from methodology literature were applied (Nowell et al, 2017; Castleberry and Nolen, 2018). The first step was to compile the data from the interviews, documentary material and various internet sources into a workable format. This involved the laborious process of transcription of interviews and video evidence and arranging them in files depending on which subset of the target population they were coming from. For example, the transcriptions were filed and classified according to the interviewee's background as government officials, civil society, academics, politicians, workers or private sector player among other indicators. Documentary and internet sources were also reduced and summarized into a form that could be used for analysis.

The second step involved disassembling the raw data grouping items into identifiable patterns of concepts, themes and ideas that are interlinked and interrelated. Disassembling was conducted through coding of specific words, phrases, sentences or lines of thinking to identify similarities and differences and note the emerging patterns. According to Theron (2015: 4) coding can be described as a method to "organize data so that the underlying messages portrayed by the data may become clearer to the researcher". Coding was done manually by going through every file of data and colouring the themes and items which I thought relevant for analysis. While this consumed a huge amount of time, it also made me more intimately familiar with the data. The next step was to reassemble and regroup the coded data into various themes on class relations in the mining sector, corruption, patronage, state capacity, economic empowerment, decolonization, successful and failed indigenization deals, foreign domination, power and political relations, the hierarchical world-system, justice and history among others. Organizing the data into themes made its interpretation, which is the next and final step in thematic analysis, possible. The data was presented in the form of tables, graphs, figures and texts (consisting of excerpts from interviews, speeches, official reports from various entities and media from media reports). In quoting the responses of the interviews, the interviewees were identified by their names. Where interviewees asked to remain anonymous their identity was presented as Interviewee – 1(I-1) or Interviewee – 2 (I-2). The numbering was determined by the time they were interviewed in relation to other interviewees. The presentation of data and its interpretation was done simultaneously.

Content analysis is another effective technique of data analysis employed in this study. Content analysis can be understood broadly as a research strategy that uses the presence of certain words or concepts within texts to draw valid inferences from a text (See Weber, 1990). Neuendorf (2002) suggests that content analysis is the systematic and objective analysis of message characteristics. Kripperndorf (2004) identified empiricism, exploration and prediction as the defining attributes of content analysis. The difference between content and thematic analysis is that whereas the latter focuses on underlying themes that can be derived from the data, the former is literally a record of the frequency of certain expressions, words or concepts in statements. It is concerned with how many times certain words are used and by whom. Thus, content analysis does not only identify themes but also enables the researcher to determine which theme is more dominant than others. As such these two techniques are complementary in the sense that content analysis provides the raw material for the formulation of themes.

Zimbabwe's political-economy is to an important extent the product of the country's history. The dynamics of the indigenization policy cannot be fully grasped if past events that have defined the course of the country's history are not taken into consideration. Hence this study incorporated the historical method of analysis in understanding the current indigenization policy as it has been applied in the mining sector. Historical analysis involves a dynamic interpretative approach to the understanding of past events with regards to how they have shaped the present. Thus, it is more than a mere description of what happened in the past but rather a scientific and systematic undertaking to reveal the historical phases of the development of a phenomenon (Kumar, 2013). According to Wyche et al (2006) historical analysis is a method of learning from records, narratives and accounts of what happened in the past in order to formulate insights into a current phenomenon. Thies (2002: 352) refers to historical analysis as the "use of primary historical documents or historians' interpretation thereof in service of theory development and testing". This study goes back in time to the precolonial, colonial and post-colonial eras to understand how the past has contributed to the character of the dynamics within the structure of Zimbabwe's mining sector, which has arguably been the centerpiece of the country's economy. In various chapters of this research, historical documents are constantly referred to in placing the indigenization policy into proper perspective.

1.9 Challenges encountered

The execution of this study was beset by a myriad of challenges and obstacles which, although distressing, served as a learning curve and a valuable lesson on research. The first challenge was having to go through a cumbersome bureaucratic process to secure gatekeepers' letters from the government offices which took ages to be released. This considerably delayed the commencement of the fieldwork. Another issue was getting access to the respondents most of whom were senior government officials who had busy schedules. At times I had to travel back and forth as a result of dishonored appointments for interviews. While in most cases the interviews eventually took place after several attempts there were some instances where the researcher ended up abandoning efforts to get the interview due to the continued unavailability of the respondents. This had the obvious effect of reducing the potential number of interviewees and thus possibly undermining the depth of the research. However, the use of snowball sampling helped to find new respondents through recommendations from other interviewees.

One worrying difficulty was the connected issues of anonymity and confidentiality on the one hand, and the validity and reliability of the information I got from secondary and primary sources. Firstly, some of the interviewees had reservations about the guarantees of their identity and what they said to the researcher being held in confidence despite the researcher's best efforts to allay their fears. This may have had the unfortunate effect of interviewees not willing to open up and offer their honest opinions on the facts surrounding the policy. I gave them assurances during the interview that their identity will be strictly confidential and there was nothing to worry about. Secondly, the indigenization and economic empowerment policy has led to intense polarization such that the information presented even in the documentary and online could have been motivated by political interests. Thus, the fear of respondents and the politicization of the indigenization policy debate may have had a negative impact on the quality and integrity of the information on the facts of the policy. The lack of reliable information can undermine the validity of the study. As such the researcher tried to ascertain the credibility of the information as thoroughly as possible.

Further, one of the challenges the researcher faced was a personal one. As a Zimbabwean citizen who is also affected by and interested in the implementation of the indigenization policy, the researcher struggled to locate myself as an objective outside observer. It is not easy to cast aside one's pre-existing opinions and inclinations on public matters that have been formed over a lifelong process of socialization. This possibly affected not only the way they interpreted and analyzed the information they got from the data sources, but also shaped the construction of the subject of the research and framing of the research questions. A conscious effort was made to prevent feelings from clouding my approach to the subject of the study. Moreover, this research is centered on a case study of one country which may limit its generalizability and validity beyond Zimbabwe's borders. Admittedly, a comparative study of two or more countries that have at one point in their history adopted the indigenization policy would have yielded more insights into the dynamics that impact on its implementation. However, no two countries are exactly alike. Therefore, despite the limitations that come with a single case study research, case studies have the potential to contribute unique insights into widely held views about social phenomena.

1.10 The Indigenization and Economic Empowerment Policy: The Framework

Zimbabwe's Indigenization and Economic Empowerment Policy **(**hereafter the IEEP) was adopted in 2010 following the enactment of the Indigenization and Economic Empowerment Bill by the Zimbabwean parliament in 2007 and signed into law by former President Robert Mugabe on the 7th of March 2008 (See Zeldin, 2008). The policy is intended to expedite the redistribution of wealth and economic power from foreign-owned companies to indigenous Zimbabweans. The IEEP is an equity-based transformation initiative that seeks to increase the equity participation of indigenous people in multinational companies (MNCs) that are valued at over US$500 000 with a particular focus on mining MNCs. The targeted industries range from transport, tourism, insurance, mining, agriculture, banking and finance, communication, construction, energy and manufacturing. Section 3(a) of the IEE Act states that 51% of the shares in the foreign-owned businesses should be owned by indigenous people including companies and individuals. This meant that local people should have a controlling stake in every company that is valued at half a million United States dollars or more.

To demonstrate its commitment to the empowerment of the rural poor and the workers, the government of Zimbabwe through the IEE Act created Employee and Community Share Ownership Trusts (ESOTs and CSOTs). These are mechanisms designed to ensure that workers and local communities get a fair share of the profits of indigenized businesses. According to the 2010 General Regulations issued under Statutory Instrument 21, the law required that 10% of the shares which form part of the 51% that qualifying businesses have been directed to dispense to indigenous Zimbabweans shall be reserved for the local communities that host those businesses. Under the same Act the ESOTs are entitled to a minimum of 5% share ownership of the companies they work for (IEEA Section 14, 2007). CSOTs are an important component of the indigenization policy in Zimbabwe as they are the chief vehicles through which the rural communities will be empowered and ultimately benefit from the mining operations located in their geographical areas. Section 14B (2) amendment of the IEEA General Regulations (2010) provides for the establishment of CSOTs which is a platform through which local communities are meant to partake in the economic activities of their areas. The section states that:

A community share ownership scheme or trust that complies with this section may be taken into consideration when assessing the extent to which a business has achieved or exceeded the minimum indigenization and empowerment quota.

Section 14(1) of the IEE Act (2007) provides for the establishment of Employee share ownership schemes (ESOS) by the qualifying business[2]:

An employee share ownership scheme or trust that complies with this section may be taken into consideration when assessing the extent to which a business that is a company has achieved or exceeded the minimum indigenization and empowerment quota.

The indigenization law of 2007 also provided for the establishment of the institutional mechanisms to facilitate the process of redistribution. The two prominent institutions created for this purpose include the National Indigenization and Economic Empowerment Board (NIEEB) (IEEA Section 7, 2007) and the National Indigenization and Economic Empowerment Fund (NIEEF) (Section 12). The functions of the NIEEB include advising the government on empowerment strategies, administering the fund, and to oversee compliance with the law (Section 8, 2007). The purpose behind the establishment of the NIEEF was to

[2] Qualifying businesses in this case refers to the foreign-owned companies which meet the minimum threshold of the indigenization and economic empowerment policy.

provide financial assistance to indigenous Zimbabweans for share acquisition, to avail funding for business start-ups and to finance market research that enhances the objectives of the law (Section 12, 2007). Indigenization entails the localization of capital by creating opportunities for indigenous Zimbabweans to participate in the mainstream economy of the country and not just remain on the sidelines. Whether (or not) the legislation is an adequate instrument to effectively address the challenges it is purported to address, is a moot point. Although at the time of writing (2019) the IEE Act still exists as law, the new Emmerson Mnangagwa-led government that came to office in November 2017 has indicated its intention to tone down the Act by limiting it to diamond and platinum mining sectors only (Mugabe, 2017).

1.11 Structure of dissertation

Chapter 1: Introduction and methodology

Chapter 1 was a broad introduction and background to the dissertation. The chapter discussed the main objectives and the central questions that this research intends to answer. The importance of this study and its contribution to academic inquiry was also stated. The chapter also outlined the methodological approach that underpinned the study including the data collection and analysis techniques. Essentially this chapter is the anchor of the whole dissertation since it sets the tone, the scope and the direction that the research work takes as it explores the government of Zimbabwe's efforts to transform and restructure the mining sector.

Chapter 2: Review of Literature

The second chapter focuses on an extensive and incisive analysis of the existing scholarship on economic indigenization and empowerment particularly in the natural resources sector. The utility of this chapter lies in its effort to place the present research in the context of the existing body of knowledge on the phenomenon of indigenization and economic empowerment. Literature whose geographical and time scope varies widely were consulted with a view to fit the focus of the present research within the purview of existing scholarship. Hence the literature review covers the evolution of the indigenization discourse in Zimbabwe and other African countries' experiences. This chapter also covers some of the important themes that this research focused on. The themes were revisited in data presentation and analysis in chapters 6 and 7 so as to gauge any differences or similarities with the findings of this research.

Chapter 3: Indigenization of Zimbabwe's Mining Sector: Through the Lenses of the State, Class Relations, and the World System

The third chapter of the dissertation develops a theoretical framework to explain and make sense of Zimbabwe's experiences in trying to promote local participation in the country's mining sector. The theoretical framework uses a three-pronged approach centred on the state, class relations and the world-economic system as its principal elements. It explains how these three elements connect with each other to shape the character of the indigenization programme in Zimbabwe. The chapter also builds three hypotheses based on each of the principal components of the theoretical framework. The advanced hypotheses capture expectations on how each of the elements may have impacted on the course of the indigenization programme.

Chapter 4: Class Formation in Zimbabwe's Mining Sector: A Historical Background (1890-2000)

This chapter explores the history of the mining sector in Zimbabwe from precolonial times through the first two decades of the post-colonial era. As Zimbabwe was drafted into the world capitalist economy upon being colonized, a whole new mode of production of mineral wealth was imposed by the colonial government. This new mode of production produced new groups of people whose varying roles in the production process were perpetuated by asymmetrical power relations. This chapter articulates the history of the development and the evolution of Zimbabwe's mining sector through spanning the precolonial, colonial and post-colonial eras. It reveals the class struggles that have shaped the structure of the industry as it appears to date and how this has informed the Zimbabwean government's approach to indigenization.

Chapter 5: Data Presentation and Analysis: Indigenization in the Large-scale Mining Sector (1995-2017)

Chapter 5 delves deeper into the implementation of the indigenization policy in Zimbabwe's large-scale mining sector where the government wanted to promote local ownership. The chapter relies on the data collected during the course of the research through interviews with key participants, searching the archives and use of verified government and private sector reports to explore how the policy was applied on individual foreign-owned mining enterprises. This approach yielded significant insights on the impact of state power, class relations and the nature of the world economy on the trajectory and the outcome of the indigenization policy. It enabled a closer scrutiny of the workings of the government, of the balance of class forces outside the state and how Zimbabwe's precarious position in the world order influenced the pace of the indigenization programme. More importantly it also brought into relief the limits of the powers of the state machinery in terms of determining the relations of production in the mining industry.

Chapter 6: Downstream indigenization: Artisanal and small-scale miners, working class, and the peasant communities

This chapter is a continuation of the data-based assessment of the implementation and outcome of Zimbabwe's indigenization policy in the mining sector. Whereas the previous chapter discussed indigenization attempts within the large-scale mining sector, chapter 6 shifts focus to the small-scale sector, workers struggles and peasant communities that host big mining companies. These groups constitute a vital part of the mining sector's class structure on which the mode of mineral wealth production is based. The chapter reveals how the small-scale miners, working class and the rural peasants have been greatly disadvantaged and disempowered in the fight for the indigenization of the mining sector. The working class is repressed through legal and extra-legal means, the peasants have been neglected and the small-scale miners have been marginalized and criminalized. The chapter also revealed an exploitative relationship between the ruling class and small-scale miners in which the former use the state apparatus to exploit the latter. The treatment of these classes, of whom the overwhelming majority are indigenous people, has greatly undermined the main objective of the indigenization policy, which is to promote the representation of indigenous people in various sectors of the economy including the minerals sector.

Chapter 7: Summary of Findings, Further Research Areas and Conclusions

The last chapter presents a general conclusion of the research. The first part of the chapter summarizes and synthesizes the major findings and the prominent themes emerging from the research conducted in relation to existing previous studies on economic indigenization in post-colonial states. The chapter also makes recommendations on how the research on indigenization can be moved forward and how the issue can be approached from a policy-making point of view.

CHAPTER 2

LITERATURE REVIEW

2.1 Introductory Remarks

That every independent country with a state apparatus, territory and population should own and control its economy and resources for its own survival is a normative given. However, this, as empirical evidence has consistently revealed, has not been the case in many African countries, a situation which in itself is, broadly speaking, a normative, logical, moral and structural aberration that merits further inquiry[3]. It is also a reflection of Africa's peculiar historical and contemporary circumstances. Kwame Nkrumah's 'political kingdom'[4] has not, decades after its attainment, been followed by what Bracking (2004) called the 'economic kingdom' thus defying and dampening the high expectations triggered by political independence. Ramose (2006: 3) laments the fact that the decolonization process left the economic power of the colonial rulers untouched arguing that it "constitutes a very grave concern over the structural economic dependency of contemporary Africa". The political kingdom was expected to provide the needed impetus to underwrite efforts to secure economic independence and sovereignty. That has turned out not to be the case. Interestingly however, that African governments' effort to reverse the colonial legacy of economic discrimination has not won unanimous acceptance from the academia, and has been at best embraced with caution in some circles, reflects the delicate and not-so-clear-cut nature of the issue. The lack of consensus (as will be explored below), is possibly due to subjective ideological and political inclinations (Andreason, 2010). Likewise, Zimbabwe's indigenization programme and other similar programmes in African countries, which at least on face value appear to be earnest attempts at reversing past injustices, have elicited mixed responses from the academia and the media (Chengu, 2013; Kurebwa, 2014), perhaps not least because of their mixed outcomes.

[3] In the majority of post-colonial countries the overwhelming numbers of economically disenfranchised indigenous people remains an elephant in the room that cannot be ignored. Attempts to indigenise the economies in countries like Tanzania, Nigeria, Ghana and Zambia have largely been unsuccessful (See Adedeji, 1981).

[4] A phrase adapted from Kwame Nkrumah the first president of independent Ghana's famous statement: 'Seek ye first the political kingdom and all else shall be added unto you'. This statement was widely interpreted to mean that political independence would make it possible for African countries and peoples to assume economic control of their countries (See Deng, 1998)

After the achievement of political independence, new African governments in Ghana, Nigeria and Zambia among other cases pursued economic indigenization in varying scopes, scales and intensity accomplishing varying degrees of success or lack of it (Adedeji, 1981). The post-colonial governments were under no illusions about the flawed economic systems they inherited which condemned the majority of the people to desperate social and economic circumstances. Right across an otherwise highly variegated post-colonial world socio-economic transformation, even if loosely defined, was universally accorded precedence on the agendas of the newly independent states (Deng, 1998). Having secured the support of the people in the anti-colonial struggles dangling the carrot of economic empowerment, the need to empower the hitherto disadvantaged indigenous people has often anchored and informed the economic policies of post-colonial governments. The establishment of equitable economic structures to expedite and facilitate the emancipation of the impoverished native populations was roundly stated as the central objective of the majority of the first four or five-year development plans declared in the morrow of independence. Tanzania's first five-year development plan (1964-1969) was anchored on improving education and literacy as the cornerstone of *Tanzanisation* of the mainstream economy by replacing expatriate workers with indigenous ones (See Nyerere, 1968). As part of its First National Development Plan (1966-71), Zambia promulgated the 1968 Mulungushi Reforms through which the government sought to nationalize foreign owned enterprises by acquiring majority shareholdings. Hence indigenization and other related efforts towards socio-economic transformation have been long-standing items on the agenda of academic research in Africa and beyond (Adedeji, 1981). Some African leaders even developed philosophies to explain and justify strategies of black emancipation. Julius Nyerere of Tanzania is known for *African socialism*, Kwame Nkrumah of Ghana developed what he called *Consciencism*, Kenneth Kaunda of Zambia came up with *Humanism* while Jomo Kenyatta proposed *Harambe*.

A sift through literature on the same subject reveals a dense terrain of assumptions, assertions and counter-assertions highlighting different understandings, versions and visions of the indigenization programme. Disagreements pervade the literature on indigenization and not even the seemingly impeccable moral basis of the policy on which it is largely anchored has been spared (See Mupfema, 1998; Raftopoulous and Compagnon, 2003; Matyszak, 2011; Chengu, 2013; Ndlovu-Gatsheni, 2013; Bwoni, 2015; Musewe, 2016). The debate is polarized between scholars who support the policy and those who are critical of it. For example, Chengu

(2013) confidently asserts that Zimbabwe's indigenization programme fits the bill for adoption in the economics discipline as a model for African economic decolonization. Bwoni (2016) concurs as he lauds the indigenization policy as the only reliable and effective route towards an equitable global economic system. However, Museweni (2016) did not mince his words in his disapproval of the indigenization policy unequivocally stating that "the indigenisation act must go because it is wrong policy at the wrong time for the wrong reasons". In much the same tone Mufema (1998:8-11) dismisses the indigenization drive as a political project of the ruling class designed to consolidate their political and economic hegemony. Ndlovu-Gatsheni (2009: 11) laments what he refers to as the "nativization" of political discourse in which indigenization amounts to a manipulation and caricaturing of the nationalist ideology by the ruling class to purchase political legitimacy. He argues that nationalism should be an inclusive and progressive force and cannot be used to enforce arbitrary discrimination based on one's skin colour or place of birth.

Scholars have also argued for different models of indigenization and economic empowerment with a view to maximizing the effectiveness and efficiency of such policies (Adedeji, 1981; Chowa, 2013; Gono, 2013). Part of the discourse has been centered on the very need for the policy in the first place with some economists like John Robertson[5] quoted as saying "all talk of indigenisation should be abandoned" labelling it as morally unjust to seize other people's properties (Munyuki, 2014). At the other end of the spectrum of the debate are scholars like Ramose (2006) who are convinced that such policies are long overdue and previously colonized peoples deserve distributive and restorative justice. Other scholars (Andreasson, 2010; Matyszak 2011) have pointed out that the narrow definition of indigeneity monopolizes property rights in land and resources to people defined as organic and belonging (sons and daughters of the soil) and strips the sizeable minorities like African immigrants, coloureds, Indians and the whites of any claims to assets. Magure (2015) notes that villagers in Svosve, Zimbabwe, who invaded white-owned farms in their area in 1998 claimed that settler colonialists displaced their forefathers to establish commercial farms on their land. The implication is that the white farmers were conducting farming on land in which they had no property rights. This argument can also be extended to the indigenization of the mining sector to claim that the international corporations are actually conducting mining activities on lands

[5] A renowned economics professor at the University of Zimbabwe who has been perhaps the fiercest critic of Zimbabwe's Indigenisation and Economic Empowerment Act.

belonging to the indigenous people of their host areas. These viewpoints underscore the centrality of the contested notions of property rights underpinning the economic indigenization policy in Zimbabwe.

However much of the debate has rather focused on the specifics, implementation, provisions and how best to structure the indigenization programme to maximize its transformative potential. Some of the central issues discussed include the relationship between indigenization and foreign direct investment (Raftopoulous and Compagnon, 2003; Bwoni, 2015; Magaisa, 2015). Further, literature has also discussed the roles of the different stakeholders in the indigenization debate including the state, the private and public sectors, civil society, the workers and the rural peasant communities. Often the extent and nature of the roles of these various stakeholders have far reaching implications on the outcomes of the policy (Verhoef, 2004; Machinya, 2014; Crisis in Zimbabwe Coalition, 2015).

The indigenization policy in Zimbabwe, if successful, would enable possibly the largest transfer of wealth in any post-colonial state, if not in absolute terms, then definitely in proportion. About US$7 billion is likely to be transferred from the targeted companies to the indigenous people through the IEEA (Zanu PF Election Manifesto 2013: 36). Given the country's record of implementing the largest land reform in Sub-Saharan Africa[6], it is difficult not to take seriously its efforts towards economic indigenization (Mamdani, 2008: 3). This extroverted assault of the neo-colonial system is an unadulterated expression of a shared irritation with the stubborn legacies of colonialism that continue to frustrate efforts to empower previously disadvantaged people in most post-colonial societies (See Ndlovu-Gatsheni, 2013). That said, this chapter conducts an extensive and empirical review of the scholarship on indigenization and decolonization of the post-colonial economies zooming into the key aspects of these policies. The first section is a brief rundown and identification of the salient issues that dominate the content of the indigenization discourse deemed fundamental to the policy. The following sections will delve deeper into how these issues have been dealt with in the literature

[6] Zimbabwe embarked on a land redistribution programme at the turn of the 21st century. The programme saw more than 300 000 families resettled on more than 11 million hectares of land previously held by 6000 white farmers (See Moyo, 2011).

with a view to identifying gaps and limitations, the resolution of which will enrich the existing body of research.

2.2 Conceptualization of indigenization and empowerment

An enormous amount of literature has been produced on the economic empowerment programme in Zimbabwe and Africa in general. The definition and clarification of the concepts of indigenization and empowerment have pre-occupied scholarship on the topic. In an effort to demystify current government policies aimed at reversing colonial legacies, scholars have grappled over what precisely entails the concepts of indigenization and empowerment. Zimbabwe's (IEEA) (2007) has a rather clear and straightforward definition of indigenization. It defines indigenization as the "conscious involvement or participation of the indigenous population in the economic activities of the country to which they previously had no access to ensure the equitable ownership of the nation's resources" (2007:2). The definition is conspicuously silent on the method to be used to achieve indigenization. Matunhu (2012: 9) describes indigenization as the "practice of transferring the ownership of privately-owned economic entities into public ownership underpinned by the notion that previously marginalized people should be given an opportunity to improve themselves". Kurebwa (2014:5) opines that the essence of indigenization is the distribution of the benefits of economic growth to the majority thus making the economy inclusive and sustainable. The foregoing definitions make it clear that indigenization is fundamentally an economic restructuring programme through de-concentration of the control and ownership of wealth.

Adedeji (1981: 32) offers a broad understanding of indigenization as primarily and fundamentally designed to achieve economic decolonization and thus reducing economic dependence on the industrialized countries while promoting and consolidating self-reliance for post-colonial countries. The indigenization or decolonization of the economy is a local as much as it is an international issue and therefore policymakers should also take the global context and dynamics into consideration. As will be argued in the next chapter, the indigenization policy is an attempt by Zimbabwe to change its position in the world system from domination by and dependence on foreign capital by promoting local capital. Success in this regard will be determined by the country's ability to navigate the global forces (foreign capital markets and the Bretton Woods Institutions) that hold an advantageous position in the current world system.

Further refining his conceptualization of indigenization in more concrete and precise terms, Adedeji (1981), suggests that indigenization can be collapsed or classified into four types or categories depending on the methodology and model pursued by the policy makers in different countries. There is indigenization of ownership, indigenization of control, indigenization of technology and indigenization of manpower (1981: 31).

Indigenization of *ownership* seeks to give or transfer the ownership of the country's economic resources to the indigenes of the country under private or public ownership. Zimbabwe's equity-based model of granting majority shareholding to indigenous Zimbabweans in foreign owned companies may fall under this category. Indigenization of *control* aims to increase the influence of indigenous citizens in the economic activities of the country by among other ways, ensuring that there is a critical mass of indigenes on the boards of influential economic enterprises. This is the model that has been followed in South Africa's 2003 Black Economic Empowerment Act, whereby only companies with a certain threshold of black representation can do business with the government. Indigenization of *manpower* Adedeji pointed out, involves conscious efforts by the government through its policies to Africanize economic institutions by employing indigenous people. This is neither control nor ownership but seeks to improve the skills of the indigenous population by giving them employment opportunities in the public and private sector. South Africa has aggressively sought to increase the presence of black people in the mainstream economy through the Employment Equity Act of 1994 which has since been streamlined into the Black Economic Empowerment (BEE) policy. Zimbabwe upon attaining independence also embarked on a massive Africanization of the civil service and the bureaucracy (Moyo, 2011; Mandaza, 1986). The fourth category is the indigenization of *technology*, whereby African countries attempt to curb their dependence on technology and knowledge transfers from the developed countries by developing their own. The lack of technology has resulted in the continent being unable to fully harness its natural resources for its own development thus making it vulnerable to exploitation by the countries who possess the technology.

Some scholars have further argued that indigenization is more than just a means to material improvement for the beneficiaries (Deng, 1998; Ramose, 2001; Andreasson, 2010, Matunhu, 2012). Instead, it is also among other things cultural, moral, psychological and not least ideological. In his analysis on the impact of the indigenization programme in rural communities in Zimbabwe, Matunhu (2012) warns that an economistic understanding of indigenization is risky:

> However, while necessary, money is not the only factor to consider in rural development. Rural communities also need to be empowered ideologically to deal with the complex rural development matrix. Without a properly coordinated mix of skills, knowledge and attitude no amount of money will bring about true development in the rural communities. (Matunhu, 2012: 13)

While this analysis is focused on the rural communities, its emphasis on the need to diversify and broaden the content of the indigenization policy also holds as well in the urban areas. Article 19 of the Government of Botswana's Citizen Economic Empowerment (CEE) policy also recognizes that some barriers to empowerment are by and large psychological and not material. Therefore, the policy noted that if economic empowerment is to be achieved, it is important that a strong sense of national identity and confidence in the citizens be nurtured and developed (2012: 7). In the same manner, Fanon (1961) in his famous essay on decolonization argued that the decolonization process was a psychological battle in which the colonized engaged in the process in order to regain their humanity and self-confidence. Sium, Desai and Ritskes (2012: 3) contend that decolonization is not only about the oppressor and the oppressed switching places but an articulation of power, change and knowledge through a multiplicity of epistemologies, ontologies and axiologies. Writing on Africa's development Deng (1998: 53) points out the importance of cultural capital in the continental quest to achieve sustainable economic development in the post-colonial era. He argues that Africa can scarcely afford to ignore the store of knowledge accumulated over centuries as it is important for understanding African history, conditions and circumstances.

Moreover, Ramose (2001) is of the view that in dealing with the aftermath of colonialism, Africa should be guided by the philosophy of Ubuntu which defines the reality and the being of the Bantu-speaking people. In a comparative analysis of Zimbabwe and South Africa's indigenization policies, Andreasson (2010: 432) makes the case that indigenization is more than just the transfer or redistribution of economic power and resources as is apparently the case in Zimbabwe. He points out that indigenization is a means for uprooting the notions of Africa as inferior and elevating African ideas and knowledge in the quest for socio-economic transformation. As such indigenization should be a way of promoting pride in African values and principles alongside materialistic advancement. This also points to a common misunderstanding in the way scholars have evaluated Zimbabwe's land reform programme. The success and the merits of the programme have been judged solely on the amount of productivity and growth of the agrarian sector following the implementation of the policy. However, though controversial, such non-quantitative factors as the people's deep cultural attachment to the land and the pride that is felt in owning a piece of land have been overlooked if not completely neglected (See Mamdani, 2001).

Besides indigenization, one of the crucial and central concepts in the economic decolonization discourse has been that of empowerment. Chirisa and Bandauko (2015:57) distinguish between empowerment and indigenization stating that the former is the broader economic goal of which the latter is an instrument. In other words, indigenization is the means to economic empowerment. At its core, decolonization and indeed indigenization are attempts to influence and transform the distribution of power (See Matunhu, 2012; Kurebwa et al, 2014; Machinya, 2014). According to the Indigenization Act (2007:2) empowerment refers to the "creation of an environment which enhances the performance of economic activities of indigenous Zimbabweans into which they would have been introduced or involved in through indigenization". This then implies that placing Zimbabweans or giving them a stake in the targeted businesses is logically prior to empowering them. People must be put in a position with resources at their disposal to help them gain the ability to improve their life chances. In a study of the Zvishavane Community Share Ownership Trust (CSOT) in Zimbabwe Machinya (2014: 27) refers to empowerment as a broad-based process designed to facilitate public and community participation towards the attainment of an improved quality of life and social justice.

Matunhu (2012: 10) argues that "indigenisation is inescapably linked with the condition of disempowerment and is a process by which those who have been denied the ability to make choices acquire such abilities". However, while acknowledging the centrality of power in the whole indigenization matrix Mufema (1998) takes a different view of the empowerment process. He argues that indigenization is designed primarily not to empower the poor as widely assumed but rather to boost the ruling class in its quest to consolidate political and economic power (1998: 4-5). According to this opinion, indigenization is more of a struggle to concentrate power at the top rather than devolving power to the bottom masses. Indigenization, therefore would not change the economic structure one bit, but only incorporate a few indigenous elite with no interest in sharing their newfound economic power with the poor majority. In South Africa the BEE policy has been mocked as the "Black Elite Enrichment" as it has often benefited the politically connected elite at the expense of the poor (Kruger, 2011). Bloch (2012) and Robertson (2012) argue that the notion that Zimbabwe's IEEA seeks to empower the poor is illusory since what it does is to disempower the very people it purports to empower. They argue that indigenization policies are deliberately structured to create an economic disaster from which the poor are ill-equipped to cope with.

Magure (2014) for example, also cite the patrimonial tendencies being displayed in the implementation as maneuvers by the ruling class to cement and reinforce its political power. The governing party Zanu-PF would always ensure that the beneficiaries of the indigenization programme are loyal party supporters it can control. Moreover, at the international level indigenization can be understood to be a power struggle between the core and the periphery countries, as the latter seeks to avoid exploitation by the former and moreover to gain some leverage in the international markets. Mufema (1998) explains it thus:

> Zimbabwe like many other developing nations depends largely on the West for the consumption of its primary products and supply of technology, loans and grants. Indeed of late the World Bank and the International Monetary Fund (IMF) seem to have taken a center stage in determining the economic and macro-economic decisions of the country….This dependency limits the ruling class' competitive capacity in the international system and threatens its power base in the domestic scene….Hence the promotion of indigenisation programmes as a political tool to enhance the legitimacy of the elite in the wake of growing influence of international capitalism economically and politically (Mufema, 1998:6).

Therefore, the question of empowerment in the indigenization project is a multi-layered one. Who exactly is the policy empowering and how? It is clear that indigenization has far-reaching implications on the power dynamics at local, national and international levels. That said, it is important to note that there is a huge discrepancy between what indigenization should achieve and what it actually achieves. Rather than promoting equality through widespread distribution of power, it concentrates that power in a minority elite group which continues to exploit the poor as the experience of South Africa has shown.

2.3 The evolution of the indigenization debate in post-independence Zimbabwe

The seeds of the current indigenization discourse in Zimbabwe and Africa as a whole were planted and have been germinating for over a hundred years since the colonial invasion. It was then that the class struggle at the centre of indigenization was set in motion. Writing on Zimbabwe, Fisher (2010) is more precise as he premises the case for indigenization directly on the illegality of the Rudd Concession[7] signed between the settlers and King Lobengula in 1888 which the former used to set up a colonial state. The colonial settlers prevented the growth of an indigenous capitalist class (bourgeoisie) in Zimbabwe through discriminatory legislative measures which made it difficult for the locals to set up business enterprises. The Land Apportionment Act of 1930 prevented blacks from acquiring land or setting up business ventures in areas designated for Europeans by the colonial government (Maphosa, 1998; Fisher, 2010; Dawson and Kelsall, 2011; Chikuhwa, 2013). Although there was a presence of a petty black bourgeoisie in the countryside that ran kiosks and small retail shops serving the black community, breaking into the mainstream economy remained almost impossible for blacks. Such legislation introduced by the colonial government as the Land Apportionment Act, Maize Control Act (1931) and the Industrial Conciliation Act (1934), amongst others suppressed the emergence of African capitalists at every turn.

Davis and Dopcke (1987)'s case study of Gutu from 1900-1939 in Southern Rhodesia showed how the 1931 Maize Control Act had a deleterious impact on the accumulation prospects of African farmers. The Act was an intervention by the colonial state meant to cushion the maize farmers who were suffering massive losses because of depressed export prices. The legislation established a state monopoly over the buying and selling of maize through the Maize Control Board (MCB). The MCB fixed the buying and selling prices of maize (Ibid). However, African farmers in Gutu were forced to sell their maize to the state at very low prices. The MCB would later sell the maize to consumers for a substantial profit. The white farmers, on the other hand, could sell their maize to the MCB at competitive prices enough to cover their costs. The arrangement was such that the white farmers were effectively being subsidised by the African farmers whose accumulation and hence class development prospects were sacrificed (Davis

[7] The Rudd Concession was a treaty that was negotiated and signed by Charles Rudd (an agent of Cecil John Rhodes) and King Lobhengula (the leader of the Ndebele people settled in Western Zimbabwe). The concession granted the British exclusive land and mining rights in Matabeleland and Mashonaland (Fisher, 2010).

and Dopcke, 1987). Shutt (1997) notes how the 1930 Land Apportionment Act segregated land ownership along racial lines reserving the best land for white settlers while Africans were moved to the reserves whose productive capacity was significantly limited. The Act also created Purchase Areas which was land that was sold to well-off Africans of middle-class status. However, Shutt argues that the creation of Purchase Areas was a political rather than an economic move as the farms were meant to act as a buffer zone between African peasants in the reserves and the white commercial farmers in prime land (1997). Moreover, the African farmers in the purchase areas did not receive any support from the state to develop their farms thus their development and growth as a class was stymied.

Nicholas (1994:100) observes that while there were more than 17000 African-operated businesses by 1975 in Rhodesia, most of the businesses were structurally and systematically undermined through repressive and hostile regulations. For example, there were regulations that limited the expansion of black-owned businesses beyond a certain size and also beyond a certain geographical radius. After the attainment of independence, Zimbabwe had no significant presence of an indigenous capitalist class to talk about. This rendered the small number of indigenous capitalists politically and economically weak to make an important ally or to be taken seriously by the new nationalist government in 1980. The nationalist government, being Marxist-Leninist in orientation, was ideologically inclined to prefer state participation to propping up an indigenous business class (Raftopolous and Compagnon, 2003).

With the advent of independence, it was inevitable that the transfer or redistribution of wealth was going to be an important topic in the country's political discourse. This section tries to retrace the evolution of the national discourse on indigenization and economic empowerment in Zimbabwe after independence in 1980 which took quite interesting twists and turns. It is important to follow through development of the discourse because despite the expectations of many, indigenization was not automatically the centre-piece of the government policy post-independence. Quite the contrary, due to obtaining political and economic realities, it was side-lined and ignored as the government tried to propitiate the settler bourgeoisie which was generally considered to be the cash-cow without which the fledgling state could not survive (Mandaza, 1986). The country's relatively short but eventful post-independence history has in no small ways shaped the present discourse and execution of indigenization in the country.

In the aftermath of independence the government led by the then Prime Minister Robert Mugabe (later became executive president in 1987), was reluctant to address the question of economic inequality between white settlers and blacks despite having won the 1980 elections on the promise of addressing racial class divisions (Moyo, 2011). This was not least because of the 1979 Lancaster House constitution which protected the property rights of the settler bourgeoisie, a factor which also aligned with the government's broader policy of reconciliation:

> Mugabe had good reason to compromise on white capital – foreign and local – instead of adopting a confrontational attitude. His most publicized 'reconciliation policy' was partly driven by a sense of 'economic realism', that is his understanding that Zimbabwe suffered from a double dependence, i.e. on world markets of minerals and agricultural products (especially tobacco) on the one hand, and on external industrial and banking capital on the other. (Raftopolous and Compagnon, 2003: 18)

Even the burning land issue was not addressed hands-on despite the fact that most black people were confined to communal areas which yielded poor harvests (Moyo, 1986; 2007). As a matter of fact, the government unleashed violence on the peasant masses who attempted to settle into white-owned land in protest (Moyo, 2007; 2011). Moreover, another factor that may have added to the silence and lack of action on economic transformation was the political disorganization of the peasants in the rural areas and the working class in the urban areas (Sachikonye, 2011; Mandaza, 1986). Selby (2006) identified the alliance between commercial farmers and the post-independence state, lack of unanimity within Zanu-PF, incapacity of the state and the threat of the apartheid regime in South Africa as some of the factors that slowed down the pace of the land reform programme in the first decade of independence. The embryonic African business class in the country lacked the political clout to gain the audience of the government unlike the well-established settler bourgeoisie who had experience in lobbying the government for favours. Further, the new African bureaucratic class having found the means to accumulate wealth using the state machinery was understandably not willing to champion the cause of African entrepreneurs. The nationalist elite in government were ideologically at odds with the existing and aspiring African businessmen who wanted to operate under free market system rather than under excessive state supervision as the political elite preferred.

The new government embarked on a moderate indigenization programme through the establishment of the Small Enterprises Development Corporation (SEDCO) in 1983 under the ministry of trade and commerce. SEDCO was established as a nation-wide scheme to offer financial and technical support to a variety of black-owned small and medium enterprises (SMEs) (Maphosa, 1998). In effect, the institution was the primary vehicle mandated to execute indigenization and economic empowerment through helping small businesses grow especially in the rural areas where the most disadvantaged people lived. Courting organisations like the United Nations Industrial Development Organisation (UNIDO) and the Canadian International Development Agency (CIDA), SEDCO managed to fund and help some small businesses around the country (SEDCO Annual report, 1986). However, the establishment of SEDCO in some ways confirmed the government's willingness to brush the issue of indigenization under the carpet. For starters, SEDCO was far from sufficient as a mechanism to spearhead the radical transformation of the country's economic structure not least because it was chronically underfunded. Maphosa (1998: 188) bemoans SEDCO's lack of political support, incompetent management and undercapitalisation that hamstrung its initiatives. By 1988, five years after the establishment of SEDCO, Africans owned less than 3 percent of manufacturing units (Nicholas, 1994). Moreover, the Zanu-PF government in 1980 believed in the government control of the economy and therefore placed little importance on the development of African entrepreneurs.

The discourse on indigenization gained traction in the early 1990s championed by the Indigenous Business Development Centre (IBDC) with the support of President Mugabe (Raftopoulos and Compagnon, 2003). A national workshop organized by the University of Zimbabwe in August 1994 conducted under the theme *"Indigenization of the Zimbabwean Economy: Problems and Prospects"*, captured the mood thus:

> Economic indigenization relates to the control and ownership of the economy. In Zimbabwe economic control has been concentrated in a small section of its society and multinationals. This state of affairs has hardly changed since independence 14 years ago….Such developments as the formation of the IBDC in 1990, the Parliamentary Committee on Indigenization, and the Cabinet Taskforce on Indigenization represent attempts to solve this anomaly…. (Chiwawa, 1994: 1).

Thus, it was not just the civil society, but the state was also intensifying efforts towards indigenization. The IBDC was formed by a group of black business people (including Strive

Masiyiwa, the founder and chairman of the biggest Zimbabwean-owned multinational telecommunications enterprise Econet Wireless) to lobby the government to create opportunities for black economic empowerment. It was comprised of various lobby organizations that included among them Women in Business, Zimbabwe National Farmers Union, and Zimbabwe Transport Organization (Raftopoulos and Compagnon, 2003). The organization's foundational vision of economic empowerment through the creation and funding of small African businesses set it on a colliding course with the political elite who preferred indigenization through usurping the existing businesses (Raftopolous, 1999). The difference in strategy was likely to be a costly obstacle in the establishment of partnership between the government and the indigenous entrepreneurs thus dimming the prospects of black economic empowerment. Observers like Wild (1997) perceived the IBDC as a nationalist pressure group that gained attention through the manipulation of the nationalist feelings of the black community with a radical agenda of transformation. Dawson and Kelsall (2011) note that the IBDC did register a few breakthroughs as it secured several access rights from the state such as a quota for building contracts.

The reign of the IBDC was, however, short-lived as it soon collapsed because of factionalism and leadership conflicts believed in some quarters to have been engineered by the government (Raftopolous and Compagnon, 2003). It was replaced in 1994 by the Affirmative Action Group (AAG) under the leadership of Philip Chiyangwa, a prominent businessman active in the ruling party Zanu-PF. The AAG departed from the IBDC's original vision of indigenization which was centred on the promotion of entrepreneurship, arguing instead for equity participation, a model preferred by the political elite. It began an intense media campaign to force white-owned companies and multinational corporations to cede shares and leadership positions in their structures to indigenous people. Maphosa (1998: 186) argued that "the AAG used nationalist and racist propaganda to advance the interests of its members, who have extensive political and social connections". The AAG appeared to be pursuing a political agenda rather than the genuine interests of the black business community (Raftopoulos and Compagnon, 2003). The organization took aim at what they alleged to be 'institutional racism' by the privately-owned banks that scuttled the growth of indigenous businesses as blacks did not have the collateral that the banks demanded before granting a loan (Maphosa, 1998: 176).

The efforts of the AAG were immediately vindicated when President Mugabe added the Indigenization and Privatization portfolio in his cabinet in 1995 under the leadership of the late Cephas Msipa[8] (Msipa, 2015). In February 1998 the government released the "Government Policy Framework for Indigenization of the Economy". In the framework, indigenization is defined as the "deliberate economic empowerment of indigenous Zimbabweans mainly through economic expansion" (Government of Zimbabwe, 1998: 2). Among the major objectives of the indigenization policy were increasing productive investment of the indigenous people, creating conditions to allow for economic development and develop a competitive domestic private sector to spearhead economic growth (Ibid). However, even though the government was beginning to take economic indigenization seriously, no laws were enacted to enforce the policy and as such the policy depended on the cooperation of foreign and white-owned business and the political will of the government which was not always there. Msipa (2015) who was in charge of the indigenization portfolio then, laments that most businesses did not cooperate because there was no punishment attached to non-cooperation. Zanu-PF had more than 95% majority seats after the 1995 elections (See Sithole, 1997). It seems the failure to legislate indigenization signalled a deficiency of political will.

The parliament finally passed the IEEA in 2007 when political and economic circumstances pushed the issue up the list of the priorities of the political elite. This was an about-turn in sharp contrast with the half-hearted manner or even outright contempt with which the government had treated the issue for the first two decades of independence. The indigenization programme had finally emerged from years of obscurity in the periphery of the government agenda in the 1980s to a foremost national policy in the late 2000s. However, it is important to note that the legislation passed in 2007 was different in fundamental ways from the government's 1998 policy framework. The 1998 policy advocated a strategy of indigenization based on economic expansion, creating room for indigenous people through entrepreneurship. The 2007 IEEA expedited indigenization through the transfer of ownership of the existing companies to indigenous people.

[8] The late Cephas Msipa was a prominent Zanu-PF politician who served in various portfolios as Mininster and was the Midlands province governor for a long time.

The amount of credit to be extended to the advocacy and activities of the AAG for the eventual adoption of the indigenization policy remains a moot point. A combination of political and economic circumstances may have left the government with no choice but to legislate the indigenization policy. The national elections were due in 2008, a year after the passing of the Indigenization law. In 2007 the government had gone bankrupt as the economy had come to a standstill resulting in a shortage of all basic commodities and hyperinflation (See Wines, 2006). It is plausible that indigenization was meant to oil Zanu-PF's patronage machine while also appearing to be making earnest efforts to ease economic hardships (Magure, 2014). Moreover, it is important to note that while the debate was dominated mostly by the middle class, the law itself was tailored to benefit the working class and rural peasant constituencies through the Employee and Community Share Ownership Trusts (ESOTs and CSOTs) respectively. It was designed to appease the voters and increase its political appeal. In no other sector has the indigenization policy played out as dramatically as in the mining sector which will be the focus of this dissertation.

2.4 Scholarship on the structure and implementation of the indigenization policy in Zimbabwe thus far

A lot has been written about Zimbabwe's current indigenization policy with varying emphases on its different aspects. The Community Share Ownership Trusts (CSOTs), one of the most innovative and potentially transformative components of the policy, has been the subject of a significant amount of critique. The rationale for the establishment of the CSOTs was the need to ensure that rural communities benefit from the exploitation of natural resources in their areas (Kurebwa, 2014: 6; Matsa and Masimbiti, 2014). The indigenization law stipulated that targeted companies cede at least 10% of their shares to CSOTs in Rural District Councils (RDC) in which they operated. Thus, through this law, rural peasant communities would get an opportunity to participate in the production of mineral wealth as equity owners in big companies (especially mining). There have been mixed reactions from scholars regarding the CSOTs. Machinya (2014: 45) argued that CSOTs were necessary as a mechanism of reversing the 'resource curse' – a phenomenon that denotes the ironic relationship between the abundance of natural resources and widespread poverty. Moyo and Mabhena (2014) concur as they point out that mining corporations have been lackadaisical towards the improvement of community welfare and poverty alleviation. The establishment of CSOTs would provide a crucial link between the mining companies and the community.

However, other scholars have been critical of the idea behind CSOTs. Wafawarova (2015) questioned the practicality of, and the very philosophy on which the CSOTs are grounded arguing that the system of direct popular control of resources is widespread but lacks a successful precedent. He contends that such a system of collective control is contrary to human nature and is grossly inefficient as it is not driven by competition and profit. The lack of competition and motivation may result in stagnation and eventual collapse. Crisis in Zimbabwe Coalition (2015: 15) took issue with the regulations which shaped the structure and the functions of the Trusts. They expressed unease with what they labelled as ‘a rigid framework’ which wrongly presumes the homogeneity of the communities’ interests and leaves no scope for innovation on the part of the CSOTs in the execution of their mandate. The structure of the CSOTs concentrates decision-making powers in the community elite and not the ordinary community members themselves. Analysing the standing and status of the communities under the law Murombo (2010: 573) poses some important questions:

> What remains unclear in Zimbabwe and other developing countries is the issue of community mapping. Who constitutes this group we call the ‘local community’? Is membership determined by birth, tribe, clan, descent or the community’s village of origin? Who is the holder of any rights that the local community may have at law – the totality of the community, or elected or hereditary leaders? To what extent can we trust that elected local leaders will be good trustees of the rights of local communities? Are the interests of these local communities homogeneous anyway? (Murombo, 2010: 573)

Notably, failure to resolve the issues raised by Murombo may leave the CSOT schemes vulnerable to capture by the elites for the pursuit of narrow and personal interests. It also makes possible, misunderstanding and internecine fights within the community itself over who belongs and who does not belong to the community.

The lack of legal backing for the CSOTs has also been pointed out as a major weakness (Machinya, 2014; Kurebwa, 2014, Murombo, 2010). Mawowa (2013) observed that “the CSOT program is not rights-based and is at best a half-hearted attempt at asset-based community development”. Murombo (2010) raised concern that the lack of legal backing for the Trusts might significantly undermine the whole empowerment drive since the communities have no defensible rights under the law. The legal void may grant companies a leeway to dodge or avoid funding CSOTs without any consequences (Crisis in Zimbabwe Coalition, 2015: 15). Tshuma (2015: 34) also bemoaned the uncertainty of the current funding system for the

Gwanda CSOT as companies were reluctant to pay 10% of the yearly dividends as directed by section 14B of the 2011 IEEA regulations. The CSOTs mostly rely on the political backing of the ruling party which is able to threaten companies into financing the community development projects.

A number of studies have been conducted in different communities in an effort to gauge the progress made as far as the CSOTs are concerned (Kurebwa, 2014; Machinya, 2014; Moyo and Mabhena, 2014; Matsa and Masimbiti, 2014). In an investigation of the impact of the CSOT programme set up in Gwanda[9], Mabhena and Moyo (2014) and Tshuma (2015) found through field observation that the programme had made possible the construction of schools, clinics, rehabilitation of roads and water systems. The studies also found the majority of their respondents in the area (63%) had a favourable view of the CSOT programme as it had facilitated visible infrastructure development. However, the lack of institutional capacity to implement the CSOT policy in the rural areas and the entrenched culture of corruption amongst the elite who may appropriate benefits to themselves at the expense of their constituents had the potential to hamper the progress made (Mabhena and Moyo, 2014:77). Corrupt activities and organizational deficiency, which reinforce each other have conspired to undermine the potential that the CSOTs may have in effectively fighting poverty in poor communities.

Matsa and Masimbiti (2014) conducted an appraisal of the performance of the Tongogara CSOT in Mashonaland Central which was funded by the Unki Mine operating in the area. In their study the authors noted lack of access to information regarding the programme as 63% of their respondents could not explain or lacked knowledge on what the CSOT was about. However, the majority of the respondents agreed that the trust was making positive developments through improving the state of schools, construction of a dam and the establishment of a nutritional garden. The programme has faced a lot of challenges which include the lack of professionals and administrators to effectively run the Trust (2014: 160). Kurebwa (2014) made a follow-up on the progress of the Bindura CSOT in the Mashonaland West province of Zimbabwe. The research established that 45 projects were underway in the concerned communities potentially benefitting over 100 000 people. Just like in other

[9] An area in the Matabeleland South province of Zimbabwe

communities these projects focused on improving the state of education facilities, mitigating water woes through the drilling of boreholes, improving healthcare facilities and communication infrastructure. However, the author laments the politicization of the indigenization project arguing that political games dominate how the process unfolds which has further exposed the communities to poverty and suffering (2014: 13).

Guvamatanga (2014) reporting on the Mhondoro-Ngezi, Chegutu, Zvimba CSOT which was launched by President Mugabe in 2011 notes that it has yielded positive results. Having received a significant part of the US$10 million pledge from Zimplats[10] the trust has since embarked on various developmental projects. The report notes that, among other things, the CSOT has refurbished and constructed schools, an arts and craft centre, and computerized a vocational training centre in the area. Ndlovu (2015) also made a study of the CSOT in Lupane - an area in the Matabeleland north province. The research found that although most respondents from the community did not know much about the operations of the trust, the few who were in the know did acknowledge the positive impact it has had on infrastructure development.

Machinya (2014)'s in-depth study of the Zvishavane CSOT in the Midlands province funded by the Mimosa mining company revealed some interesting facts. The study observed that the trust had initiated and completed a number of projects like construction of schools, a mortuary and drilling boreholes to improve community welfare. However, there was a critical lack of access to information regarding the functions and the operations of the CSOT. Machinya (2014:73) argues the lack of access to information reflects a 'fractured community' in which there is paternalism through the chiefs' domination of the whole process thus rendering the rest of the community voiceless. The study noted that ordinary members of the community particularly women and the youth rarely participated in the decisions and deliberations of the trust yet they make up the majority of the residents (2014: 83). Commenting on the Mhondoro-Ngezi CSOT Mawowa (2013) also decries its top-down and paternalistic structure which severely limits the participation of ordinary residents in the activities and decisions of the trust. He further argues that the people who sit on the board of the trust are not elected officials which

[10] A platinum mining company operating in the area which is also a subsidiary of Impala Platinum a South African company

raises concerns over the representativeness and the democratic credentials of the trust especially in the light of its mandate in spear-heading the interest of the community (2013).

Some of the literature has taken issue with the legal and moral standing of the indigenization policy as a whole. Matyszak (2011) questions the justice of Zimbabwe's indigenization policy that seeks to redistribute the ownership and control of the country's economic resources which have historically been in the hands of a white minority. Matyszak questions why a young white Zimbabwean born at independence should be saddled with the burden of empowering black Zimbabweans. He argues that a policy that confiscates a significant part of an individual's business simply on the basis of their race or alien status reinforces the very same inequities that it purports to rectify. Moreover, the use of the term indigenization, he argues, promotes racial discrimination against white Zimbabweans.

The indigenization law has also run into legal controversies in which it has clashed with other acts in the constitution rendering it legally impractical. The policy requires that companies transfer at least 51% of their shares to indigenous people. That very clause has been shown to be legally devoid. Matyszak (2014: 3) and Crisis in Zimbabwe Coalition (2015:12) point out that shares in companies are not owned by the company but belong to the shareholders which the company cannot (by law) dispose of. Matyszak (2014) also stressed that indigenization law requirements will be impossible to implement on some companies due in particular to their structure and the laws that govern their operation. Private companies governed by the Articles of Association on which they are founded do not allow members to dispose of their shares to the public but rather can only transfer their shares internally. This makes it impossible for a private company to indigenize its share ownership if there is no indigenous Zimbabwean amongst its shareholders (ibid: 3). Moreover, for large public companies with thousands of shareholders who buy and sell shares frequently it might be impossible to ensure the thousands of transactions that take place keep indigenous shareholders in the majority (ibid: 3). The ruling party Zanu-PF mentioned in its 2013 manifesto that the government was going to set up an indigenous stock exchange without revealing any further details (See the *Zanu-PF Election Manifesto*, 2013).

Other scholars have problematized the legality of the indigenization law in Zimbabwe in terms of the principles of international law (Chitsove, 2014; Mapondera, 2010). Chitsove (2014) conducted a study to investigate how the indigenization law in Zimbabwe stands against the provisions of the international law which governs the relationship between the state and investors. The research sought to establish the extent to which Zimbabwe's IEEA can be classified as non/expropriatory as well as the extent to which they are compensable under international legal provisions. The Organization for Economic Cooperation and Development (OECD) (2004) defines expropriation thus:

> Expropriation or "wealth deprivation" could take different forms: it could be direct where an investment is nationalised or otherwise directly expropriated through formal transfer of title or outright physical seizure. In addition to the term expropriation, terms such as "dispossession", "taking", "deprivation" or "privation" are also used. International law is clear that a seizure of legal title of property constitutes a compensable expropriation.

While the above definition deals with direct expropriation, indirect expropriation is also common and is an important part of the international law. According to El Attar et al (2009: 9) indirect expropriation refers to subtle or covert interference with the use of property leading to the deprivation of the owner of the use or expected benefit of the property even if not to the benefit of the host state. Chitsove (2014: 66) argues that the indigenization measures in Zimbabwe amount to expropriation since they deprive the investor of the ownership of shares and the degree of the loss is permanent. The study concluded that under the principles of international law the indigenization measures, although expropriatory, are proportional to the objective of redressing historical imbalances and as such they are non-compensable. In his scathing assessment of Zimbabwe's indigenization policy Bloch (2008) warned that expropriative and enforced indigenization would be disastrous for the country's economy.

The research corpus on indigenization just reviewed has unearthed far-reaching and valuable insights on Zimbabwe's indigenization policy. However, the majority of the studies focus on the CSOTs while neglecting the Employment Share Ownership Trusts (ESOTs) which were included in section 14 of the principal Indigenization Act of 2007 (Mawowa, 2013; Machinya, 2014; Moyo and Mabhena, 2014). Despite this apparent neglect, the ESOTs are an important vehicle of empowerment for the indigenous people who work in the foreign-owned businesses especially mining enterprises. Only one study (Sibanda, 2013) has been conducted to take stock of the progress made by the ESOTs vis-à-vis the indigenization drive. As such, it seems as if the literature on indigenization is telling the story in bits and pieces. By overlooking the performance of the ESOTs, scholarship is casting a blind eye on an important part of the programme which seeks to address class-based injustice. The ESOTs give expression to the egalitarian and redistributive thrust of the policy which is one of its fundamental tenets, bent on reducing inequality and also eliminating the exploitation of labour by capital.

Further, the indigenization policy is a broad and comprehensive programme with a wider and interconnected cast, the focus on the CSOTs makes the study of the policy narrow and only tells a part of the story. Moreover, the studies conducted thus far seem to miss the bigger picture (Guvamatanga, 2014; Kurebwa, 2014; Ndlovu, 2015). They fail to historicize the position of rural peasants in the relations of production and the resultant class struggle. Most studies are concerned with how the CSOTs use money donated by the multinational companies without interrogating whether the Trusts secured the shareholding in the companies as promised by the policy. Neither do they contextualize the policy within the framework of state power in Zimbabwe and the world capitalist system which are central to the idea of the indigenization policy in the first place. The present study tries to remedy these shortcomings by placing the various indigenization mechanisms in a historical and macro-structural context that shapes the outcomes of the policy.

2.5 Mining sector indigenization: The past, prospects and possibilities

> ….while prior to independence there was no legal restriction on black Zimbabweans starting and owning mines -- and a number did -- impediments to acquiring skills and finance, and a traditional aversion to mining (most mineworkers were from Mozambique and Malawi prior to 1980), meant that there were only half a dozen black Zimbabwean mine managers at Independence. Predictably therefore the main feature of the mining sector in post-Independence Zimbabwe has been the direct investment by government in it in order to rectify this imbalance. (Hollaway, 1997: 30)

From Hollaway’s observation above, the need to transform the mining sector to broaden ownership and create room for new players was obvious and urgent since the attainment of independence in 1980. The structure of the mining sector today reflects the colonial legacy of monopoly and foreign dominance. Chikuhwa (2013: 406) points out that “the country’s leading gold producers are Anglo-American Corporation, Ashanti Goldfields, Falcon Gold, LonRho

Zimbabwe and Rio Tinto”. The platinum and diamond sectors were dominated by foreign-owned companies like South African companies Mimosa, Zimplats and the Chinese company Anjin in Marange diamond fields. Although, with the advent of independence, there has been a surge in small-scale mining by indigenous people, they are still structurally disadvantaged by lack of capital and hostile legal and policy environment (Hawkins, 2009). This section will conduct an extensive survey of the literature on Zimbabwe’s mining sector with a view to identifying the emerging important themes around indigenization.

The government of Zimbabwe was keenly aware of the need to restructure the mining sector early on in the 1980s. The state established the Zimbabwe Mining Development Corporation (ZMDC) (1982) and the Minerals Marketing Corporation of Zimbabwe (MMCZ) (1983) as part of its efforts to transform the mining sector. The ZMDC was earmarked to increase state-ownership of mineral wealth which would also pave way for domestic private entrepreneurs both in the large and small-scale sector. It achieved modest success in increasing local participation in the small-scale mining sector as registered claims increased from 1000 in 1983 to 10 000 in 1990 (Mawowa, 2013: 925). The MMCZ was granted a monopoly over the marketing of mineral produce in Zimbabwe, which meant that the state was in firm control over the flow of minerals in and out of the country (Hollaway, 1997). This meant more state control of the sector.

Saunders (2008) notes how Zimbabwe’s mining sector has, since independence, attracted new groups of foreign investors without acceding space to local investors and entrepreneurs. In the 1990s amidst the structural adjustment programs that liberalized the mining sector, it was foreign investors, not domestic capitalists who dominated the sector. Even in the 2000s as the government held fast to the mantra of economic sovereignty, regional investors from South Africa swiftly replaced the international investors in mining who had fled the macro-economic and political crisis. Saunders argues that empowerment took on a regional rather than local meaning as the mining sector soon opened doors to new black South African players. Black-owned South-African based companies like Metallon Gold, Mwana Africa, and Mmakau Mining soon took advantage of the new openings in the sector and acquired substantial holdings. Saunders also points out that China made significant investments as well during this time. China Machine Building International won a US$1,3 billion contract in coal mining and thermal power generation construction in 2006. In the following year Sinosteel, a Chinese company, paid US$200 million to purchase a controlling stake in Zimbabwe Mining and Iron Smelting Company (ZIMASCO), which was the country's leading ferrochrome producer and the fifth largest in the world. Saunders bemoans the negligible role played by Zimbabwean players as major partners in the new mining investment acquisitions. Some of the companies have prominent politically-connected local participants, but due to lack of transparency, their position and real influence in those companies remains a matter of speculation. Moreover, there has been increasing undermining of communities, local business people and state institutions and apparent reluctance or inability on the part of the government to reinvest mining income for the benefit of the public and the larger economy (2008: 74).

Saunders (2008) further expressed disappointment in the way indigenization and empowerment has been approached in the mining sector. He argues that the "elite-driven and partisan" indigenization policies have promoted tension and distrust amongst the elite and also undermined transparency especially regarding the distribution of mining proceeds, thus effectively disempowering the public. While Saunders does acknowledge the increased participation of the locals in the small-scale sector, he however laments their constant victimization and harassment in the hands of the government. Most recently, the government unleashed a violent operation *Chikorokoza Chapera* in a bid to end perceived illicit dealings in the small-scale sector which includes smuggling of minerals through the parallel market (Mawowa, 2013). Moreover, even the mineworkers have come under constant harassment by the government because of their perceived support of the opposition Movement for Democratic Change (MDC) (2008:76). Saunders is of the view that empowerment in the mining sector is compromised by patronage networks which have become the key determinant of investment patterns and empowerment deals. This, he notes quite rightly, has also eroded the state's supervisory capacity which is the baseline of any successful policy implementation.

Tony Hawkins (2009) in his wide-ranging intervention concerning the prospects of Zimbabwe's mining sector, in the aftermath of the 2000-08 crisis, is reasonably pessimistic, if at times downright dismissive of the government's indigenization policy. Hawkins argues that having just emerged from a debilitating economic crisis, Zimbabwe faces enormous infrastructure and investment deficits, and should necessarily prioritise creating a conducive economic and political environment to attract foreign investment and boost production in the mining sector. He argues that due to this massive setback, indigenization or nationalist policies would not be feasible and encourages the government to review or scale downwards, its indigenization requirements. Hawkins (2009) does not view the ownership-focused indigenization strategy as the best way forward in terms of economic empowerment. Mineral wealth, he argues, can only be depleted and governments should be astute in terms of how they manage profits or rents from mining. He cites countries like Botswana, Malaysia and Norway that have created strategies of reinvesting mineral wealth in creating productive assets like human capital and infrastructure. Thus, true economic empowerment in the mining sector, according to Hawkins, should be measured by the effect that it has on other sectors of the economy, not only equity ownership in the mining companies (Hawkins, 2009: 31). He proposes a series of recommendations on how best to go about maximizing economic empowerment in the mining sector. Firstly, the country needs a comprehensive resource management strategy that takes into consideration the depletion of the resource and devises ways of exploiting it in a sustainable manner. Secondly, the government can ensure economic empowerment through the creation of a Sovereign Wealth Fund (SWF).[11] A wealth fund would shield the government and the country from fluctuations in mineral prices and also promote responsible investments of the mining proceeds into other productive activities. Thirdly, creating sufficient fiscal space in terms of managing how government spends its money to avoid currency overvaluation will be vital to the resuscitation of the mining sector which depends the export market.

Hawkins also points out the need to create a level playing field and the avoidance of discriminatory agreements. The government should come up with a uniform and stable fiscal and mining regime, which will be uniformly used in dealing with large and small mining enterprises especially in the context of the indigenization policy. Large mining companies have been able to draw on their financial and political power to negotiate favourable terms of exchange rate when selling their produce, an advantage that is not available for smaller enterprises. Larger companies are also able to get regular power supplies by paying the Electricity Authority in hard currency and also retain and attract skilled manpower at the

[11] Broadly defined, Sovereign Wealth Funds (SWFs) are government-owned investment corporations that invest their funds – mostly – in foreign currency assets. Usually, the funds are managed separately from central bank reserves, though, as in the case of the very successful Norwegian Fund, management may rest with the central bank. Unlike other publicly-owned funds, such as pension funds, SWFs do not have any explicit liabilities. (See Chhaochharia and Laeven, 2008)

expense of the smaller mines. The government will have to find ways of solving these structural imbalances between small and large mining enterprises, if empowerment in the mining sector is to be achieved (Hawkins, 2009: 47). While Hawkins' recommendations are sound, his analysis suffers from a lack of problematization of the government or state on which the success of his recommendations depends. The view of this researcher is that the mining sector, and indeed every other economic sector, and the government are intimately connected and co-constitutive of each other (See Magure, 2012). The problems in the mining sector, as this dissertation strives to show, reflect the nature of the government in Zimbabwe.

Other scholars investigated the plight and conditions of the country's artisanal and small-scale mining or *Amakorokoza/Makorokoza* as they are locally known in Zimbabwe's Ndebele and Shona languages respectively (Mawowa, 2013; Bello and Bybee, 2014 and Steckling et al, 2014). Small scale mining has the potential to be an important pillar of the national economy and is thus an important aspect of the government's indigenization policy:

> Artisanal gold mining has the potential to deliver great benefits to the local economy and mining communities. Through artisanal mining, many previously unemployed labourers can contribute to the economy. It thus serves a poverty alleviation function, helping to keep thousands of poor citizens economically afloat. As a mechanism for the creation of rural employment, artisanal mining also reduces instances of urban migration. Being rooted in local communities, it draws on the local workforce, through which income and rents generated are fed back into the community. This can also fund other entrepreneurial undertakings in mining communities. (Bello and Bybee, 2014: 2)

UNIDO (2007) estimated that more than 2 million people had become dependent on small-scale mining for survival at the height of the economic crisis. In central Zimbabwe alone, Mawowa, (2013: 936) notes that there is believed to be 600 000 active gold panners. Small-scale mining is believed to have contributed more than 30% of Zimbabwe's gold output of 11 tonnes in 2012 which is testament to the growing importance of the sector (Bello and Bybee, 2014). Thus, small-scale mining has become a vital poverty reduction strategy amongst Zimbabweans raising issues on how the government can assist the miners to enhance economic empowerment in this sector.

However, Mawowa, (2013) bemoans the violence that characterizes the sector that is linked to the fight for claims amongst the Makorokoza on the one hand and the antagonistic relationship between the state and the Makorokoza on the other. He relates how Makorokoza are always looking over their shoulders in central Zimbabwe in fear of reprisals by the police and rival mining groups. This points to the lack of policy or initiative on the part of the government to invest resources in bringing order and certainty to the sector. There is no political will within the ruling Zanu-PF since its top officials including President Emmerson Mnangagwa are believed to be benefitting from the disorder in small-scale mining (See Mawowa, 2013). Spiegel (2009) notes that small-scale miners viewed the new indigenization law as elite-driven with no benefits for them. He also cites other factors like the lack of funding from the government, the lack of access to information that undermines miners' ability to take advantage of opportunities, lots of red tape in government processes and an unfair marketing structure whereby miners do not get their payments in time as some of the main policy issues to be addressed (2009: 42-43).

Murombo (2013) and Dhliwayo (2014) take issue with the legislative framework governing the mining sector as embodied by the Mines and Minerals Act (hereafter MMA) (Chapter 21: 05 of the constitution) as the major obstacle to the transformation of the sector. The legal system and regulatory regime remain central to the indigenization efforts in the sector:

> As noted previously the regulatory frameworks developed during the colonial era were oriented towards promoting maximum extraction of resource. In Zimbabwe the mining laws remain premised on the colonial models hell-bent on efficient extraction and trade in mineral resources. In both countries, consciously or unconsciously, local proxies and elites stepped into the shoes of the colonial powers and multinational companies. Hence the call for indigenization in Zimbabwe and nationalisation in South Africa are not without merit. (Murombo, 2013: 36)

A clear legal and regulatory regime is important for the maximization of benefits accruing from the natural resource sector resulting in the "resource curse"[12] phenomenon. Dhliwayo (2014) argues that the MMA focuses more on extraction of minerals rather than sustainable development. The legislation is also inimical to transparency and accountability thus denying the public any power to influence what happens within the sector. Most of the mining contracts are negotiated in secrecy and are not subject to parliamentary and public scrutiny. This

[12] Resource curse theory is a body of scholarship that has shown how natural-resource rich countries fail to translate that advantage to benefit the broader economy. Instead of investing the profits made from natural resource exploitation, government focus on spending the profits on consumption rather than investing in productive assets that may generate even more income for the economy. (Di John, 2010; Polterovich, Popov and Tonis, 2010)

undermines the aims and objectives of the indigenization and empowerment policy since access to information is key to empowerment. Poorly drafted contracts, under the cover of secrecy, may also harm communities that host the mining enterprises and also small-scale miners who lose access to land and claims. More importantly, the MMA does not make value addition and beneficiation compulsory. Mining companies usually export low value mineral ores which generate limited foreign exchange and undermines the potential of the sector to contribute to economic growth. It is estimated that the country loses more than $10 billion due to the lack of value addition and beneficiation (Dhliwayo, 2014).

Another concern with the mining law is that it does not encourage participation and representation of stakeholders in the decision-making processes but only accommodating the state and the big mining firms. The Mining Affairs Board does not have representatives of the communities and civil society (Dhliwayo, 2014). The decision-making is not democratic since it does not include key stakeholders who oftentimes are directly affected by the government's mining policies. This has resulted in the marginalization of mining communities which have been victims of land, air and water pollution, seizure of land for mining, desecration of cultural sites and sometimes relocation without adequate compensation. Over 1800 households were relocated without immediate compensation to pave way for diamond mining in the Marange area surrounding the diamond fields (Dhliwayo, 2014). The African Union (2009) corroborates these concerns, stating that there should be platforms and channels through which local communities, local government and trade unions are incorporated in the resource exploitation process and oversight.

2.6 Indigenization: Possible models and strategies

The subject of this research, indigenization and economic empowerment, is in many ways a moving target whose dynamism and historicism renders it ill-suited to a generalized model. There are as many strategies of indigenization as there are policies of the same. Any policy of indigenization should be conceptualized and operationalized in cognizance of the unique cultural, political, social and economic circumstances that come with time and place (See Adedeji, 1981; Magure, 2012). Literature focusing on the political economy of the economic empowerment schemes across the African continent is rich in empirical evidence from various countries on empowerment strategies and approaches.

In an analysis of indigenization policy in Nigeria, Ezeife (1981: 170) distinguishes between three models of indigenization: the public-sector, private-sector and mixed economy models. Basically, the public-sector model is nationalization by another name. Nationalization has been relied on by a number of countries as the most effective strategy of placing the control of the economy in the hands of the people through the state (See Mkandawire, 2009). This was justified on the grounds that most industries are beyond the reach of the locals' capacity to invest in because of the high capital requirements. In the case of the shortage of local capital and entrepreneurs the state steps in on behalf of the people. This is what happened in Egypt in the 1950s-60s during Colonel Abdel Nasser's time where the state confiscated industries that were largely owned by French and British companies in what was referred to as 'Egyptianization' (Mansfield, 1973: 677). Nasser, a military general who came to power through a coup, was bent on cultivating and building an image of an independent and strong country that played a significant role in international affairs (Mansfield, 1973). By nationalizing the industries in Egypt, the state could have a strong base from which to exercise its influence on the country's neighbours and beyond (Meredith, 2010).

In Zambia under Kenneth Kaunda in the 1970s, having been disillusioned by the heavy-handedness of the multi-national corporations in the copper industry, the government decided to pursue nationalization. Hundreds of industries were rapidly placed under government control which suddenly established an omnipresence in the economy (Adedeji, 1981). Guinea under Sekou Toure also treaded a similar path in defiance of France, its former colonizer. Toure confiscated the industries owned by French investors leaving the state in total control of the economy soon after independence in 1958 (Meredith, 2010). Nigeria in the 1970s exercised selective nationalization of heavy industries while designating other industries for local private investment. The widespread policies of nationalization across the continent as a way to achieve economic indigenization were squarely the product of their time. The rapid and almost all-round adoption of nationalization seems to have been informed more by the politics and the passions of the day rather than a calculated and rational strategy of economic development.

Mkandawire (2009) premises the issue of indigenization in post-colonial states on a critique of the constitutive and qualitative elements of nationalism. He argues thus:

> Nationalism is inclined to prefer a mode of redistribution that underplays the heterogeneous components within the nation while emphasizing differences and inequalities between citizens and foreign groups that have lorded over them in the past. This can encourage focus on inter-national or inter-racial levelling while tolerating or even encouraging intra-racial or intra-national differences. In such a context, social policy is less likely to deal with class distributional issues than with race relational issues. It does not help much to argue that redistribution is not socialist or that it is creating a national bourgeoisie, which may indeed be the whole point! Most of the indigenisation programmes were carried out in full recognition that they could lead to inequality among the indigenes. (Mkandawire, 2009: 138)

Nationalization turned out to be a monumental failure in most cases. For example, Zambia and Tanzania suffered economic collapse after their leaders' respective decisions to nationalize their countries' industries (See Ake, 1996; Ngowi, 2009). Not only in terms of economic performance but also in the redistribution of wealth and restructuring of the economy. The scourge of widespread poverty and inequality that nationalization was expected to address actually worsened in most cases (Ake, 1996; Mkandawire, 2009).

The parastatals that mushroomed overnight in most African countries (Zambia, Tanzania, Egypt, Zimbabwe among others) immediately became pyramid schemes of making quick money for politicians and the bureaucrats (See Meredith, 2010). Not only were they understaffed and incapacitated to carry out the task they were supposed to perform, but they were also cesspools of corruption and a huge drain on government coffers. Instead of being the vehicles of redistribution to establish a more equal society, most parastatals created new and more crude contours of inequality within the black community (Mufema, 1998). The result was the creation of what scholars refer to as the state bourgeoisie (Fanon, 1961; Moyo and Yeros, 2011; Compagnon and Raftopolus, 2003). Moreover, nationalization schemes were launched without giving due regard to the capacity of the state and the government and the vagaries of the international economy. The governments lacked resources in terms of skilled personnel to carry out their policies, it lacked the moral resolve to ensure that policies were implemented in good faith. Moreover, since African economies were intimately linked to the global economy, the government simply could not match the prowess of the multi-national corporations in production and technology.

Another prominent strategy of indigenization was what Ezeife (1981) referred to as private-sector model. This model advocates that the state defers economic role to the private citizens.

Under this strategy the government strives to promote and protect the growth of an indigenous business class which will be an agent of economic redistribution through creation of jobs and reinvesting in the country. Such policies were adopted by countries like Nigeria, Kenya, Ivory Coast, South Africa and Senegal. The private sector strategy is based on the philosophical assumption that humans are inherently individualist and perform at their best when they have something to gain from what they are doing. The private sector was viewed as more effective and efficient than the lethargic state parastatals. In Kenya, the government led by Jomo Kenyatta nurtured indigenous citizens to venture to industries previously reserved for foreigners and settlers. In Ivory Coast, President Felix Hophouet-Boigny adamantly refused to nationalize the industries arguing that the government had no capacity to run the industries efficiently. In South Africa, the economic empowerment of the black entrepreneurs was an initiative of the private sector which made loans available on generous terms to finance black people's acquisition of shares in various businesses (Marcus et al, 2007). The South African government put in place mechanisms to assist aspiring black business people to set up their own businesses or establish partnerships with existing businesses.

This is also the model that Zimbabwe follows in its current indigenization policy where the state has established a National Indigenisation and Economic Empowerment Fund (NIEEF), to fund the acquisition of shares by black business people. However, such models have also been a dismal failure just like nationalization. Oftentimes state officials take advantage of their proximity to power to benefit from the funds made available by the government to the detriment of honest and genuine businesspeople. People who win contracts or funds are those related to the politicians (Ake, 1996; Saunders, 2008). This has rather worsened poverty and inequality. Moreover, in most African countries, the culture of entrepreneurship is still relatively alien, as such a business class big enough to play any meaningful role in the economy rarely exists. The economy ends up being dominated by foreigners who simply exploit the country's resources without reinvesting (Saunders, 2008). This model is easily vulnerable to patrimonial schemes of the political elite who seek to consolidate their political power by distributing opportunities to loyal supporters (See Magure, 2012).

Supporters of the private sector model believe that the indigenization initiative should be calibrated and designed in a way that is compatible with the hard facts of economic realities

(Bloch, 2012; Chikuhwa, 2013; Musewe, 2014). Rationality, according to this camp should be the cardinal point of departure for any socio-economic transformation policy with hopes of success. The passions and emotions of nationalism, that informed the nationalization drive, should be replaced by sober and dispassionate calculations of capital accumulation and entrepreneurship. Those who hold this view argue that indigenization programme should be designed and implemented in a way that encourages foreign direct investment, increases economic growth and productivity (Bloch, 2008; Robertson, 2012). This line of argument is more concerned about the economic efficiency of the policy. Defending this approach Chikuhwa (2013) points out that indigenization should be part of a broad strategy of economic growth that boosts financial investments and the growth of productive sectors. Economic growth, it is argued, will mitigate poverty and inequality and thus it is compatible with the objectives of indigenization (Sibanda, 2013; Musewe, 2016). Integration into the global economy based on free trade and respect for property rights is paramount for those who subscribe to this rather economistic perspective.

Former Reserve Bank of Zimbabwe Governor Gideon Gono (2013) proposed, in the case of Zimbabwe, the adoption of the Supply and Distribution-based Indigenization and Empowerment model (also known as SADIE). Gono argued that the participation of the indigenous people in the economy can be achieved by making a favourable deal for them in the supply of inputs to established businesses. The government can direct established businesses to procure at least 51% of their inputs from local indigenous suppliers. This, he argued, is better than the equity-ownership model under which indigenous beneficiaries have to wait for uncertain dividends to be availed. More so, such a model is more realistic since the majority of indigenous people cannot afford to purchase shares in the big companies. Sibanda (2013) is of the view that for the economic indigenization to be successful in Zimbabwe, the government must consider adopting an approach sensitive to the different sectors of the economy and different regions of the country rather than a blanket approach. He argues that local people need different skills to operate in the different sectors of the economy, while some sectors may be amenable to indigenization others can prove more challenging. He goes on to urge the government not to start from ground zero but identify existing enterprises owned by indigenous people and help them grow:

> Government should broadly define and de-radicalise indigenisation, allowing for democratic, inclusive non-partisan, non-racial process of empowerment driven by economic ideas and

> business considerations that respect the rule of law and focus on sustainable growth and development of the various sectors of the economy. (Sibanda, 2013: 30)

2.7 Indigenization and Economic Empowerment: The African experience

Just like political decolonization in the 1960s and 1970s became a continent-wide phenomenon, post-independence Africa has been similarly gripped by the mantra of economic decolonization in the form of indigenization of capital. Emerging from broadly identical historical backgrounds of colonial exploitation, the question of how to rectify colonial injustices was one that every country had to deal with. Many countries in Africa – Uganda, Tanzania, Zambia, Kenya, Nigeria, and Ivory Coast among others have made efforts to indigenize their economies and empower their people (Adedeji, 1981). Despite a considerable degree of uniformity in the causal circumstances, African states responded to this challenge using unique approaches tailored to fit the conditions of their socio-economic and political terrain. This being the case, an examination of other African countries' experiences of indigenization and economic empowerment draws out differential dynamics of the phenomenon that would otherwise be missed focusing on a single country. This section runs through the considerable literature that has been produced telling the story of how other countries fared in the quest to indigenize their economies.

2.7.1 Tanzania

One of the first countries in Africa to embark on a significant programme of economic indigenization was Tanzania under the leadership of Julius Nyerere. Nyerere strongly favoured the collective or communal ownership of the country's wealth (Adedeji, 1981). He argued that wealth could only be redistributed effectively through public institutions like the state endowed with a popular mandate to ensure the economic security and welfare of the people (Nyerere, 1968: 2-5). Ngowi (2009) writes about Tanzania in the aftermath of independence:

> The economy continued to be mainly within the hands of the British colonial masters and Asian businessmen. Industries, plantations, banks, mines and relatively large commercial activities continued to be under the British and Asians. (2009:262).

This was the status quo that Tanzania made an effort to change through its policies of facilitating the transfer of wealth to the indigenous Tanzanians. This policy was based on a political document christened *Arusha Declaration* in 1967 which announced the country's intentions to restructure its economy from a privately-owned and market-oriented system to a state-owned and centrally planned economy. Under the Arusha declaration, the government aimed "to exercise effective control over the principal means of production and pursue policies that facilitate the way to collective ownership of resources in this country" (TANU, 1967).

In implementing its economic decolonization and indigenization programme, Tanzania followed a state-based model in which the state drove the process (Ake, 1996; Ngowi, 2009; Etekpe and Okolo, 2010). An elaborate and expansive system of parastatals across various economic sectors was created. Under the National Development Corporation formed in 1965 parastatals were formed in the financial sector to spearhead the industrialization of the country. These included the Tanzania Development Finance Corporation, the Bank of Tanzania, the Central Bank of Commerce, and the Tanzania Investment Bank (Ake, 1996). According to Dias (1970) all commercial banks belonging to British, Indian, Dutch and Tanzanian citizens were nationalized. The National Bank of Commerce was immediately set up to provide funds for public programs intended to increase productivity. Agriculture, the mainstay of the economy, was placed under two parastatals, the National Agricultural and Food Corporation and the National Agricultural Company. The State Trading Corporation was created to manage retail activities. By 1966 Tanzania had 43 parastatals and by 1973, 112 (Ake, 1996). However, Ake (1996) points out that not much was achieved in terms of local ownership and control of the parastatals themselves as the foreign stake kept increasing. In 1967-70 external funds contributed 13 percent of parastatal expenditure. As Tanzania pursued indigenization and self-reliance, the external contribution to parastatal expenditure rose steadily and steeply: 20 percent in 1970-71, 56 percent in 1971-72, 73 percent in 1972-73, and 59 percent in 1973-74 (Ake, 1996).

Tanzania's transformation had a mixed outcome. This is highlighted by the fact that even as the policy resulted in the state effectively controlling a bigger part of the economy through a network of parastatals, the parastatals were not well-run. Ngowi (2009) also argues that the nationalization policies of Tanzania were, on balance, a failure. He points out that the new public enterprises were cesspools of corruption and mismanagement and it was not long before they collapsed under heavy debt. However, Dias (1970) presents a different picture; according to the author Tanzania's nationalization policy was a huge success:

> The NIC was able to report that its business had more than doubled during March, 1967 and all through the fiscal year 1967-68 was able to sustain this doubled rate of business. The NBC in its first full year of operation made a profit of Sh. 17.2 million despite a loss of about Sh. 12.1 million due to the devaluation of the British Pound….During 1968 the National Development Corporation was able to plough back profits of Sh. 30 million into developmental activities. The previous year, among the developmental activities completed were 57 bridges, 3283 miles of roads, 46 schools, 44 dispensaries and 44 new settlements. The State Trading Corporation made a profit of £250,000 in the first 8 months. (Dias, 1970: 74)

2.7.2 Nigeria

Like other post-colonial African states, Nigeria also had to confront the problems of a disarticulated and structurally imbalanced economy whose vital sectors were overwhelmingly dominated by foreigners. The country soon embarked on a programme of indigenization and economic empowerment to stem the preponderance of foreign players in the economy. Balabkins (1980) articulated the situation thus:

> In a study of 1320 firms showing the distribution of ownership and corporate control of public companies registered before 1969 revealed that in large firms with paid up capital ranging between R36 000 and R1. 82 million, expatriate firms and individuals held over 80 percent of the capital. Nigerians also knew that the retail and wholesale sectors were in the hands of Syrians, Lebanese Cypriots and Greeks, this they did not like. (1980: 21)

The public mood was clear, political and economic logic made economic restructuring paramount and urgent more so in the aftermath of a bloody civil war[13], the country could hardly afford anymore chaos. Further, indigenization of the economy would also serve as a much-needed national rallying point to help heal the divisions deepened by the civil war.

Nigeria had a double headache of how to take control of the economy from foreigners and also how to create and nurture a dynamic local business class to lead the industry (Mohamed, 1985). There was a prevailing feeling amongst the ruling class that political independence was hollow without economic independence or would lead to what Balabkins (1980:21) refers to as

[13] Nigeria endured a decade-long civil war in which the South-East (Biafra) fought the federal forces in an attempt to secede from Nigeria. The Federal army was victorious and managed to prevent the secession with the war coming to an end in 1970 (Ake, 1996).

“pseudo-sovereignty”. Ake (1996) argues that Nigeria consciously avoided indigenizing the economy through nationalization but instead preferred the hard task of nurturing a private indigenous business class. This, it was reasoned, would also complement efforts to attract foreign private investment which became crucial in sectors where Nigerians lacked adequate capital to make sound investments.

The ‘Nigerianisation’ of business and industrial enterprises began in 1960 as the government was concerned about 'foreign' or 'alien' ownership of leading industries (Verhoef, 2004: 89). Unlike the Tanzanian model, Nigeria’s indigenization was not averse to private ownership although state governments had to step in to acquire shares in companies designated for indigenization where private indigenous citizens could not (Mohamed, 1985: 4). This was part of the Nigerian Enterprises Promotion Decree (NEPD) of 1972, under the country’s second development plan of 1970-1974. The primary objectives of the NEPD included creating economic opportunities for indigenous business people, profit retention in the country’s economy and encouraging foreign investment in capital goods productions (Verhoef, 2004: 95). The NEPD place Nigerian businesses under two categories: Schedule 1 and Schedule 2. Enterprises under schedule 1 were to be reserved exclusively for indigenous ownership. This category included businesses engaged in bread and cake making, candle manufacture, casinos and gaming centres, hairdressing, laundry and dry-cleaning radio and television broadcasting among others. Schedule 2 excluded foreigners under certain conditions, depending on the size of the operation and level of indigenous share participation. Businesses under Schedule 2 were those in which there was a lack of indigenous capital or expertise mostly in manufacturing. Some of the businesses in this category included beer brewing, furniture making, construction, estate agency, wholesale distribution and shipping among others (Ogbuagu, 1983). Essentially, what the decree achieved was to arrange an accommodation between indigenous and foreign capital; it reduced the chances of conflict and deepened the vested interest of the indigenous leadership in capitalism (Ake, 1996). However, Verhoef (2004), points out that the measures met with limited success as only a few foreign owned companies were complying with the government directive. Only a third of the 950 affected enterprises (314) fully complied after inspection by mid-1975, two years after the proclamation of the NEPD.

General Obasanjo's government embarked on a second phase of indigenization when it assumed power in 1975. The NEPD/77 added a new category of enterprises (schedule 3) in which at least 40% of Nigerian equity participation or interest was guaranteed (Mohamed, 1985; Balabkins 1981). About 39 enterprises were listed under this category, especially a broad range of manufacturing industries and required joint indigenous and foreign ownership. Amongst these were engineering industries, manufacturing of basic industrial chemicals and major export industries. The government reasoned that large capital-intensive industries were required to have 60 per cent foreign and 40 per cent Nigerian participation due to lack of local capital (Uzor, 2008). All commercial and industrial ventures, except single non-renewable projects, were fully indigenized. The Nigerian Enterprises Promotion Board (NEPB) was satisfied with compliance: of the existing enterprises 77,5 per cent were issued with letters of provisional compliance, but of the new enterprises (the joint venture with foreign entrepreneurs) only 11,4 per cent complied (Verhof, 2004). Mohamed (1985: 296) lauds indigenization as a success as he notes that Nigerians invested a capital of over 900 million Naira across 1 447 companies. The government also participated in the acquisition of equity in the banking sector. Federal Government had secured majority shareholding (40 per cent) in all of the eleven commercial and merchant banks in Nigeria. Of the more than 700 schedule three enterprises, only 81 (11,4 per cent) offered their shares for sale on the Nigerian Stock Exchange - a total value of N210 million. Another 29 companies sold shares to Nigerians via private placements to the value of N14 million, while the remainder sold shares privately (Verhof, 2004). These developments, seriously undermined the intention to promote an egalitarian society through indigenization (Ake, 1996).

The benefits of indigenization did not broaden the basis of Nigerian participation in the economy - it promoted unequal share ownership. Analysts strongly argued that Nigerian government officials and the existing business élite had manipulated the indigenization process in both phases, leading to wealth concentration at the expense of the Nigerian masses and the perpetuation of the profitable operation of multinational corporations (Mohamed, 1985; Uzor, 2008). In the end, concludes Ake (1996), indigenization turned out to be only a strategy of incorporation; at best the indigenous political class improved the ownership of the economy but not its control. The drive for indigenization did not alter the division of labor between foreign capital and the indigenous political class, although it might have improved the access of the latter to business opportunities. It also created opportunities for rent-seeking especially on the part of the state officials who may have cut deals with companies wishing to evade compliance with the law.

2.7.3 South Africa

Like Zimbabwe, post-apartheid South Africa confronts burning issues of socio-economic transformation. The country emerged in 1994 from an apartheid system that worked to ensure that the white population disproportionately enjoyed the country's wealth while deliberately denying the majority black population (Shava, 2016). The apartheid government had for decades presided over and perpetuated a system of racial inequality where white citizens monopolized the economic pie while blacks and other minorities settled for crumbs. Nowhere was economic injustice perpetrated in a vulgar and crude manner than it was in South Africa (Seekings and Nattrass, 2005: 4). The need to empower black people economically was high on the post-apartheid government's agenda. The Black Economic Empowerment (BEE) occurred in two phases. The first phase started in the early 90s and was almost entirely private-sector driven without any deliberate policy from the state. The second phase started in 2003 with the adoption of the Broad Based Black Economic Empowerment (BBBEE) Act. This phase saw the state become more proactive and setting up the institutional framework to expedite economic transformation.

The first phase of the BEE in the early 90s the empowerment programme was largely private sector-driven (Ponte, Roberts and Sittert, 2007). The first phase of BEE was focused on increasing black equity participation in the companies with a view to keeping the economic system within the free market system (Acemoglu, Gelb and Robinson, 2007). Tangri and Southall (2008) point out that between 1994 and 1998 the white-dominated private sector companies initiated empowerment deals in which they sold stock to black buyers without the government forcing them. This was on the back of the realization by the white business owners of the need to bring in black people into the mainstream economy. In 1991 SANLAM, a prominent insurance company, sold 10 per cent of its equity in its subsidiary, Metropolitan Life, to a black-owned company. After two years SANLAM sold another 20 per cent of its shares to Methold and in August 1994 Methold was listed on the Johannesburg Securities Exchange as NAIL (New Africa Investments Limited) (*IOL News*, 2004). This pioneering transaction was privately financed (with no state involvement or funding) and without statutory enforcement (Verhof, 2004). It was a unique instance of the private sector taking on the black empowerment drive without waiting to be goaded by the state.

BEE transactions gained momentum in the early 90s. In 1995: 22 BEE deals were concluded; another 45 in 1996 and by the end of 1998 the number of deals stood at approximately 100. Between 1998 and 1999 only, the deal flow rose by 320 per cent. After the path-breaking SANLAM deal many other transactions followed suit (Verhoef, 2004). In 1994 when apartheid officially came to an end there was no single black owned company listed on the Johannesburg Stock Exchange (JSE) while the market capitalisation of BEE companies listed on the JSE stood at R4 billion. In the following year black-owned companies constituted around 0,5 per cent of the total market capitalisation of R4,6 billion. By late 1996 the figure had risen to 6,3 per cent before increasing to 8,6 percent in the first half of 1997, representing a market capitalisation of R36 billion. By January 1999 35 black controlled companies were listed on the JSE, with a combined market capitalisation of R58,7 billion or 5,5 per cent. There were 76 black influenced companies, controlling assets to the value of R18bn out of the total value of R115bn of those companies (Verhoef, 2004). According to Theobald et al (2015) BEE deals undertaken by the JSE's 100 largest companies since 2000 translate into R317 billion. At the end of 2013 black economic interest on the JSE was estimated to be around 23% mainly through BEE deals and direct individual investment. Though company acquisitions are occurring at a very slow pace, it has been remarkable how black people have managed to penetrate the mainstream economy. Barchiesi (2003) also notes that by 2000, 332 black males and 53 black females were company directors in white-dominated companies. He however criticizes this development as a mere public relations ploy by companies associated with apartheid to gain legitimacy in the post-apartheid era.

Moreover, the BEE was not only for the middle-class black elite. Some of the major trade unions in the country moved swiftly to acquire shares in private investments. For example, SARHWU (South African Railways and Harbour Workers' Union) bought shares in a number of businesses. These include Mercantile and Lisbon Bank Holdings (8 per cent), 50 per cent in Bond Industries, 5,3 per cent in Safrica Insurance, 10 per cent in Screenworld and 10 per cent in Supergroup among others (See Verhoef, 2004). The first unions to actively seek investment through their own companies, were the National Council of Trade Unions (Nactu), the Cosatu-linked National Union of Mineworkers (NUM) and the South African Clothing and Textile Workers' Union (Sactwu) (See Letsoalo et al, 2015). The unions had long demanded influence over investments made by their pension funds, but the union investment companies were separate from the pension and provident funds. By 1999 the value of investments controlled by unions exceeded R10 million. More than 60 investments were made by more than 10 union investment companies. The most prominent was SARHWU Investment Holdings, Cosatu's Kopano ke, the National Union of Manufacturing Workers (NUMSA) Investment Trust and the NUM Matla Investment Company, often investing together with the SACTWU Investment Company (Barchiesi, 2003; IOL News, 2004). However, amidst the flurry of empowerment deals, frustration was growing within the black business community in the late 90s on the BEE process being controlled by whites and taking place at a very slow pace. These complaints led to the setting up of the Black Economic Empowerment Commission (BEECOMM) in 1998 led by the current president Cyril Ramaphosa to probe the issue of empowerment further (Tangri and Southall, 2008). The Commission’s report in 2001 concluded that black empowerment had been frustrated and that the private sector was not committed to empowerment. The Commission called for greater government intervention in the process (including legislation if possible) – a controversial recommendation that inspired a fierce debate and set the stage for the transition of the empowerment policy to the second phase (Tangri and Southall, 2008; Mokgobinyane, 2017). The white-dominated corporate sector feared that enforcing the empowerment process through legislation would collapse the market.

After all the debates and back and forth consultations, the South African parliament passed the Broad-Based Black Economic Empowerment (BBBEE) Act 53 in 2003 as a legal instrument with which to increase the representation of black people in the country’s economy. This marked the second phase of the BEE. The BBBEE was defined as “the viable economic empowerment of all black people, in particular women, workers, youth, people with disabilities and people living in rural areas, through diverse but integrated socio-economic strategies” (2003: 12). Section 1 of the Act defines black people as a generic term that includes Africans, Coloureds and Indians who are citizens of South Africa by naturalization, birth or descent (ibid). The objectives of the policy as outlined in Section 2 of the Act include:

a) promoting economic transformation in order to enable meaningful participation of black people in the economy;

b) achieving a substantial change in the racial composition of ownership and management structures and in the skilled occupations of existing and new enterprises;
c) increasing the extent to which communities, workers, cooperatives and other collective enterprises own and manage existing and new enterprises and increasing their access to economic activities, infrastructure and skills training;
d) increasing the extent to which black women own and manage existing and new enterprises, and increasing their access to economic activities, infrastructure and skills training;

Whereas the model of the first phase focused on the transfer of ownership, the new model went beyond ownership. According to the Department of Trade and Industry (DTI) (2018) the BBBEE Act is underpinned by a scorecard with seven elements which include ownership, management control, skills development, enterprise and supplier development, localisation, and socio-economic development (DTI, 2018). The various elements are accorded a weighting that is used to assess compliance of the companies with the Act's requirements. Unlike Zimbabwe's indigenization policy whose major aim was to increase black ownership in the existing enterprises, the BBBEE looks more holistic and multidimensional. Acemoglu, Gelb and Robinson (2007) argue that it was imperative for the post-apartheid state to deal with the legacy of apartheid through direct intervention in the distribution of assets and opportunities and the BBBEE was going to be the perfect instrument to achieve this.

In line with the BBBEE goals, the government has also acted to promote the development of Small, Medium and Micro Enterprises (SMMEs) by establishing funding institutions. The First was Khula Enterprise Finance Facility (KEF) mandated to finance SMMEs as an independent company capitalised by government (DTI, 2018). In a study of 72 companies listed on the Johannesburg Stock Exchange (JSE) focusing on ownership transfer to BEE partners, Sartorius and Botha (2008) found that 27 companies had transferred 10 percent or less. Only 3 companies had transferred about 30 percent, 23 had transferred between 20 and 30 percent while 19 were between 10 and 20 percent. Only 26 companies met the required target of 25 percent transfer of ownership. Patel and Graham (2012) indicate that 1399 BBBEE deals were achieved between 2005 and 2009 mostly in mining, financial and transport sectors.

However, despite the presence of the BBBEEE Act, the empowerment process has been very slow and seemingly benefits only the black elite thus creating and widening inequality within the black community. Tangri and Southall (2008) note that names like Patrice Motsepe, Cyril Ramaphosa, Tokyo Sexwale and Saki Macozoma secure equity worth billions of Rands in various companies in the communication, banking, transport and mining sectors. Patel and Graham (2012) also conclude that in the 1399 deals they studied the majority benefitted individual politically connected beneficiaries rather than broad-based organizations. Out of a thousand deals signed between 2004 and 2006, only about 100 deals had broad-based beneficiaries. Thus, the black empowerment policy in South Africa has also been fraught with difficulties almost identical to those that affected Nigeria's transformation process. It seems the economic transformation process got off to a false start as the representation of blacks in the economy is still minuscule.

2.6.4 Zambia

On attaining independence in 1964 Zambia possessed great potential for economic development as a result of its huge deposits of copper which also happened to be doing well in the world market (Burdette, 1997). However, the legacy of colonialism, although the settler population in Zambia was not as high as it was in Zimbabwe and South Africa, had a visibly debilitating effect on the social, political and economic prospects of the indigenous Zambians. The lack of training and education amongst the indigenous people meant that Zambia faced a chronic shortage of personnel to carry out the administrative tasks of nation and state-building (Ake, 1996). Moreover, the huge influx of rural dwellers who had hitherto been prohibited from settling in urban areas presented a housing and unemployment crisis since the cities and towns were ill-equipped to satisfy the sudden demand.

In the light of the underdeveloped economy and the inequalities that went with it, the United National Independence Party (UNIP) under the leadership of Kenneth Kaunda who was also the country's first president championed the policy of Zambianisation. This policy of indigenization was well encapsulated in the Mulungushi Reforms of 1968 (See Libby and Woakes, 1980). The government made known its intention through the Mulungushi document to acquire majority equity holdings (51%) in vital foreign-owned firms to be controlled by a parastatal conglomerate named the Industrial Development Corporation (INDECO) (See Burawoy, 1972). To Chanda (2015) it was clear "that the main thrust of the Mulungushi Economic Reforms was to put the country's economy 'firmly' in the hands of Zambians". The affected industries included manufacturing, transport, distribution and construction. In line with this policy the Zambian government moved to acquire majority holding in major foreign mining firms like the Anglo-American Corporation and the Rhodesia Consolidated Mines (RCM). These were to be managed by a parastatal known as the Mining Development Corporation (MINDECO). Some of the reasons cited by the government for these takeovers included the following:

- The failure by foreign firms to reinvest in the Zambian economy
- Excessive repatriation of profits at the expense of Zambia's development
- Acute economic inequalities between rural and urban areas on the one hand and between the indigenous Zambians and foreigners on the other.
- Failure by private sector players to develop local human resources resulting in virtually all aspects of the economy falling in the control of foreigners.
- Disproportionate economic influence wielded by multi-national companies
- The inability of the government to take charge of the pace and direction of economic development

The Finance and Development Corporation (FINDECO) was used by the Zambian government to gain control of the insurance industry and building societies. However, the government attempted without success to take over foreign-owned banks like Barclays and Standard Chartered. In 1971 INDECO, MINDECO and FINDECO were merged under the Zambia Industrial and Mining Corporation (ZIMCO), with the country's president Kenneth Kaunda as Board Chairman. ZIMCO was a state holding company whose mandate was to supervise and monitor the operations of the parastatals to protect government interests. At its height the nationalisation crusade brought 80% of the country's economy under state supervision with the private sector taking up 20% (Burdette, 1997). Some of the major state companies that came into existence during the wave of nationalisation include the State Lotteries Board, Dairy Produce Board, Development Bank of Zambia, Mulungushi Textiles Limited, Zambia National Tourist Board, Medical Stores Limited and the National Savings and Credit Bank among others. Through nationalisation of the economy the government hoped to accomplish the following objectives:

- Take control of the economy especially with regards to determining the pace and direction of economic development

- Restore economic power to the government and through government to the people of Zambia.
- Stem the haemorrhage of profits to ensure that earnings were reinvested in the country.

These measures led to an unprecedented growth in the size and influence of the parastatal sector. By 1972 the public sector accounted for 53% of manufacturing output and 42% employment in the same sector. By 1980 the share of the public sector in the total GDP and formal employment were 56 per cent and 54 per cent respectively (Burdette, 1977). However, the performance of the parastatals left a lot to be desired. In the manufacturing sector the government sought to diversify the country's economy through the import substitution industrialization strategy. High tariffs were put in place to protect the country's mining sector, price controls for major commodities and over-valued exchange rates were also some of the instruments the government deployed to expand the economy. In doing this the government was guided by the philosophy of humanism which sought to establish an egalitarian society through the expansion of social service provision such as welfare, education, health, sanitation and nutrition. The mines supported socio-economic activities in their host communities through the building of roads, schools, shops and by providing housing and medical aid facilities for their workers. Ake (1996: 20) points out that the mining companies were nationalized under the Zambia Consolidated Copper Mines, later known as the Zambia Industrial and Mining Corporation. In doing so, Zambia incurred a huge debt in compensation payments to foreign shareholders and the hostility of the expatriates who controlled the management, technology, and production in the mines. This hostility forced Zambia to retreat from its ambitious goals to the point that by 1982 the program of indigenization was largely reversed.

2.8 Concluding remarks

Thus, the indigenization policy in Zimbabwe seems to have many faces. In one dimension it's a historical justice project meant to help redress to the injustices of the past (See Ramose, 2001, 2006; Sium, Desai and Ritskes 2012). It has also been portrayed as a fundamentally well or ill-devised economic project meant to unlock the economic potential of the indigenous people (Matunhu, 2012; Bloch, 2008). Other scholars view indigenization as a largely political project meant to entrench Zanu-PF's stay in power (Mufema, 1998; Magure, 2014). Others criticize indigenization as racist (Matyszak, 2011) and nativist (Ndlovu-Gatsheni, 2009) and based on a distortion of history. Yet others like Chengu

(2013) and Bwoni (2015) see the policy as a blue-print of economic emancipation worthy of emulation by other former colonies across Africa. This goes to show the extent to which the debate on indigenization is polarized. From the briefly examined cases of empowerment policies in Nigeria, South Africa, Tanzania and Zambia, the emerging trend is that indigenization in these countries ultimately failed largely because of lack of local capital and government incompetence. No significant indigenous business class with enough capital was present to take over the businesses and industries that were targeted for indigenization. As such, Zimbabwe would have done better to think of ways of raising capital to bankroll the indigenization project if it was to be successful. The next chapter delves into the theoretical framework that underpinned this study.

CHAPTER 3

Indigenization of Zimbabwe's Mining Sector: Through the Lenses of the State, Class Relations, and the World System

Whatever else we may also have in mind, we mean by theory the processes by which individual facts, findings, observations, or analyses are organized into larger intellectual structures. The point of theory building, they held….was instead to build hard-hitting, critical analyses that challenged unsatisfactory social conditions, showing the discrepancies between what is and what ought to be. (Rule, 1997:25-28)

3.1 The framework

Post-colonial Zimbabwe is to a considerable degree a microcosm of the larger post-colonial world and a polity whose relatively short but eventful post-independence history has been defined by a frantic search for a path forward. A search for a decisive break from a devastating past whose dominant shade in the present is evidence that the wheels of history have resolutely refused to turn effectively keeping the post-colony almost frozen in time. The evidence of former colonies failing to drag themselves out of the shade of colonialism is well demonstrated in the light of underperforming economies, dependency, inequality, poverty, political conflict, weak public institutions among other things (Amin, 1980). While empirical evidence of the post-colonial countries' failure to effect transformation is neither in doubt nor dearth, the challenge is to explain the causal dynamics and interlocking co-determinations of the persistent lack of progress in that front. This research effort probes and zooms in on Zimbabwe's post-independence efforts to decolonize and transform its mining sector, one of the most lucrative economic sectors, through indigenization. The mining sector holds a special place in the country's history since it was largely the assumption of its potential that motivated Zimbabwe's colonization at the end of the 19th century (See Bourne, 2011; Chikuhwa, 2013). As part of this effort, the primary aim of this chapter is to develop an explanatory framework or strategy that is going to guide further inquiry into the transformation effort in Zimbabwe's minerals sector in the subsequent chapters.

The largely unchanging and stagnant socio-economic situation of post-colonial societies carries with it a misleading impression of being natural and inevitable and for that reason beyond resolution or redemption. However, a scratch below the surface reveals a dizzying gridlock of cross-currents, conjunctures and contingencies springing from diverse sources whose aggregate effect is the preservation of the socioeconomic status quo. This research employs a comprehensive, contextual and historically grounded approach that seeks to demystify and illuminate the working of the obscure and deceptively 'behind-the-scenes' forces that have shaped the trajectory of post-independence transformation and decolonization in Zimbabwe's minerals sector. To accomplish this task, this study will use, as its explanatory tool kit, a dynamic triangular axis that includes the state, class relations, and the world economy as its principal elements. While each component retains a qualitative and analytical distinction, it is important to note that they do not operate in water-tight compartments independent of each other. Instead, they interact with each other in mutually-reinforcing ways to dictate the pace and character of the indigenization and transformation programme in the mining sector.

A theory of social change and transformation is also a theory of the state – to borrow, in an inverted version, Miliband (1969:1)'s opening phrase. The implication, which the history of social revolutions has consistently proven to be true, is that the state plays a decisive and determining role in the evolution of social structures and institutions – especially the relations of production. Social transformation, of the magnitude and scope envisaged in Zimbabwe's indigenization policy, can only take place within the auspices and framework of the state (See Cox, 1987; Skocpol, 1979; Evans, 1995). The theoretical framework to be advanced herein uses the concept of *state power* – as distinct from the *state apparatus* - as one of the major explanatory variables that can shed more light on how Zimbabwe has gone about its efforts to restructure and transform the mining sector. State power refers to the manner in which the state apparatus has been used to intervene in the mining sector. It is the mode and character of state intervention in the society. While the state apparatus – which refers to the institutional complex of the state – is still important as the repository unique powers, this research suggests that it is the *control* of the state apparatus that matters. The state institutions do not have the agency to act on their own. They are controlled by state officials who harbour motivations and interests of their own. Hence the *state power* concept focuses attention on the way state institutions endowed with special powers are used to intervene in the mining sector. The tussle for the control of wealth is always about power (social, economic and political power).

The second element of the explanatory strategy adopted in this research is the articulation of the existing class relations amongst the various, mostly antagonistic, classes involved in the mining sector. Classes herein denote those groups that occupy more or less similar position in the relations of production (See Cox, 1987). The class structure comprises the power relationships amongst various groups involved in production (the foreign investors, the state elite, the labour movement, indigenous capitalists, small-scale and artisanal miners and the peasant communities). It is the relations between the existing class forces that the indigenization policy is earmarked to alter in the first instance and for that reason constitute the prime focus of the programme. Class conflict between the powerful and weak groups, centered on demands for a recalibration of the relations of production in terms of ownership structure and distribution of profits, is one of the powerful determinants of the scope and form of transformation. Workers demanding higher wages, indigenous business people demanding more opportunities for ownership or the petty bourgeoisie demanding governmental support and protection all exert pressure on the policymakers. The pace and character of transformation are not only shaped by forces of change but also by the ability and the capacity of the forces of continuity, especially the big capitalists and some in the ranks of the state elite to resist change (Fisk, 1989). Capitalists have at their disposal considerable human, financial and technological resources and the state elite has at its disposal legitimate authority and coercive organizations like the military and the police they can use to contain or slow down pressures for transformation. Reciprocal influence between the balance of class forces and the state is likely to determine the prospects of indigenization in a significant way. Class relations, which are fundamentally power relations, are also constitutive of state power as will be demonstrated below (Mamdani, 1977).

An analysis of the post-independence indigenization project in the mining sector requires a diligent and in-depth understanding of the international context. Indeed, there is truth in Amin (1980: 25)'s observation that "…value is a world and not a national category (globalization of the productive process); its distribution results, in the final analysis, from class struggles and alliances on a world and not a national scale." Zimbabwe was incorporated into the global economy at the inception of colonialism as a peripheral and dependent player – a situation that remains largely unchanged. As the fifth chapter in this dissertation will show, the modern mining industry in Zimbabwe was born of capital raised in the London and New York financial markets. Its umbilical cord is tied to the capitalist centres in the Western capitals. Ever since its inception at the beginning of the colonial era in the late 1890s, the minerals industry has relied on the alliance between the local ruling class and the transnational bourgeoisie boasting considerable financial and technological muscles (See Nkrumah, 1970; Phimister, 1976). States in the developing world lack adequate capital to invest in mining which forces them to rely on international financial markets and agents. The value of the minerals is not determined by states themselves but international buying agencies in the world market. The state's duty is to ensure the adequate supply of labour and the protection of property rights. Even the private indigenous business people and the small-scale miners depend on capital from international houses. The internationalized exploitation of mineral resources means that the transformation of the sector is contingent on how the state can manoeuvre its way around systemic obstacles at the global level.

The main proposition underpinning this inquiry is that the indigenization of the mining sector in Zimbabwe is largely determined by the interaction of the three levels of the state, existing relations of production and the world system or order. More to the point, the distribution of the ownership and control of mining value in Zimbabwe's mining sector or any other economic sector for that matter is, this research intends to demonstrate, to varying degrees, a function or manifestation of the operations of the aforesaid factors. Zimbabwe's post-independence efforts to transform its economic structure should be studied and assessed within the context of the dynamic triad of the state, class relations and the world-economy that collectively exert a significant impact on the structure and organization of the production process in the minerals sector. This chapter will develop a systematic exposition of the three-pronged explanatory framework to explore and assess the unfolding of the post-independence indigenization policy in Zimbabwe.

3.2. Postcoloniality

The term postcolonial (different from the hyphenated post-colonial) has generated a lot of debate in recent years over its meaning and relevance as a concept and as a theory (See Dirlik, 1994; Young 2004). Young (2004) is of the view that the term postcolonial lost its relevance in Africa since the 1980s when state collapse began to set in across many African countries. He argues that the erosion of state capacity in terms of monopolizing power over a specific territory and producing public goods such as health, education and economic growth, meant that any resemblance with the colonial state had been severed. Therefore, the continuities between the colonial and post-colonial state were fast disappearing which meant Africa had moved beyond the post-colonial era. Mbembe (1992) made a somewhat similar argument stating that the majority of the people in Africa in the 1990s did not have any direct experience with colonialism. Hence, the history of colonialism was losing its space in the public memory which made the term post-colonial, with its rootedness in colonial history, somewhat anachronistic and irrelevant. Thus, due to the changing political and economic conditions and the passage of time, the relevance of the term post-colonial was increasingly being questioned.

However, for other scholars postcoloniality is more than a marker of time in Africa's political history (Oyegoke, 1998; Abrahamsen, 2003; Zein-Elabdin, 2011). It provides a theoretical lens for understanding an analysing the dynamics of Africa's contemporary politics. Dirlik (1994) identified three meanings of the term postcolonial. Postcolonialism refers to the description or an account of the socio-economic conditions prevailing in former colonial societies. It also denotes the impact of the end of colonialism on global political and economic dynamics. Thirdly, postcolonialism is a discourse of the conditions prevailing in both the post-colonial societies and the global environment that seeks to create particular epistemologies and to dissect and possibly discard grand and dominant theories. Abrahamsen (2003) argues that as a discourse, postcolonialism is an approach to the understanding and critiquing of colonial domination and pervasive Eurocentric ideologies that continue to hold sway over colonized peoples. Postcolonialism is an effort to articulate and bring into relief the way in which the imposed understanding the colonized mixed with their cultures and nature to produce hybrid identities. Colonial domination was not imprinted on a blank slate, but was transformed and shaped by the history, culture and identity of the colonized.

Oyegoke (1998: 8) observed that postcolonialism that "does not no longer derives from its demarcation of temporal points on the political continua of recent history, but from its new spatial spread; and the spatialisation of postcoloniality, like many other political phenomena, has been served by theory". He argues that postcolonialism, as a theory, is not only applicable to the post-colonial societies but to the developed countries as well due to the diversity of their populations which have significant numbers of black people. Zein-Elabdin (2011) points out that postcolonialism is committed to unravelling the interconnectedness, continuities and the nuances of the past and the present, the global North and South, the colonizer and the colonized. In the same vein (Oyegoke, 1998) emphasizes that postcolonalism pays attention to the complexities of contemporary politics to exposing and rectifying the shortcomings and the untruths peddled by the dominant theories about precolonial, colonial and post-colonial times. Thus, postcolonialism is a critique of the practices and institutions of power and how they are perpetrated and reproduced in contemporary politics. This study is an inquiry on the historical conditions prevailing in Zimbabwe as a former British colony. It is an analysis of Zimbabwe's attempts to rectify the injustices of colonialism that perpetuated the economic and political discrimination of the indigenous masses. Postcolonial theory helps to understand Zimbabwe's present situation and the obstacles it has to negotiate as it seeks to indigenize its economy.

3.3. The Concept of the State

An abiding and seemingly fundamental congruency within the diverse literature of socio-economic transformation struggles in diverse contexts has been the curious and compelling, almost omnipresent, problem of the role of the State (See Skocpol, 1979; Cox, 1987; Evans, 1995; Fisk, 1989). Hay and Lister confidently declare that "no concept is more central to political discourse and political analysis than that of the state" (2006: 1). It increasingly seems that the impact of the state on the socio-economic life of any modern society simply cannot be ignored. The state has evolved dramatically over the years into a universal and pervasive force infiltrating and penetrating ever deeper and wider into the fabric of modern societies (See Anter, 2014). Held (1984: 11) succinctly captures the dramatic expansion of the state pointing out that it "appears to be everywhere regulating the conditions of our lives from birth registration to death certification". In a similar view, Miliband (1969) was hardly exaggerating when he presented the problem of the state thus:

> More than ever before, men now live in the shadow of the state. What they want to achieve individually or in groups now mainly depends on the state's sanction and support. It is to an ever greater degree the state which men encounter as they confront other men. This is why as social beings they are also political beings. A theory of the state is also a theory of the society and of the distribution of power in that society. (Miliband, 1969: 1)

The state evolved and, in the process, redefined its material and institutional framework and normative functions to meet the changing local and international political dynamics. While the state has grown to be a universal institution, it is the striking variation of its structure and impact on development trajectories in different societies that raises more questions than answers.

Liberal states, developmental states, communist states, authoritarian states, welfare-nationalist states are some of the representations of historical variations in state structure amidst which emerged qualitatively different socio-economic orders in their societies. Such observations resurrect pertinent questions about the nature of the relationship between the state and the socio-economic and political order – an object of interest in this work. Comparing Zaire's predatory state and the developmental state in East Asian countries' impact on socio-economic development, Evans (1995) rightly points out that variations in developmental outcomes can be attributed to fundamental differences in state structure and state-society relations. Moyo and Yeros (2011) classified developing world states into fractured; radicalised; stabilised; and occupied states whose unique structural characteristics have led to differences in development outcomes in the global south.

The relationship between the state institution and the socio-economic and political structures is a centuries-old mystery that remains unresolved. No manual exists for it, every state has a unique relationship with its society shaped by historical circumstances. The present work problematizes this relationship in a bid to understand the dynamics of post-independence transformation outcomes in Zimbabwe's mining sector. As already stated, economic indigenization and transformation is a programme of change whose intention is to radically alter the socio-economic order obtaining in Zimbabwe. How can the role of the state be understood in Zimbabwe's transformation project in the minerals sector that has been going on for more than two decades? Answers to this question may yield helpful insights into explaining what has, so far, been futile socio-economic transformation projects in post-colonial states.

Sifting through the literature, one gets the sense that there is something approaching a consensus on the distinctive empirical, though by no means *essential*, features of the state whose presence makes the threshold of its definition. Recent scholarship has been able to identify key empirical features that form the basis of a state's constitution (Steinberg, 2004; Chernilo, 2007). Specific geographic territory, administrative centralization, legitimate monopoly of force, system of diplomatic relations, and the public nature of its actions are among some of the distinctive and definitive elements of the state institution (Weber, 1923; Hay and Lister, 2006; Chernilo, 2007; Anters, 2014). There is a huge amount of qualitative variation of these features from one state to the other as states may have more or less of one or more of the attributes just identified. For example, some states do not have a complete monopoly of force like in countries like Nigeria and Syria among other countries whose monopoly is under serious challenge from terrorist outfits and rebel groups. Some states such as Ukraine and South Sudan do not yet have stable geographical boundaries while most states in the third world are scarcely administratively present beyond the capital cities. As such not every state possesses every element of what are considered to be the distinctive characteristics.

These exceptions considered, the possession of legitimate monopoly of force and territorial centralization makes states truly exceptional entities with uniquely far-reaching powers. Theda Skocpol in her seminal analysis of the causes of socio-economic revolutions in China, France and Russia conceived of the state as:

> ….a set of administrative, policing and military organizations headed and more or less coordinated by an executive authority. Any state first and fundamentally extracts resources from society and deploys these to create and support coercive and administrative organizations. (Skocpol, 1979: 29)

That said, we may think of the state as a special macro-structure comprising a complex of legally circumscribed institutions invested or endowed with a legitimate monopoly of rule-making, rule-applying, rule-adjudicating, rule-enforcing and rule-defending functions over a specific territory (See Therborn, 1978; Skocpol, 1979). A state as such is a special institution with special powers. Weber (1921: 650) conceived of the state as "a human community that successfully claims the monopoly of the legitimate use of physical force within a given territory". Miliband (1969) makes the point that the state is not any special thing but a system of carefully assembled institutions that include the government, the administrative arm, the judiciary, lower levels of government, the representative assemblies, the police and the military that work together to achieve set goals. It is these institutions, which Poulantzas (1978) referred to as a "special apparatus", which constitute and express the actual reality of the state system. For Steinberger (2004) the state goes beyond physical structures and institutions set up to serve it. He argued that the state represents the collective judgment of the society on how things really are in the world and how people can structure their collective lives to adapt to this superior reality. Whatever form it takes, the state penetrates the psyche, the culture, the geography and dictates the rhythm of political and economic orientations of the society. The

Zimbabwean state, although saddled by a colonial heritage, does satisfy, to an appreciable extent the afore-mentioned attributes to fit the definition.

3.4 The Problematic of State Power

The globalisation of the modern state institution bequeathed to mankind a more or less truly global inter-state system which over the years has proved handy in facilitating trade, diplomacy, dialogue and interdependence between nations and civilizations across the world's populace whose forefathers were perfectly ignorant of each other's existence. The emergence of the global inter-state system underwrote 'flat-earth' notions of formal politics, promulgating and celebrating the academic convenience which came with the minimization (perhaps the trivialisation) of political dissimilarities that complicated the work of comparative political science (Hague, Harrop and McCormick, 2016). Formal political institutions like parliaments, independent judiciary, executives, bureaucracies, political parties, universal suffrage, and constitutions among others attained global widespread. However, the uniformity of the institutional framework does not mean that the effect of states in their societies is also uniform and ahistorical (See Heywood, 2014). This premise grounds the analytical distinction in this study between state apparatus and state power. Notably, even though state apparatus has been universalized, *state power* remains fundamentally historical and analytically distinct from *state apparatus*. In assessing the role of the state in Zimbabwe's efforts to transform its mining sector, this study will focus on the character of state power and not the state apparatus per se.

Given the above conception of the state, it then follows that *state power* denotes the legally circumscribed *mode and process of intervention* in the society effected by and through the *state apparatus* (See Therborn, 1978; Evans, 1995). Although the state apparatus or system is invested with unique powers, it is however the control, character and manifestation of that power, particularly its class character, that is of interest in the present work. In other words, *the class character of state power is hereby assumed to be a major determinant of the trajectory of the indigenization process in Zimbabwe's minerals sector*. The forms state power can assume include the laws made by parliament, judgements handed down by the courts, the repressive activities of the military and the police, policy formulation and implementation of the executive and administrative arms and decisions of independent agencies. It may also manifest itself in the lack of action or withholding of decisions by the state officials. These are forms or techniques through which the state intervenes in the society with calculated political, economic, ideological and even cultural effects. The study of Zimbabwe's experience of post-independence socio-economic transformation project is also a study of the geography and the anthropology of state power its evolution, and ultimately its effect on the social structure of accumulation. For the purposes of this dissertation, state power will be considered as the way different institutions of the state intervene in the mining sector and their impact on the organization of the production process. The state intervenes in any economic sector, including mining through the class groups that take part in the production and accumulation processes, therefore state power often manifests itself in terms of class character.

According to Therborn (1978) holders of state power act to ensure that what is done through the state apparatus contributes to the reproduction of a state of affairs in which they hold significant economic, political and social advantages. Thus a particular class group can be said to hold state power if the effects of state interventions in the society enhances and bolsters its position in relation to other rival groups. The dominant class in the production process is identified by the content of state decisions and policies and their impact on the positions of various social forces. Cox (1987) argued that state power is at the disposal of the dominant social forces who also determine the course of state practice and policy in a way that protects and promotes their interests. The dominant or hegemonic bloc may be made up of a coalition of economically, militarily and politically powerful groups, which oftentimes transcend territorial borders. The state may sometimes act in a way that is favourable to a weaker class yet disadvantageous to the dominant groups but seldom to the extent of undermining the dominant position of the hegemonic bloc. Fisk (1989) calls this a 'pattern of justice' which entails putting a floor on the losses of the vulnerable groups and a cap on the benefits of the well-off for purposes of maintaining political stability and also fulfilling normative functions. For example, the state may increase the corporate tax in order to subsidize health and education services for the poor or it can set a minimum wage or change labour laws to improve working conditions and reduce the incidence of strikes and maintain public order.

That said, it is reasonable to assume that there is a *relationship between the class character of state power and the trajectory of indigenization in the mining sector*. Indigenization is a policy that is implemented and enforced by the state using relevant institutions in a bid to restructure the socio-economic space – the relations of production. The main hypothesis is that the course of transformation and reform in the mining sector reflects the class character of state power. The intervention of different state institutions from the parliament, to the executive, to the state-owned mining corporations leans in favour of the interests of one class or another. At one point a certain bloc or coalition of classes may hold sufficient state power to block or push forward the transformation agenda in the mining sector. The assumption being made here is that the state and pace of reform in the said sector or lack of it in the post-independence era reflects at any given point the balance of state power between classes who are against and those who support the policy.

This is not to argue that the state is simply an instrument of the dominant classes in Zimbabwe's mining sector. Quite the contrary, the state remains an independent entity inclined to protect and advance interests of its own – the first and fundamental one being its very own preservation (See Marx, 1852). The very adoption of an indigenization legislation that is decidedly against the interest of the dominant classes is evidence that the equation of state interests with those of a particular class is dubious at best. The preservation of the state may coincide with the dominant classes or weaker classes' interests – hence the class character of state interventions may shift from time to time depending on the circumstances. The intervention of the state in the mining has an effect on the different classes participating in the production process in the sector. Since indigenization is about changing the relations of production in the mining sector, any intervention of the state in the sector related to that goal is manifested by its impact on the positions of class groups.

3.5. The Politics of Class Relations

Theda Skocpol in her comparative analysis of the Chinese, French and Russian revolutions emphasized that:

> One must be able to identify objectively conditioned and complex intermeshing of the various actions of the diversely situated groups, an intermeshing that shapes the revolutionary process and gives rise to the revolutionary regime. (Skocpol, 1979: 14)

In line with Skocpol's observation, this study acknowledges that a broad-based radical socio-economic transformation programme such as Zimbabwe's indigenization policy often has multiple anchor-points and co-determinants of which the state is only one. The last section established and articulated how state power is a potentially important explanatory variable concerning the trajectory and the dynamics of the post-independence policy aimed at increasing local participation in the mining sector. The second pivot in the explanatory framework being developed here is premised on the relations of production or the class relations that prevail in the mining industry which determine the manner and the mode of accumulation. Relations of production here denotes the regime or the rule structure that governs the delegation and discharge of roles and responsibilities (or the division of labour amongst) by the various groups (classes) who participate in the production process that creates mineral value. Cox (1987) identified three fundamental features of the relations of production.

First, is the social context or the culture which determines what is valuable and what is produced and also the way social power relations organize the production process. The second feature is the rule-bound production process that clearly outlines the roles in the process and a structure of authority based on the ownership of the means of production. Thirdly there is the distribution of the rewards of production based on the balance of social power and power struggles in the production process. The rule structure not only governs the production process but also shapes the manner in which the mineral value thus produced is distributed and the powers of decision-making concerning investment and expansion. The control of the distribution and sharing of mineral value under the current regime has been the major point of contention within the indigenization debate. Since the primary objective of the indigenization policy is to redistribute mineral wealth in an equitable manner, it is reasonable to assume that the unfolding of the policy will largely hinge on the dynamics in the relations of production which determine the control of the means of production and the distribution of wealth in the first place.

Before delving deeper into the possible and probable impact of production relations on the transformation process, a brief historical context of the development of the former in Zimbabwe is perhaps appropriate. Owing largely to Zimbabwe's historical experiences of settler-colonialism and the present influence of neo-colonialism, the structure of the relations of production in its mining sector generated a highly uneven, variegated and polarized patchwork of classes. Phimister (1980) noted how the BSA Company state in Rhodesia partnered with international capitalists to supply thousands of cheap and forced labourers to work in the growing mining industry at the end of the 19th century. As a result, Van Onselen (1973: 402) cites, the number of black mineworkers grew from 17000 in 1906 to 74000 in 1935 reflecting the growth of the mining industry itself. Such actions generated a class structure that had, on the one hand, a contingent of mostly foreign capitalists from the industrialized countries who invested huge sums in large scale mining operations and drew immense profits from their investments. They enjoyed state protection since they made considerable contributions to the state coffers (Phimister, 1980; Bradbury and Worby, 1985). On the other hand, was a largely indigenous and African working class literally force-marched by the colonial state to labour in the mines, further disempowered by a hostile legal system (Phimister, 1980).

The BSA Company state relied on African collaborators like the compound police, the native police and native messengers of the state and the recruiters of the Rhodesian Native Labour Bureau (RNLB) to ensure a regular supply of cheap labour (See Van Onselen, 1973). Playing an indirect but nonetheless important role of facilitating the production process was the state elite who exercised heavy-handed repression of the black working class. Due to the country's scattered distribution of small gold claims, there also existed a small-scale mode of production comprising hundreds of thousands of petty mine-owners operating informally in most cases, using outdated machinery and employing a few people if at all. This sector was first dominated by white-settlers who operated small claims assisted by the state with financial resources (Phimister, 1980). Moreover, owing to the colonial laws around property ownership that sought to constrain business opportunities for black people, a class of potential indigenous business people was shut out of the sector. The result was that local black people were either exploited or shut out of the industry altogether while the foreign capitalists and local white-settlers used their resources and state support to generate huge sums of profit.

Such was the structure of the production relations which the post-independence government inherited in mining and other sectors of the national economy. Bradbury and Worby (1985) explain how the post-colonial state actually struggled to tame the power of big capital to the point of being overpowered and side-lined:

> We are especially concerned with the manner in which emerging class forces have moulded the state and the way in which the pre-1980 economic sub-structure has been transferred almost untouched into the post-independence period. In essence the role of the state has become subordinate to the forces of capital and the government's policies have become articulated with the needs of capital reshaping the socialist programme and modifying any attempts to promote worker control and ownership of the means of production. Today, nearly five years after Independence, the state reflects the needs of big business and transnational capital, to a large degree adopting a social democratic economic, social and labour model to work within the interstices of capital. (Bradbury and Worby, 1985: 143)

The need to undo such a class structure and overturn the prevailing relations of production in a way that promotes the participation of local people in the mining industry is the very raison d'être of Zimbabwe's post-independence indigenization programme. The above excerpt from Bradbury and Worby (1985) demonstrates convincingly that class dynamics in the mining sector have an explanatory potential on the success or failure of the transformation programme. Hence the second guiding hypothesis on which the present study is premised is that *the indigenization of Zimbabwe's mining sector is significantly determined by the prevailing balance of power amongst the various class forces in the mining sector*.

Class relations are governed by and deeply entrenched in material, cultural and political factors that may not be possible to erode and eliminate overnight. They are anchored on historically defined, derived and evolving institutions that distribute and legitimize roles and responsibilities in the production process through the relations of power, domination and exploitation depending on the mode of production. The distribution of roles and responsibilities categorizes participants in the production process into the exploiting and the exploited classes and sometimes the facilitating classes. A class can be defined herein as a group of people "playing the same part in production, standing in the same relation towards other persons in the production process" Bukharin (1925: 278). Conflict ensues from the timeless Marxist observation that the distribution of the produce almost always involves the expropriation of surplus produce by one class to the disadvantage and at the expense of another. The appropriation of surplus labour by the dominant classes has meant that production relations are shaped by an incessant class struggle as the exploited classes fight to escape exploitative relations. Cox (1987) also pointed out that the relations of production are marked by conflict and contradictions. Mamdani (1977) in his analysis of the class struggle in Uganda argued along the same lines stating that:

> Class relations are contradictory relations. Secondly, class relations are relations of appropriation: central to a class relation is the appropriation by one social group of the labour of another group. Thus class relations are relations of power. They are political relations. (Mamdani, 1977:8)

The indigenization policy is taking aim at and seeks to weaken the grip and the power that the dominant classes possess in the production process in the mining sector. At the same time, it seeks to give more voice and power to the workers and the peasant communities over the production and distribution processes and decisions. To achieve such an ambitious reconfiguration the policy-makers must devise effective ways and strategies of transforming, wholesome, a system whose agents and beneficiaries are unlikely to voluntarily yield to indigenization pressures. As such the capacity of the foreign capitalist class who own large-scale mining companies and the section of the state bourgeoisie class aligned to them (collectively the dominant class) to resist such measures intended to weaken their stranglehold, has the potential to dictate the pace and ultimately the fate of the indigenization policy. For example the capitalist class that owns large-scale mines in South Africa has for decades used its technological, financial and political power to successfully resist transformation efforts in the country's mining sector. In 2018 the Minerals Council South Africa (MCSA) that represents the mining industry took the South African government to court over the 2018 Mining Charter which proposed that mining companies increase their black empowerment shareholding from 26% to 30% (Fabricius, 2019; Seccombe, 2019). The MCSA argued that such a move would make the mining sector unattractive to investors and was unfair to mining companies (Fabricius, 2019).

On the other hand, the capacity or (lack of it) of the labour class, the indigenous business class and the local communities who are the intended beneficiaries of the policy to organize for a transformation of the status quo in the relations of production may also have an impact on the trajectory of indigenization. State policies, argued Cox (1987), tend to be circumscribed by "what the class structure makes possible in the first place". The aim of the indigenization policy is to change some of what Fisk (1989) called the fundamental "tendencies" of the capitalist system of production relations which include "accumulation, exploitation and wages" among others that give rise to a skewed distribution. By supporting that workers be granted at least 5 percent of shares in mining companies, Zimbabwe's indigenization policy takes the worker-employer relationship beyond the paying of wages. It increases workers' stake and influence in the accumulation process. But policies are not magic wands that can transform an established system simply by being promulgated – it is to be reasonably expected that the system will reset to a self-preservation mode in the face of an onslaught.

The class struggle, however, does not take place in a vacuum. Although the relations of production and the framework of the state theoretically exist apart in different spheres, they do share a reciprocal orbit in which they mutually reinforce each other (See Bukharin, 1925). The nature of the relations of production can hardly be completely understood apart from its association with the state. For example, the first two decades of settler colonialism in Rhodesia involved the state's use of coercive powers not only to ensure the regular supply of cheap labour but also to determine labour conditions in the mining sector (See Phimister 1976, 1980; van Onselen, 1973). Samir Amin (1980: 23) rightly pointed out that "if we want to understand the real dynamic of the class struggles we must raise questions of the state, nation and politics". Karl Marx (1848) famously argued that the state is created to be the guarantor of the production relations and thus is part of the support structure of the dominant classes. Cox (1987) and Fisk (1989) also pointed out that the state was an interested party in the reproduction of the relations of production since it had vital material interests that go directly towards its survival. Poulantzas (1978) also observed that the state exercised significant influence in the relations of production even "entering into their constitution and hence their reproduction".

The character of the struggle in Zimbabwe's mining sector is circumscribed by the ideological, legal and policy environment. The exact role of the state in production relations in the sector is a moot point that has to be interrogated, cognizant of the prevailing historical dynamics of a particular society. The dominant classes use the state to protect their privileges and advantages in the mode of production in which they dominate (Marx, 1848). At other moments the disadvantaged classes can apply sufficient political pressure to draw favourable reactions from the state in terms of policy or legislation (See Fisk, 1989). This research adopts the Marxist notion of the systematic and structural connection between state power and class structure. The class structure and the state structure are co-constitutive of each other such that state power is almost always manifested in a particular class character and class power is always manifested as state power. Classes are the channels which link the state to the production process, the point of convergence between politics and economics (Cox, 1987). Class groups are the direct participants in the production of mineral value and the state, on the other hand, depends on the royalties and taxes paid by mining houses for its revenue that maintains its coercive and bureaucratic institutions. The structural link between the classes and the state means that the latter is inherently inclined to reproduce an economic arrangement from whence it derives the wherewithal for its continuity. As such, the dominant classes are likely to work together to control or exercise influence over the levers of the state to reproduce the status quo and promote the mode of production in which they continue to dominate. The dominant class coalition may go beyond the mining industry itself to include even the state elite in the government, military, police and bureaucracy who may be beneficiaries of the accumulation structure. However, the class-state power nexus should be interrogated from a historical perspective and is likely to assume characteristics informed by a constellation of unique historical, cultural and political circumstances.

The class structure of Zimbabwe's mining sector involves various groups with a stake in the production and accumulation processes in the sector. Firstly, there is the state elite that controls the state apparatus responsible for policy formulation and implementation and also the making and enforcement of laws. The state elite includes the executive from the president himself, to the ministers of mines and finance, the bureaucrats who work for these ministries, the officials who control state mining parastatals like the ZMDC and the MMCZ, the police and the military. Also included here are members of the parliamentary portfolio committee on mines and minerals who are responsible for making laws. The second class include the international capitalists who by virtue of their financial and technological muscle have monopolized the large-scale mining sector running big mines like Mimosa, Metallon Gold and Freda Rebecca amongst others. Although small, there is also a group of indigenous black entrepreneurs who have ambitions to control the large-scale mines. This group was vocal in its support of the indigenization policy seeing it as an opportunity to grow its material base in the minerals sector. The fourth group in the mining sector is the working class. The labour movement has a long and tumultuous history in Zimbabwe's mining sector having suffered brutal repression both from the employers and the state. The workers also have a stake in the indigenization policy.

Small-scale and artisanal miners who number over 1 million in the country constitute the fifth class category and represent the alternative mode of production to the large scale sector. Small-scale mining supports over 2 million livelihoods making it an important sector in the country's political economy (See Gutu, 2017: 1; Pact, 2016: iv). The sector also has an illustrious and long history in Zimbabwe's minerals sector and remains a stakeholder in any transformation policy. Lastly, while they remain an unconventional class in the sense that they do not participate directly in the production activities of the mining sector, the rural peasant communities which host the mining companies also constitute a class on their own. The operations of the big mining companies affect their local economies and environments, making them a stakeholder in the mining indigenization policy. The classes just identified occupy different locations in the structure of accumulation in the mining sector and also have varying relations with state power which will be discussed further in later chapters of this work.

3.6. The World-Economy

> 'In all cases, the national question is a direct consequence of the history of global integration'
> Amin (2011: 327)

The previous sections have proposed two hypotheses highlighting and articulating the merits of the state structure on the one hand and class relations on the other, as possible determining factors in Zimbabwe's post-independence efforts to restructure its mining sector. This may have understandably given the impression that the indigenization of the sector is a domestic issue subject only to internal political and economic dynamics. Nothing could be farther from the truth. One striking irony about the localisation of the mining sector in Zimbabwe is that it is, at the same time, a profoundly global process with profound implications, even if largely symbolic, at a global level. The hard reality is that Zimbabwe is part and parcel of a global economic system underpinned by a global value system that constrains the policies of the country in significant ways. The country, just like the rest of the erstwhile colonies, was historically conscripted into a Eurocentric world-economic system upon the advent of colonialism late 19th century and has ever since remained subject to it. Thus to fully and adequately understand the indigenization process and prospects in the mining sector, one must expand their horizon beyond the national and political boundaries on to the wider global arena (Skocpol, 1979, Amin, 1980; Evans, 1995; Moyo and Yeros, 2011).

The axis of stakeholders involved in Zimbabwe's and indeed Africa's economic decolonisation and transformation project extends far beyond its territorial borders. Much more so in the mining sector, an ultra-extraverted sector, which at its very inception in the 1890s was handed over by the colonial government to merchants of global capital to serve a global market (Phimister, 1976; Arrighi, 1966). Zimbabwe's mining economy is intimately and materially linked to the transnational division of labour and flow of capital and any transformation of the sector cannot be adequately explained outside this premise. Therborn (1978) pointed out that one of the fundamental axes determining the transformation of production relations in any country is the position of the country within the world-economic system. Cox (1987) also made a similar argument observing that relations of production do not exist in separate national silos but are directly connected to a world order that impinges on them directly through their national states. He further argued that the global order provides a framework favourable to particular forms of production. Just like any other system, the world-economic system is made up of interrelated components located in different parts performing various functions in relation with other parts. *Hence the third hypothesis to underpin this study is that Zimbabwe's position in the prevailing world order and the concomitant implications it entails may significantly affect the implementation of the indigenization policy in the mining sector*.

Two major schools of thought – the dependency school and the world-systems perspective – have articulated the impact of the global order on the internal economic dynamics. These schools developed in response to the glaring inadequacies of the linear modernisation and neo-liberal paradigms which largely under appreciated the historical situation of the Global South. Andre-Gunder Frank (1972), the chief exponent of the dependency school, forcefully and famously argued that the world economic system is structured in such a way that the development and capital accumulation of industrial countries depends and feeds on the underdevelopment and exploitation of the third world countries:

> …historical research demonstrates that contemporary underdevelopment is in large part the historical product of past and continuing economic and other relations between the satellite underdeveloped and the now developed metropolitan. These relations are an essential part of the structure and development of the capitalist system on a world scale as a whole. (Gunder-Frank, 1972: 4)

The capital accumulation of industrial countries is the flipside of the relentless exploitation and underdevelopment of third world countries within an essentially capitalist world economy (See Emeh, 2013). Third world countries supply raw materials (mining, forestry, agriculture) that first world industries use in their manufacturing factories. First world countries, on the other hand, possess the technology, capital and skills base needed to extract raw materials and most importantly to add value to them through further processing. The mutual dependency results in extraverted and export-oriented economies and huge trade deficits for third world countries leaving very little prospects for internal and autonomous development. Ncube (2012) decried the lack of value addition on minerals extracted in third world countries which significantly reduces their earnings. Thus the world-economy rests on a division of labour between the center and the periphery which Moyo and Yeros (2011) label 'principal systemic contradictions' essential for the reproduction of the capitalist world system. Indigenization, then, means busting the global dependency cycle by ensuring not only the localisation of extraction but the entire production process through value-addition mechanisms. While the dependency school has earned wide acclaim for not only exposing but also presenting an alternative to the modernization paradigm, its core-periphery binary passes off as an ahistorical straitjacket glossing over the unique tendencies characteristic of third world countries that have yielded varying responses to the capitalist world-system.

Immanuel Wallerstein (1974) also made a decisive contribution to the understanding of the connection between national economies and the global economy through the world-systems theory. While the dependency school retained national economies as the basic units of analysis that are structurally linked to the first-world countries in an exploitative way, the world-system perceives them as simply parts of a single capitalist world-economy that operates across and transcending territorial and cultural divisions. For the world-system perspective, the whole is more important than the sum of its parts. The world-system as related by Wallerstein is "a social system with boundaries, structures, rules of legitimation and coherence…it possesses the characteristics of an organism and the dynamics of its development are largely internal" (2004: 347). Wallerstein argued that the capitalist world-economy is underpinned by a division of labour between core, semi-peripheral and peripheral economic zones which places all sides in an interdependent relationship for goods and services. The core and periphery are structurally linked by a power hierarchy dominated by the core countries that ensures the systematic appropriation of surplus produce to the core zone (Martinez, 2001). As such the system ties the core and the periphery in an unequal relationship buffered by semi-peripheral states. The core uses its political, economic and technological power which it deploys to ensure the reproduction of the system.

This idea was further developed by Cox (1987) in his concept of the internationalisation of production in which firms are able to locate different stages of their production process in different countries depending on the factors of production. The basic institutions that make up the world-system include the markets, the firms that compete for the market share, the many states that make up the interstate system, the households, the classes, and the status groups (Wallerstein, 2004: 22). The system operates in such a way that investment, technology and capital and most profitable industries tend to be concentrated in the core zones, while the peripheral zones are characterized by backward industries, scarce capital and obsolete technologies. Amin (2011) characterized the world-system as consisting of a world-wide capital, commodity and labour markets in which firms and individuals pursue profit.

Despite its obvious merits, the world-system perspective comes across as underpinned by economic determinism thus casting a blind-eye on the non-economic aspects of the system. Ndlovu-Gatsheni (2013) devised an explanation device he called 'Global Coloniality'. In this, he argued that the modern world capitalist system is not only "a system of capital and labour for the production of commodities for profit in the world market". Instead, the world system should be conceived of as an "entangled package" possessing racial, sexual, ideological, epistemic, cultural, religious, aesthetic, military and patriarchal dimensions (*Ibid*, 2013). In the same manner, Skocpol (1979) also expressed concerns about "economically reductionist" characterizations of the world-system. She argued that there exists a transnational military competition amongst states that predates capitalism and is interdependent with it. Thus, while scholars converge on the importance of the world-system as an analytical reference, they express divergent conceptions of its nature.

Perhaps in no other sector or industry is the operation of the global economic system as exposed as it is in the mining sector. The division of labour along the core-periphery production processes is starkly visible in this sector (See Ncube, 2012). Minerals like diamonds, gold, silver, cobalt, copper, and fuels like uranium, oil and coal among others are extracted at a relentless pace in the third world countries by multinational companies invariably headquartered in industrial countries (Hawkins, 2009; Dhliwayo, 2014). These raw materials are then exported at cheaper prices to the industrial countries where they are processed and resold to the source countries at higher prices resulting in an unequal exchange. The dominance of the multinational companies (MNCs) - the agents of international capital in Zimbabwe's mining industry and one of the most important institutions of the world system - is the very antithesis of the indigenization policy. By directing that 51% of shares in foreign-owned mining companies be transferred to locals, the policy is envisioned to stem the dependence on and the dominance of the MNCs in the local mining industry. By targeting one of the central elements of the world-economy, Zimbabwe's indigenization policy aims to redirect the concentration of value and capital from the first world to the third world. The policy is a rebellion against a system that is unlikely to give-in without a fight and Zimbabwe's ability to push through what in all appearances is an anti-systemic policy will hinge on its location in the system. Hence the assessment of indigenization policy calls forth the problematization of Zimbabwe's position in the world-economy.

However, the world-system and as a result, Zimbabwe's position in it, is not by any means unproblematic. The world system or world-economy is always underpinned by a dominant ideological hegemony of one state or a group of economically, politically and militarily powerful states (Cox, 1987). For example, during Britain's global hegemony from the mid-nineteenth century, an era known as Pax Britanica, it propagated the ideology of liberalism. Liberalism was meant to help foster and promote open and free trade amongst countries. Britain used its considerable military and political power to prevail on other states to buy in to its liberal economic ideas. Britain's dominance began subsiding by the end of the 19th century as it faced competition from Germany and other countries. It was definitively upended after the First World War in 1919. The war interval lacked a clear hegemony and witnessed the rise of the welfare-nationalist states across Europe each seeking national glory.

The aftermath of the Second World War marked the beginning of the neoliberal era under the hegemony of the United States which emerged as one of the two military superpowers alongside the Soviet Union (Kotz, 2000; Cox, 1987). The US was economically powerful enough to spread and entrench the values and ideals of the neoliberal ideology onto the world-system to its own advantage. The neoliberal strategy was based on policy packages that included free and open trade, private enterprise, liberal exchange rates and limited state intervention among other things. Zimbabwe's indigenization policy comes at a time when the US-sponsored neo-liberal hegemony that reached its zenith in the 1980s and 1990s is under serious challenge from China's rising global economic and political status (See Moyo and Yeros, 2011). China's increasing influence throws the world order into a structural crisis in terms of reducing the US and the West's political clout jeopardizing their ability to reproduce the system. The rise of emerging markets like Brazil, India, Turkey and Nigeria among others also adds to the political and economic challenge to the US-dominated world order. The question then becomes: how does a world order caught between what is seemingly the tail-end of US-dominance and the beginning of China's rise affect the prospects of the indigenization policy in Zimbabwe?

3.7 Conclusion

This chapter has outlined and elaborated on the three main theoretical pillars of the present study that will help explain Zimbabwe's post-independence indigenization policy in the mining sector. State power is central to this approach since the implementation of the indigenization policy is done by the state. The way the state uses its apparatus, in this case the parliament, the legislation, the independent institutions and the executive among others, is important in determining the pace and the character of the transformation of the mining sector. Evans (1995) examined the indigenization of the information technology sectors in Brazil, India and South Korea and found that the way state power was used was a determining factor in the outcomes of the indigenization policy in the three countries. In the same manner this study predicts that effect of state power will be detectable in the outcomes of indigenization policy in Zimbabwe. Class politics, which is the balance of power amongst class forces participating in the production of mineral value is another potential determinant of the indigenization policy trajectory. Classes are the main links between politics and production. The class balance of power determines which classes are able to influence the intervention of state power to their advantage. The state affects the relations of production through state actions and the relations of production also condition the structure of the state and the way it intervenes in the economy and the society in general.

The third element is the country's position in the global economic system. The global economic system determines, to a material extent, the economic policies and structures of its member states in varying ways. Zimbabwe is a part of the world-economy and what it does in terms of its economic policies is circumscribed by the dynamics of the global economy. It remains to be seen and worth probing whether the dynamics of the world-economy will militate against or facilitate the indigenization policy. While the state power, relations of production and the world economic order are presented here as separate and independent variables, in reality they interlock with and reinforce each other in a way that makes it challenging to detect the specific impact of each variable apart from the others. As such, it is better to consider them not as separate variables but as component parts of a systematic explanation of Zimbabwe's indigenization policy in the mining sector.

CHAPTER 4

Class Formation in Zimbabwe's Mining Sector: A Historical Background (1890-2000)

4.1 Introduction

The structure of Zimbabwe's mining sector, as reflected in the existing relations of production, is a product of the country's history that embodies the legacy of the colonial experience. In the same way, the quest to reverse the historical disempowerment and disenfranchisement of indigenous black Zimbabweans in the minerals and other sectors of the economy is a fundamentally historical mission. Indeed, Zimbabwe's ruling party Zanu-PF has dubbed the policy a third phase of the anti-colonial struggle that began in the 1890s in which economic emancipation is the main goal (See Zanu-PF Election Manifesto, 2013). Hence, this chapter intends to explore and delve deeper into the history of the mining industry in Zimbabwe. It seeks to paint a picture of the broader historical context which determined the distribution of wealth and the nature of the relations of production in the mining sector. The first part of the chapter will discuss the nature of the colonial state and how its role in making and implementing policies shaped the class formation and relations in the mining sector. Political and power relations that prevailed in the colonial set up were a major determinant of the evolution of the class structure of the mining sector. The second part will look at the approach of the post-colonial state in the first two decades of its existence towards the class relations obtaining in the mining sector. What difference, if any, did the advent of political independence in 1980 make in the mining sector? Hopefully this historical detour will inform a better grasp of the dynamics of the current efforts to restructure the mining sector. More importantly, the chapter will shine a light on the historical impact of the tripartite nexus of state power, class relations and transnational order in shaping the structure of Zimbabwe's mining sector.

4.2 The genesis of mining in Zimbabwe: Precolonial era

Zimbabwe boasts a long history of mining as an economic enterprise. Studies have debunked the widely held myths that mining was introduced by the country's colonisers by producing archaeological evidence of mining activities by the country's ancient inhabitants as far as 600 AD (Huffman, 1974). The beginnings of the civilisation of the indigenous people whose descendants occupy Zimbabwe today was nurtured in no small amounts by the practice of gold mining. Ancient Zimbabwe accumulated its wealth and with it the political influence through engaging in gold trade with the Arabs and Indians. Archaeological evidence suggests that gold mining in Zimbabwe began as early as AD 600 during the Early Iron Age (Huffman, 1974). Historians suggest that gold trade immensely transformed the structure of the society through giving the state leaders enormous amounts of wealth which the agriculture-dominated subsistence economy could never have generated (Chikuhwa, 2013). The growing wealth enabled the state like Great Zimbabwe, and Monomotapa to organize substantial labour force and establish large military contingents to expand their political dominance. Meredith (2014) argues that Great Zimbabwe's control of the gold belt between the Limpopo and Zambezi rivers and its grip on gold trade with the Portuguese in the 13th century was the major factor behind its rise to prominence.

4.3. Enter the BSAC: The birth of modern mining in Rhodesia

4.3.1. Creating a new society

While indigenous people in Zimbabwe had begun mining centuries before the country came under British colonialism in 1890, the exploitation of mineral wealth was severely limited by rudimentary and inefficient technologies and thus ill-placed to develop to an industrial scale. This changed when the British South Africa Company (BSAC) under the leadership of Cecil John Rhodes invaded the country in 1890 boasting a 6000-men pioneer column (Fisher, 2010). After a violent conquest, the BSAC proclaimed ownership of the land and its resources on the basis of the dubious Rudd Concession signed between the company representatives and the Ndebele king Lobengula, effectively dispossessing the indigenous inhabitants of the land (Chikuhwa, 2013; Fisher, 2010). The BSAC, granted permission by the British government, exercised state and governmental powers in the new colony they named Rhodesia, after the British mining magnate Cecil John Rhodes. Members of the pioneer column that first marched into Rhodesia in 1890 were awarded 3000 acres of land each by the BSAC setting themselves up as commercial farmers (See Bourne, 2011; Fisher, 2010). The parcelling out of farms and mineral claims by the British South Africa Company (BSAC) to the European arrivals immediately committed the whites to substantial economic interests thus effectively turning Southern Rhodesia into a white-settler colonial state (Good, 1976; Phimister, 1980). This set the stage for the stratification of the country into distinctive class interests along racial divide, with the white population commanding a dominant role (Arrighi, 1973).

The settler population comprised farm owners, small mine owners, manufacturers and wage workers who came in the form of skilled artisans employed in manufacturing, agriculture and mining. While nurturing a domestic capitalist class amongst the white settlers, the BSAC government went to extreme lengths to invite large multinational companies to invest in Rhodesia's mining sector and to a lesser extent, agricultural and manufacturing sectors (Phimister, 1980). The BSAC's racially biased distributive spree resulted in the proletarianization of the African population who lost productive land to the new settlers and were turned into a source of cheap labour (Good, 1974). To add to that, the indigenous inhabitants were saddled with onerous rent and tax obligations to force them into supplying cheap labour in the mines and the farms.[14] Thus there was also an involuntary and coercive proletarization of the Africans who were forced to become labourers in white-owned enterprises. In 1942 the settler state introduced the Compulsory Native Labour Act through which the state could conscript African labour for settler farmers ostensibly to avert possible famine (Johnson, 1992).

Thus, by the 1920s Southern Rhodesia was a melting pot of class forces that included the white rural bourgeoisie that owned farms and small mines; the international capitalists that operated large mining investments, transport and power enterprises; the white workers who consisted mostly of skilled artisans and management workers, the white commercial bourgeoisie that focused mostly on trade and retail sectors. At the bottom of the heap was the African peasant community that had been stripped of all economic and social rights and thus condemned to supply cheap labour serving the interests of the other classes (See Arrighi, 1973; Good 1974; Phimister, 1980). The BSAC government used its powers to create a new society riddled with severe racial, tribal and class contradictions which provided the context within which indigenous people were shut out of the mainstream economy.

4.3.2 BSAC government's mining policy (1890-1923)

The colonial state at its inception in 1890 under the government of the BSAC immediately initiated legislation to promote gold mining by large companies funded by capital sourced from the European and American financial markets. It is also important to keep in mind that hopes

[14] When land occupied by Africans was allocated to the arriving settlers, Africans were allowed to become tenants on the land on the condition that they provide cheap labour to the new farmer. A hut tax was also imposed on Africans also to force them into cheap labour in the mines (Fisher, 2010).

of finding gold deposits to rival those found in the Transvaal in South Africa, was the chief motive behind the colonisation of Zimbabwe. The companies, encouraged by the BSAC government and a speculative crest driven by the rumours of big gold deposits in Rhodesia, invested huge amounts of capital anticipating to make a killing. However, gold deposits were disappointingly scattered and compratively scarce which immediately condemned the young mining industry to a comatose and near-collapse. John Hollaway articulates the disappointment thus:

> All this might just have been acceptable had the wealth lived up to the standards of the presumptive mother lode, but what was found were thousands of shallow 'ancient workings' on quartz reef and shear zone structures of archaean and proterozoic age, with generally modest grades. As a result the regulations not merely severely inhibited mine development, they caused the wrong sort of mine to be built. Companies raised money on the stock markets of Europe and America for big mines; great sums were spent on roomy shafts and massive mills. Yet the mineral resources on which these developments took place were usually too small to justify the capital expended, and this (along with the technical, managerial and financial mismanagement still to be seen in many projects in Africa today) led to the ruin of many of these ventures. (Hollaway, 1997)

The combination of excessive share ownership of 50% claimed by the BSAC in any mining discoveries and the political instability occasioned by the uprisings of the indigenous people from 1893 to 1896 made the mining industry risky and unprofitable (See Chikuhwa, 2013). Consequently, investor confidence in the mining industry slumped as evidenced by the small investment levels which were valued at a very modest 10 million pounds in 1904 (Phimister, 1980).

The failure of the speculative boom meant that companies failed to pay any appreciable dividends, this led to the drying up of the financial markets for the industry. There was a pressing and obvious need to restructure the industry to avoid a total crash by lowering development and working costs through revision of legislation and development of infrastructure (Hollaway, 1997). The geological and geographical conditions which were characterised by the scattered and shallow nature of the gold deposits around Zimbabwe meant that a new economic approach to mining was necessary. As such, from 1903 the BSAC government and the industry players collectively adopted imperatives of cost minimisation and maximum extraction of gold content as the anchors of the revival of the mining industry (Phimister, 1980; Bradbury and Worby, 1985). The appreciation of the scattered nature of gold deposits led to the proliferation, under the encouragement of the state, of thousands of small-scale gold mines. Mining became profitable in such low-capital small-scale operations rather than over-capitalized large-scale companies.

Another challenge that the fledgling mining industry in Rhodesia had to contend with was the sufficient supply of cheap labour. The industry in Southern Rhodesia always had to compete for labour and capital investments, against heavy odds, with Cecil John Rhodes's Witswatersrand gold on the Rand in South Africa. Witswatersrand was able to attract the finest labour force through higher wages and was also the natural first choice of the investors because of its larger and richer deposits (Van Onselen, 1973; Phimister, 1974, 1980). In efforts to respond to the challenges affecting the mining industry the BSAC government moved swiftly to adopt new legislation in a bid to restructure and rationalise the industry. The first of these was the Mines and Minerals Ordinances of 1903. Under this piece of legislation, the state reduced its share of the discoveries made by mining companies to 30 percent from a previous 50 percent. The 30 percent was eventually scrapped in 1908 in favour of a 5 percent royalty (Hollaway, 1997). Moreover, the ordinance also allowed claim holders crushing not more 750 tons of ore to work for profit without going to flotation[15]. These legislative proclamations went a long way in freeing small producers from the challenges of flotation and overcapitalization, which contributed to their accelerated proliferation. The large-scale mining companies also vociferously lobbied the government for similar legislative changes that would increase the profitability of their operations. Encouraged by the success witnessed in the small-scale sector, the government moved in 1907 to amend the 1903 Ordinance. This resulted in the expansion of the mining industry as companies were able to operate on a more profitable scale and also work previously unworked deposits (Ibid).

The effect of these legislative initiatives on the outlook and structure of the mining industry in Rhodesia was immense if not dramatic. The new laws facilitated the instant proliferation of the small producers who increased in number from 76 in 1905 to 254 by 1907 with each having an output of nearly 1000 gold ounces per year (Hollaway, 1997). By 1934 the country had over 1500 small gold producers which had visible political consequences in terms of the state's role

[15] Flotation is a term that refers to the process of offering a company's shares for sale on the stock exchange. It is done by companies to raise capital and expand their capacity (Larrain and Velasco, 2002).

in the mining sector (Hollaway, 1997). The small-workers[16] comprised, by and large, white settler petty-bourgeoisie who owned the means of production in the form of a rudimentary crushing equipment and also invested their labour time in the mines they owned to reduce costs. The small-workers became an important structural feature of the mining industry, if not its face. This new cohort also benefited from generous loans availed by the BSAC government and the local financial houses to place their mining operations on a sound financial footing (Dansereu, 2000; Arrighi, 1960). By the end of the first decade of the twentieth century the structure of the mining industry had already taken a shape that it would retain for decades to come: a few large foreign-owned companies surrounded by swarms of small-scale mines all contributing to the aggregate sectoral output. Phimister (1980) succinctly affirms the historical significance of gold mining in the country when he compares the role played by gold discoveries in transforming Southern Africa to the role played by coal in Britain's industrial revolution. He argues that although the size of the output in Southern Rhodesia was smaller than that of the Transvaal, it became the driver of the modernization and industrialisation of the country's national economy. In 1923 gold made up 47% of the country's aggregate exports and 72% of the country's national income which demonstrates the considerable extent to which the colonial state was dependent on mining for its very viability and existence (Phimister, 1980).

Therefore, the origins of the modern mining sector in Zimbabwe can be traced back to the inception of colonialism in 1890 when the BSAC invited foreign capitalists and investors to come and explore and work the country's deposits. From the very beginning, the ownership of the mines was monopolized by foreign players with the ready help and support of the colonial government. The domestic white settlers controlled the small-scale to medium mines with the assistance of the state. Thus, the mining industry was born through the active and brutal marginalization and exploitation of the indigenous people for the benefit of the white-settler minority and the international capitalists. These are some of the contradictions that the post-colonial government seeks to redress through the indigenization of the sector.

[16] Small-workers is another term for small-scale mine producers

4.4 The White-Settler Colonial State (1923-1980)

Lured by the promise of a 'gold bonanza', white immigrants flocked to Rhodesia in droves from as far as Australia, Germany, New Zealand and mostly from South Africa. As a result, the European population doubled in size between 1901 and 1911 from 11 000 to 23 000. By 1945 the population had quadrupled to over 80 000 a number which increased to 250 000 by 1970 constituting almost 5 percent of the total population (Fisher, 2010: 3). The settler population having acquired new economic interests voted in a 1923 referendum, against the wishes of the BSAC, to form an independent settler state governed by elected representatives. The results of the referendum ended the 30-year reign of the BSAC government and ushered into power the settler-backed Responsible Government headed by Charles Coghlan as the Prime Minister (See Bourne, 2011; Chikuhwa, 2013). Needless to say, having been voted into existence by the white-settler population, its top priority was to ensure the economic security of the settlers in mining, agriculture and manufacturing (Arrighi, 1973). This was a state created by a referendum in which only white settlers were allowed to vote. Its formation vindicated the fundamental argument in Charles Mills' '*The Racial Contract'* in which he argued that the state is programmed to advance white supremacy at the expense of other groups (See Mills, 1997). Thus, black indigenous people were politically excluded from the white-settler state by design – a fundamental characteristic of the new state that determined the fate of the indigenous people in the British colony. However, Phimister (1984) warns against viewing the formation of a settler state exclusively from internal colonial politics. He argues that even though the Responsible Government replaced the BSAC rule, it still had to obey it still had to subordinate itself to the larger imperial interests. After all, key industries like mining, railway system, the media and cattle ranching were still in the hands of foreign investment. "…the B.S.A. Company had fingers, occasionally a whole hand, in many pies" (Phimister, 1984: 281). Bonnello (2010) also argues that the settlers in Southern Rhodesia felt a sense of cultural and traditional affinity to the British Empire and viewed themselves as having the duty to promote British civilization.

The government invested heavily in infrastructure like roads, power and communications to create a basis for economic expansion. There was an emergence of state boards like the Sugar Industry Board, Cotton Industry Board and the Tobacco Marketing Board that regulated access to markets and production (Bradbury and Worby, 1985). These institutions were over and above all else conduits through which economic power and priviledge was kept concentrated in the hands of the white-settler community. The small-mine owners received loans on lenient terms and benefited from the provision of technical advice and processing plants that made it difficult for large mining companies to buy up the small enterprises. Thus, the new settler government departed substantially from the BSAC government's laissez-faire inclination which exposed the settler petty bourgeoisie to cutthroat competition from international investors (Phimister, 1980). The settler government brought a phenomenon Illife (1983) referred to as 'nurture capitalism' in which the government, motivated by economic and political interests, aides and promotes the growth of a local entrepreneurial class. A white bourgeoisie class evolved in Rhodesia's mining sector on the back of generous support from the state. However, as Phimister (1984) shows, the Rhodesian economy was still very much in the grip of international capital.

A plethora of laws were enacted in line with the settler-state's economic vision. In 1930 the seminal legislation, the Land Apportionment Act, was passed. It was on the basis of this legislation that the indigenous people were forcibly removed from their ancestral lands to pave way for the European settlers (Shutt, 1997). The 1930 Act saw almost 50 million acres of prime agricultural land reserved for purchase by 50 000 white settlers as compared to only 28 million acres reserved for 1 million Africans (Mutiti, 1974; Bourne, 2011). The adoption of the Land Apportionment law was significant in that it was a reaffirmation of the brutal disempowerment that the indigenous people had already suffered in the hands of the BSAC government. The Industrial Conciliation Act (ICA) of 1934 ensured the supply of cheap labour to settler-bourgeoisie and international capital. The ICA was also meant to shield the white wage workers from possible competition from African workers by imposing a colour bar on the kind of jobs whites and Africans could do (Olsson, 2011). While the ICA recommended that African and white workers be paid equally for the same work, it blocked the advancement of Africans through banning unionism and denying them skills acquisition (Bourne, 2011). The availability of cheap labour was in the mutual interests of both white bourgeoisie and foreign capital as they both wanted to minimise costs as much as possible. In a move earmarked to further disempower the indigenous people, the Native Registration Act and The Native Passes Act of 1936 and 1937 respectively, were passed to control and limit the movements of indigenous people (Fisher, 2010). Central to the operations and policies of the colonial government was the ideology of "settlerism" in which the white settlers were given preferential treatment in all spheres of Rhodesian national life.

The colonial settler government was a very active participant in the mining industry and played way beyond a merely regulatory role, especially during the post-World War 1 period (Phimister, 1974). One of the most important initiatives was the establishment of the School of Mines which was earmarked to provide technical assistance especially to the small mine operators. The state also created a national electricity grid which ensured that the mining sector had access to energy. Moreover, the government also went overboard after both world wars to facilitate the entry of the returning soldiers into the small-scale mining sector (Hollaway, 1997). In 1945 the government established the Returning Servicemen Scheme which saw over 200 returning soldiers receiving training in mining. This led to the opening of 67 productive mining units generating revenue above 25 million pounds (Holloway, 1997). The government also introduced the Exclusive Prospecting Order (EPO), which upon evidence of competence, allowed a claim-holder to explore a large area for six years. The Mining Affairs Board comprising government and private sector representatives was established in 1953.

Another landmark move that had a significant impact on the structure of the mining sector in the long term was the adoption of the Mines and Minerals Act (MMA) in 1961. Albeit having been amended on numerous occasions post-independence, the MMA is still in force at the time of writing and is a big factor in the restructuring and transformation of the mining sector in line with the vision of indigenization (Bradbury and Worby, 1985). Perhaps one of the most important clauses was in Section 2 of the Act which stipulated that all the rights to the minerals, mineral oils and natural gases are wholly and unconditionally vested in the head of state and government of the republic. This means that the state as represented by the Prime Minister who was head of government held sway in the mining sector and could impose its interests on powerless communities. In addition, it placed the private sector at the mercy of the whims of state policy. Section 6 of the Act established the Mining Affairs Board later named the Mining Development Board which represents large and small-scale sectors and farmers as well. The Board, as already discussed, was tasked with implementing government policy in the mining industry on behalf of the State. This meant that the private sector, having been allocated a seat in the board, was able to make inputs into policy formulation. Section 20 of the Act opened the acquisition and registration of mining rights to any permanent resident of Zimbabwe regardless of colour or background. Section 26 states that all communal and privately-owned land is open to prospecting. This raised the possibility of forcibly relocating whole communities on the orders of the State upon the discovery of minerals.

Section 244 of the legislation pronounces on the mineral royalty payable to the government by mining enterprises. The amount of royalty is decided by the government Minister in charge of the mining industry (The Mines and Minerals Act, 1961). Arguably the most important legacy of the MMA was to grant the state disproportionate power over the distribution of wealth in the mining sector. Although the private sector was represented in the Mining Affairs Board, the ultimate decision lied with the state officials (Bradbury and Worby, 1985). Conspicuously, the MMA did not prohibit the ownership of mines by black indigenous people. However, discriminatory funding, repressive laws like the LPA, ICA, and the Native Registration Act all but made it impossible for black people to acquire mines of their own. Moreover, even though the law did not differentiate between small and large-scale mines, the state went to extra lengths to ensure that the small-scale miners were protected. This, as the next chapter will show, was not the case in the post-independence era.

4.5 Labour in the mining industry: The disempowerment of the indigenes

Any recollection of the history of mining in Zimbabwe cannot be complete without an examination of the labour question. Labour played as important a role in the development of the country’s mining sector as did capital and the state. The larger companies in the industry also benefitted from the early twentieth century reconstruction efforts focused on cost minimisation in labour, management, machinery, fuel and transport. Of these, labour was the most contentious and crucial since the mining industry was directly dependent for its survival on the steady and regular supply of cheap African labour (See Steele, 1972; van Onselen, 1973). Bradbury and Worby (1985) argue that the combination of the low profit margins and the labour-intensive nature of mining in Southern Rhodesia made the availability of cheap and regular labour even more important.

The need for labour was met in two ways. First was the establishment of the Rhodesian Native Labour Bureau (RNLB) in 1904 which ensured the supply of regular and sufficient labour to the mining industry (Scott, 1954). The RNLB also worked to cordon off some areas in Rhodesia from the reach of the Rand recruiting agents in order to guarantee supply for the country's own mines (Ibid). The second way was through the underdevelopment or the conscious undermining of indigenous people's participation in agriculture which made it difficult for them to compete with white commercial farmers in the agricultural markets (Phimister, 1980). The prospect of any respectable income in the agricultural sector having been removed, the indigenous people had to sell their labour to generate income. The mining companies paid wages that were below subsistence level. This meant that the cost of the reproduction of labour was passed on to the African families thus ensuring profit maximization for the (mostly foreign-owned) companies. Indeed, in some cases, mining companies, now reassured by the RNLB, were able to cut the already meagre wages they paid to African labour.

Bradbury and Worby (1985) also point out that to ensure the regular supply of labour the state had to resort to *"chibaro"*[17] or forced labour. To achieve this the colonial state regimented the African population into native reserves, introduced hut tax and pass laws to regulate mobility and tied the labourers to their employer under the Masters and Servants Act of 1891 (Leys, 1959). Bradbury and Worby gave a telling narration of the labour situation in the mining sector:

> Close cooperation between mining companies and the agencies of state power was maintained in order to recruit workers and in order to maintain discipline within the mine compound. The infamous compound system, comprising methods of surveillance and social control, became a standard feature of mines throughout the colony. Such a system was the direct counterpart of a strategy to minimize labour costs not only through low wages, but through the provision of abysmally poor rations, housing and health care. Such skilled labour as was required was drawn from experienced European miners who initially had to be attracted by relatively high wages and benefits. This form of segmenting the labour market, so that colour was made to coincide with an ascribed skill-level, set the pattern for working class disunity that was to characterize mining trade-unionism until independence. (Bradbury and Worby, 1985: 149)

Other scholars like van Onselen (1973) cite the important role of collaborators in ensuring labour supply in the mining industry in Southern Rhodesia. The collaborators included "the native police the 'native' police, the 'native' messengers of the administration, recruiters for the Rhodesian Native Labour Bureau (RNLB) and the so-'compound police" (van Onselen, 1973: 403). The collaborators played an important role in controlling labour supply. Moreover, the settler-state also devised measures to source migrant labour from neighbouring states Zambia

[17] A Shona word which means rape or sexual assault used here to refer to forced labour which reflects the egregious and inhumane nature of the colonial government's labour policies.

(then Northern Rhodesia) and Malawi (then Nyasaland) (Scott, 1954; Makambe, 1980). Scott (1954) argued that the settler state in Southern Rhodesia had always been especially dependent on migrant labour in light of local labour shortages. The size of migrant labour in Southern Rhodesia grew from 84 155 in 1911 to 488 455 in 1951 (Scott, 1954: 30). This was despite the huge risks and obstacles that migrant labourers especially from Nyasaland faced as they travelled to and from Southern Rhodesia (Makambe 1980).

The Reform Government that assumed power in 1923 passed the 1934 ICA which by and large informed its labour policies in the mining sector (Fisher, 2010). The new legislation granted preferential treatment to white workers setting them up for higher wages and more bargaining leverage. Conspicuously though, there was continuity in African labour management policies despite the winds of change in the political and economic scenes ushered in by the inauguration of the Reform government. Under the ICA of 1934 Africans were excluded from the category of employee thereby undermining their rights as workers. Management and skilled positions were reserved exclusively for white workers while African workers were consigned to rudimentary hard labour and had no right to organize themselves into unions (Dansereu, 2000). The Land Apportionment Act of 1930 effectively undermined or altogether eliminated indigenous people's participation and reliance on agriculture thus ensuring the reliable supply of labour to the mining sector.

The post-World War 2 climate gave rise to new political and economic conditions that resulted in the amendments and revision of the ICA in 1959. The increasing technical mechanization of the mines necessitated the training of Africans and granting them a semi-skilled status to operate machinery that had been previously the preserve of the white workers. The period coincided with the rising nationalist tide in Zimbabwe led by black activists fighting for the rights of the indigenous people. The Rhodesian government was compelled to adopt a limited conciliatory stance towards African labour, allowing limited trade unionism in order to avoid dealing with a full-scale revolt by (Dansereu, 2000). The emigration of European workers and the recruitment for World War 2 led to the acute shortage of skilled workers, a reality which forced the mining industry to accelerate the training of African workers. This led to the increase of the semi-skilled category from 4000 in the 1960s to over 14000 by 1974 with an accompanying rise in wages (Dansereu, 2000).

However, despite these reform attempts, the situation of African workers in the mining industry remained dire. In 1975 African workers only earned less than 20% of the wage bill while the unskilled African workforce took home a paltry annual salary of Z$169 which was way below the poverty datum line (Mandaza, 1983:56). Clarke (1975: 74) also notes that the mining companies continued to rely on migrant labour which made up 75% of the labour force in some mines. Moreover, Bradbury and Worby (1985:7) state that the labour market in the mining sector was still rife with racial inequalities. The white labour force which constituted only 5% of the total labour force was awarded 45% of the wage bill in 1973. The white working class successfully resisted the restructuring of the labour market in the mining sector and retained its dominant position. The African labourers' hopes of having a voice were dashed by the increasing repression of African trade unions and political organizations which effectively stripped them of any impetus for a consequential struggle. Such were the colonial labour dynamics in the mining sector which were a major part of the class struggle in the mining sector and would shape the struggle long after independence was attained.

4.6 Foreign investment in mining: The colonial era

The anti-thesis of economic indigenization – the dominance of external interests and corporates in the economic sector – has its roots in the very inception of colonialism in the last quarter of the 19th century. The first three decades of colonialism (1890-23) saw Southern Rhodesia come under 'Company Government or State' when the BSAC was in full control of the levers of state power (Bourne, 2011). As it were, the government was really a business entity wrapped or disguised as a state whose primary concern was not social justice but maximising returns for its shareholders. Clarke (1980) argued that the foreign investment and finance were the source of modern economic development after the inception of colonialism in 1893. This is hardly surprising, taking into consideration that the BSAC itself was originally a chartered company from England that had been granted administrative powers in Rhodesia by the British Crown.

Table 4.1 Pre-independence foreign investment in mining up to 1978

Sub-sector	Corporation	Parent Co/Country	Mine
Chrome	African Chrome Mines Ltd	Union Carbide (USA)	African Chrome
Copper	Lomagundi Mining and Smelting	MTD Rhodesia Ltd (SA)	Alaska
Gold	Corsyn Cons. Ltd	Lonrho (UK)	Acturus/Athens
Lithium	Bikita Minerals Ltd.	Selection Trust (USA)	Bikita

Gold	Banket Gold Mines Ltd.		Banket
Asbestos	Pangani Asbestos Mines Ltd.	Asbestos Investments (SA)	Boss
Iron Ore	Rhod. Iron & Steel Co.	AAC (SA), RST (USA)	Buchwa
Chrome	Rhod. Cambrai Mines	-	Cambrai
Gold	Falco Mines Ltd.	Falcon (UK)	Dalny, Dawn
Iron Ore	Dorowa Minerals Ltd	AE & CI (SA)	Dorowa
Asbestos	DSO Asbestos Mines		DSO
Copper		ACC (SA)	Epoch
Asbestos	Rhod. & General Asbestos	Turner & Newall (UK)	Gath's
Gold	-	Lonrho (UK)	Howe
Copper	Corsyn Cons. Mines Ltd.	Lonrho (UK)	Inyati
Tin	Kamativi Tin Mines Ltd.	Believed external	Kamativi
Nickel	Madziwa Mines Ltd.	AAC (SA)	Madziwa
Gold	Corsyn Cons. Ltd.	Lonrho (UK)	Mazoe
Asbestos	Pangani Asbestos Mines	Asbestos Investments	Pangani
Chrome	African Chrome Mines Ltd.	Union Carbide (USA)	Rhodesian Chrome
Nickel	Rio Tinto (Rhod.)	Rio Tinto (UK)	Gatooma
Nickel	Rio Tinto (Rhod.)	Rio Tinto (UK)	Refinery
Nickel	Rio Tinto (Rhod.)	Rio Tinto (UK)	Smelter
Gold	Rio Tinto (Rhod.)	Rio Tinto(UK)	Brompton
Nickel	Empress Nickel Co.	Rio Tinto (UK)	Empress
Gold	Rio Tinto (Rhod.)	Rio Tinto (UK)	Patchway
Emeralds	Rio Tinto (Rhod.)	Rio Tinto (UK)	Sandawana
Asbestos	Rhod. & Gen. Asbestos Corp.	Turner & Newall (UK)	Shabanie
Copper	Nyschere Copper (Pvt) Ltd	Lonrho (UK)	Shamrocke
Nickel		JCI (SA)	Shangani
Gold	Homestakes Gold Mines Ltd.	Lonrho (UK)	Shamva
Chrome	AAC	AAC (SA)	Sutton
Nickel	Trojan Nickel Mine Ltd.	AAC (SA)	Trojan
Chrome	AAC	AAC(SA)	Vanad
Asbestos	Pangani Asbestos Mines Ltd.	Asbestos Investments (SA)	Vanguard
Gold	Forbes & Thompson		Vubachikwe
Coal	Wankie Colliery Co.	ACC (SA)	Wankie

Source: Clarke, D.G. (1980). *Foreign Companies and International Investment in Zimbabwe.* Russel Press: Nottingham.

Although the British Colonial Office did wade into the affairs of the colony from time to time, BSAC was effectively running the Rhodesian colony which necessarily required an administrative machinery. Table 5.3 above shows the number of mining ventures that were owned by large foreign-owned companies in Rhodesia. As the table shows, the mining sector was dominated by multinational companies from the United Kingdom (UK), South Africa, and the United States. Rio Tinto from the UK was the most dominant controlling more than 7 mining enterprises across all the subsectors. Anglo-American Corporation which came from South Africa also owned multiple enterprises in gold, chrome, asbestos and coal among other sectors. Companies like the Union Carbide from the USA and Lonrho from the UK were also formidable players in the sector. Despite the BSAC government having initially structured the industry around the small-workers, large companies eventually came to dominate and almost completely took over the industry:

> Foreign capital in mining was initially in gold, increasing the size of operations, followed by the opening of base mineral mines in asbestos, chrome and coal, requiring large initial investments. As a result, output doubled between 1942 and 1954, unit value tripled between 1964 and 1979, and volume by 85%. Mining ventures were now controlled by very few companies, mostly of South African and U.K. origin who contributed to the increased concentration of mining in the region. Many of these companies were also active in Zambia and South Africa, thus consolidating Rhodesia's role within the regional economy. Some of the biggest mining companies in the world dominated the sector such as Anglo-American Corporation, Lonrho and Rio Tinto. Small-workers were marginalized, mining smaller, less profitable and sometimes sporadic deposits, with their numbers falling from a high of 1750 operators in 1935 to 300 in 1956. (Bradbury and Worby, 1985: 225)

This picture is more or less corroborated by the statistics shown on table below on the distribution of mines by the size of their workforce and their share of the sector's gross output. Small mines with a number of employees ranging from 1 to 100 were numerically superior numbering 218 and hired 12% of the workforce employing a combined total of 6679 workers against a sector total of over 54 400. Their share of the sector output was even lower at 4.8 %. This perhaps reflected the numerous inefficiencies the small mines had to deal with as a result of, among other factors, mismanagement, lack of capital, inexperience and inadequate state support which militated heavily against their productivity (See Arrighi, 1966).

Medium scale mines with employees of between 100-1000 numbered 54 and employed 30% of the work force while commanding a 21% share of the industry's gross output. This category is likely to have been dominated by large foreign-owned corporates but however may have concentrated on minerals like chrome, nickel, and asbestos that did not fetch high value in the global market. Large-scale mines employing over 1000 workers only number 14 out of a total of 286. However, they controlled 58% of the total workforce and also enjoyed a lion's share of the gross output claiming over 73%.

Table 4.2: Distribution of mines, employees and gross output

No. of Workers	No. of Mines	Total No. of Employees	Percentage of Gross Output
1-10	59	382	0.1
10-100	159	6297	4.7
100-1000	54	16480	21.5
Over 1000	14	31674	73.6
Total	**286**	**54834**	**100**

Source: Adapted from Clarke, D.G. (1980). *Foreign Companies and International Investment in Zimbabwe*. Russel Press: Nottingham.

What emerges from the table above is that the Rhodesian mining industry had undergone a rather dramatic structural transformation in the first 90 years of its existence. While the small-scale enterprises had previously dominated the sector, peaking at 1750 units at one point, they were eventually crowded out by the large multinational conglomerates mostly through take overs and buyouts (Phimister, 1980). The mining industry was effectively turned into an oligopoly.[18] The foreign-owned companies boasted of huge amounts of capital, technology and skills base and a far-reaching access to the export market. Arrighi (1967: 49-50) characterized perhaps more or less accurately, AAC as a powerful "independent super-state, an economic empire centered in Southern and Central Africa". The mining companies also cultivated strong relations with the colonial state and the white working class. Fast forward to the twenty-first century, this state of affairs appears to be still prevailing 37 years into independence. According to Chikuhwa (2013) Zimbabwe is Africa's third largest gold producer in Africa and the 17th largest in the world. Chikuhwa (2013: 406) points out that "the country's leading gold producers are Anglo-American Corporation, Ashanti Goldfields, Falcon Gold, LonRho Zimbabwe and Rio Tinto". All of these companies are foreign-owned and produce over 80% of gold output in the country. Although with the advent of independence there has been a surge

[18] An oligopoly is a market structure in which a few firms control a disproportionately large share of the market. It could be two or more firms, but it is different from a monopoly where one firm enjoys. This ties into the nature of the world-system which creates a global economy that is based on the domination of a few multinational corporates (Organization for Economic Cooperation and Development, 1999).

in small-scale mining by indigenous people, they are still structurally disadvantaged by lack of capital and hostile legal and policy environment (Hawkins, 2009).

The foregoing sections have painted a picture of the pre-independence environment in which the mining sector operated. It shaped but was also shaped by the domestic, regional, international political, social and economic factors. However, the outcome was the emergence of a very few but powerful and resourceful multinationals literally owning one of the pillars of the national economy. As Phimister (1984) has argued, the BSAC still owned the mineral rights in the country. This was aided and abetted by a state that itself metamorphosed from a quasi-state controlled by a multinational company into a settler-state accountable to the settler community in Rhodesia. If this is any guide, it is perhaps unsurprising that even as BSAC relinquished political power in 1923, the state remained predisposed towards international capital. The indigenization policy in the mining sector is an attempt to reverse this legacy of settler colonialism. The next section looks at how the state suppressed the economic potential of indigenous people.

4.7 African capitalism in Rhodesia: a fire extinguished

The non-existence of any significant indigenous capitalist class across all the major sectors of the economy: manufacturing, agriculture, mining, tourism, transport among others, is directly traceable to the historical experiences of the colonial era. From the inception of colonialism, the BSAC ensured that the indigenous people were granted no space at all in the capitalist economy that they were building. Under the Land Apportionment Act (LAA) the government segregated the economic spheres of Europeans and Africans. The Act designated prime agricultural land for settlers, purchase areas for wealthy Africans and reserves for poor indigenous people (Shutt, 1997). Malaba (1980) is of the view that the placing of African people in reserves was calculated to prevent them from accumulating capital since they did not own nor could they produce for the market. The government developed what it called the Native Purchase Areas (NPAs) where capable Africans could purchase and develop plots. A total of 548 farms was purchased mostly by the African elite who included teachers, ministers, chiefs and businesspeople (Nicholas, 1994). However, government’s refusal to lend financial assistance to these farmers rendered them unable to develop the plots and undermined any indigenous entrepreneurial efforts. Shutt (1997) looked at the plight of Africans who bought land in the Native Purchase Areas under the LAA of 1930. The occupants of purchase areas never got any government assistance or funding even though they had bought their land. This had the effect of limiting the development of an African middle class.

Moreover, the pricing policies of the government under the Maize Control Act of 193 also dealt a blow to African farmers who sought to go beyond mere subsistence. The policy taxed the profits of African farmers who produced maize for subsistence in order to subsidize the production costs of the settler-farmers who produced largely for export (Nicholas, 1994: 97). Davis and Dopcke (1987) noted how through the Maize Control Act, the government bought maize at higher prices from white farmers while buying that from black farmers in Gutu at below production costs. Cheater (1991) also argues that capitalism and the settler-state have combined to exploit and undermine Zimbabwe's rural economy by limiting their access to markets leading to peasant alienation. The indigenous people's entrepreneurial potential continued to be suppressed through repressive legislation and policies.

The Cattle Levy Act also had the similar effect of reversing accumulation by Africans thus beating down any entrepreneurship or class development within the African population. In urban centers as well African entrepreneurs faced stiff resistance from municipal councils which intensively regulated African enterprises in terms of the kind and size of businesses they could operate. The councils also determined the goods African shops could sell, the hours of business and the kind of customers they could serve. However, there was a breakthrough as by 1975 there were known to be 15 000 African-owned commercial enterprises with an aggregate annual gross turnover of $110 million. These enterprises were mostly operated by small general dealers and served exclusively in the African areas (Nicholas, 1994: 53).

It was apparently worse in the mining sector where, largely because of the huge start-up capital required, there are no records of Africans who owned mining enterprises. All the mines that operated in the country were run by white-settlers or international capital. Africans only provided cheap labour. This was due to the government's discriminatory funding policies that denied Africans access to loans and credit to open mines. It was also due to the ICA under which Africans were not eligible for apprenticeships to acquire training as mine artisans which could have created a path to ownership (Arrighi, 1967). Consequently, at independence in 1980, the mining sector was entirely settler and foreign-owned. African entrepreneurs were not given any opportunity to try their entrepreneurial skills in mining. Like every other sector, although it may have been worse in mining, indigenous entrepreneurs were shut out and excluded. The monopolization of the mining sector by the settlers and foreign investors did not just happen overnight. It is a process with a long and illustrious history and any discussion of the current indigenization efforts should take such facts into account.

4.8 The rise of the black ruling class: continuity and change in the post-independence era

Zimbabwe's independence in 1980 signalled a sea change in the country's political landscape and general policy direction. The mining industry being one of the country's vital and strategic sectors of the economy, was without any doubt going to be affected by the political changes. The ideological rhetoric and orientation of the new nationalist government that assumed power in 1980 leaned heavily on a Marxist-Leninist direction which preferred a dirigisme economic set-up in which vital industries would come under state control (See Mandaza, 1986; Foroma, 1996). This ideological stance, viewed as extremist in some circles, was however checked by the government's insistence on the need for reconciliation, which was widely perceived to mean the government's accommodation of private capital and respect for property rights. The new government had run an electoral campaign in the 1980 elections, on the promise of restructuring the various economic sectors (manufacturing, agriculture, tourism, commercial and mining) which were dominated either by white local capitalists or foreign investors. The restructuring efforts, it was hoped, would create space for the previously disadvantaged black people through ownership and management control (See Sibanda and Makwata, 2017).

This bias was particularly pronounced in the mining sector largely because, conspiring with the lack of government support, the enormous capital requirements needed to start and run mining ventures set the bar too high for black people in the colonial era. This resulted in the minuscule presence of black entrepreneurs in the mining sector upon the advent of independence (Bradbury and Worby, 1985). Moreover, efforts were also focused on changing labour relations and conditions in the mining sector which had totally disempowered and emasculated the indigenous working class. There were high hopes that the government would move swiftly to resolve the labour question especially not least because the working class was the lynchpin of the Marxist-Leninist ideology (Dansereu, 2005; Sachikonye, 2003). Even more important, the resolution of the labour question would go a long way in creating avenues of advancement of the black people in the mining industry since the people employed in the sector were the most likely to invest there because of the exposure they had gained as workers. However, some scholars expressed reservations on the intentions of the ruling class to address the issue of empowerment. They argue instead the ruling class has politicized the indigenization discourse to serve narrow political interests (Mufema, 1998; Magure, 2012).

4.8.1 The policy and economic environment (1980-2000)

The government was quick to draft an economic plan titled *'Growth with Equity: An Economic Policy Statement'* in 1981. The policy document unequivocally conveyed the government's desire to address the historical imbalances inherent in the economy which saw the majority of the country's population shut out of the mainstream economy. Emphasizing the need for good governance, the government was committed to implement a social-democratic model in which it would pursue both economic growth and equitable redistribution to improve the inclusiveness of the economy. In the 1981 policy the government expressed commitment to reforming the ownership structure of the national resources especially agricultural land and minerals which it declared as belonging to the people and therefore had to serve the people first (Sibanda and Makwata, 2017). While the policy was based on a people-centred agenda it was also awake to the importance of a sound monetary policy that would ensure the country's creditworthiness and therefore its access to the financial assistance it may need from time to time.

Moreover, this policy coincided with the economic boom of 1980-82 during which the country's GDP grew by more than 10%. This was induced largely by the opening up of the economy to international trade, foreign investment and access to credit agencies all of which had stopped under Ian Smith's protectionist policies (See Mzumara, 2012). However, as much as these measures made for a sound policy, Kanyenze (2003) laments against the top-down approach adopted by the government in policy-making as the people who were expected to be the major beneficiaries of the policy were scarcely consulted, let alone involved. The new government’s very first policy statement was awake to the need for the indigenisation of the economy although the idea was then pushed down the priority list in the name of pragmatism. Hawkins (1981) even described the policy as a climb-down on “the pre-independence economic policy statements by Mr. Mugabe's party, which were heavily Marxist in orientation”. Mandaza (1986) viewed the 1981 policy as the product of a pact between the black nationalists in government and the white bourgeoisie and foreign interests in the private sector. However, the mining sector expressed discomfort at the intention of the government to establish a state-controlled minerals marketing corporation insisting that marketing and selling of minerals were better left to the private sector.

On the back of the economic boom of the first two years of independence, the government crafted the *Transitional National Development Plan (TNDP)* at the end of 1982 which was intended to cover the period 1983-85. The TNDP was to be the government’s comprehensive intervention to create conditions for a sustainable socio-economic transformation which was the central aspiration of the liberation struggle. The plan was at its inception, based on short-term rule of thumb guide to policy, in which the government, due to the rapid economic and social changes happening at the time, did not have the luxury of adopting a stable policy position. As such, the government made it clear that it was not going to dive headlong into radical economic transformation:

> While the inherited economy, with its institutions and infrastructure, has in the past served a minority, it would be simplistic and, indeed, naïve to suggest that it should, therefore, be destroyed in order to make a fresh start. The challenge lies in building upon and developing on what was inherited, modifying, expanding and, where necessary, radically changing structures and institutions in order to maximise benefits from economic growth and development to Zimbabweans as a whole. (Government of Zimbabwe, 1982)

The TNDP, while containing a dose of the usual people-centred and radical transformation rhetoric, was firmly anchored on economic realism, far removed from the lofty ideals of the liberation struggle. The targets of the plan was to achieve an economic growth rate of 8 percent, increase investment to 23 percent of the GDP, and increase the rate of employment growth. The plan would also improve the country’s balance of payments through promoting exports, increasing savings to 20% of GDP, and last but certainly not least, the government also intended to resettle 162 000 families (Kanyenze, 2003). One can argue that the TNDP was a major retreat by the government from its Marxist-Leninist rhetoric to a neo-liberal and market-centered approach to economic management (Dansereu, 2005). The indigenisation of the economy was no a longer a priority but became contingent on the performance of the macro-economic fundamentals like the GDP, balance of payments and budget deficit.

Table 4.3: Zimbabwe's economic performance (1980-1985)

	1980	**1981**	**1982**	**1983**	**1984**	**1985**
GDP %	10.7	9.7	1.5	-3.6	2.3	7.4
Employment %	2.6	2.8	0.8	-1.2	0.3	1.8
Balance of Payments($m)	-29.4	-202	-96.9	9.3	250.3	172.2

Source: Kanyenze (2003)

However, the TNDP missed almost all of its targets as it failed to achieve economic growth. From a high of 10.7% in 1980 the GDP growth shrunk to 1.5% in 1982 before further declining to -3.6% in 1983. All in all, during the TNDP period the economy only managed to grow at 2%, a far cry from the targeted 8%. Employment only managed to grow at a rate of 0.3% quite a distance from the targeted 3% during the same period. The balance of payments improved tremendously from a deficit of Z$29.4 million in 1980 to a surplus of Z$250.3 million in 1984 before declining to Z$172 million in 1985. Internal policies like the exchange rate, lax import control, profit remittances abroad conspired with external factors like the 1982 drought and the global economic recession (1981-1982) to create a macroeconomic crisis in the first five years of independence (Sibanda and Makwata, 2017). Such an unfavourable macro-economic environment meant that the government had no resources to fund equity and skills acquisition by the indigenous people in line with the goals of socio-economic transformation. The conditions for the take-off of the indigenisation policy were effectively non-existent, this meant the policy and its promises would be delayed.

In 1986 the government came up with the *Five Year National Development Plan (FYNDP)* for the period 1986-1990. The plan was a response to the failures and shortcomings of its predecessor the TNDP. Under the FYNDP the economic growth rate was projected to take place at 5% per annum, investment target would remain at 20% while the number of families targeted for resettlement was reduced from 162 000 to 75 000. The Table 5.5 below shows how the country's economy fared under the FYNDP.

Table 4.4: Zimbabwe's economic performance: 1986-1990

	1986	1987	1988	1989	1990
GDP%	1.8	1.5	5.9	3.6	7.2
Employment%	2.5	0.2	5.5	3.2	2.2
BOP (Z$m)	11.4	103.9	64.3	-106.8	-255.6

Source: Kanyenze (2003)

The economy performed better under the FYNDP than it did under the TNDP. The country's GDP grew at 4% between 1986 and 1990 narrowly missing the 5% target. Employment rate grew at above 2% which is far above the 0.3% achieved under the TNDP but still below the target of 3%. The balance of payments enjoyed a surplus for the first three years of the FYNDP rising from Z$11.4 million in 1986 to Z$103.9 million the following year before declining to Z$64.3 million in 1988. However, the balance of payments fell sharply into a deficit of Z$106.8 million and further to Z$255.6 million in 1989 and 1990 respectively. Despite this economic growth, there were concerns about fiscal indiscipline on the part of the government whose spending increased from Z$3.6 billion in 1986 to nearly $7 billion in 1990 (Kanyenze, 2003).

While the country faced a series of setbacks, in the first decade of independence, Zimbabwe managed to maintain a fairly sound economic standing. Not much was changed in terms of the structure of the productive sectors of the economy which were still largely in the hands of foreign and local private capital. State intervention in the economy was very limited and redistribution of economic wealth, especially in the agricultural and manufacturing sectors, was excruciatingly slow (Dansereu, 2005). In the contentious labour question, the scales seemed to be tipping in favour of the employers as indicated by the table below showing the Gross National Income:

Table 4.5: Percentage distribution of national income

	1985	1986	1987	1988	1989	1990
Wages & Salaries	47.7	49.1	53.7	49.1	47.2	47.0
Surplus profits	52.9	51.4	46.7	50.8	52.4	52.9

Source: Kanyenze, 2003: 52

The statistics shown in the table above indicate that employers were taking home more than the workers were taking. It seems the 1980 Employment Act which increased the workers' minimum wage did not go far enough (Foroma, 1996). Such a trend begged questions on the government's commitment to its socialist rhetoric on the one hand, but it also indicated the difficulties of transforming the economy through broad-based ownership.

4.9 The state of the mining sector (1980-1990)

Having examined the nature and the performance of the government's macroeconomic policy in the first decade of independence in the preceding section, this section takes a closer look at the state of the mining sector during the same period. The major question underlying this inquiry is whether the government exercised restraint on the mining industry as it did on the larger economy in terms of transformation and redistribution in accordance with the goals of indigenisation and independence. On balance, it was a mixed record, though a lot remained to be done for the reform and restructuring of the mining industry. The government did not waste much time in making clear its intentions of assuming a leading role in the rectification of the historical and existential imbalances that obtained in the mining sector. In 1982, just two years after independence, the government established the Zimbabwe Mining Development Corporation (ZMDC). The new parastatal was earmarked to act as a mid-wife for potential indigenous entrepreneurs in mining. The ZMDC was also mandated to increase the state's ownership of the country's minerals on behalf of the public interest. By 1989 the ZMDC operations were responsible for 23 percent of all mining output in Zimbabwe (See Watungwa, 2014).

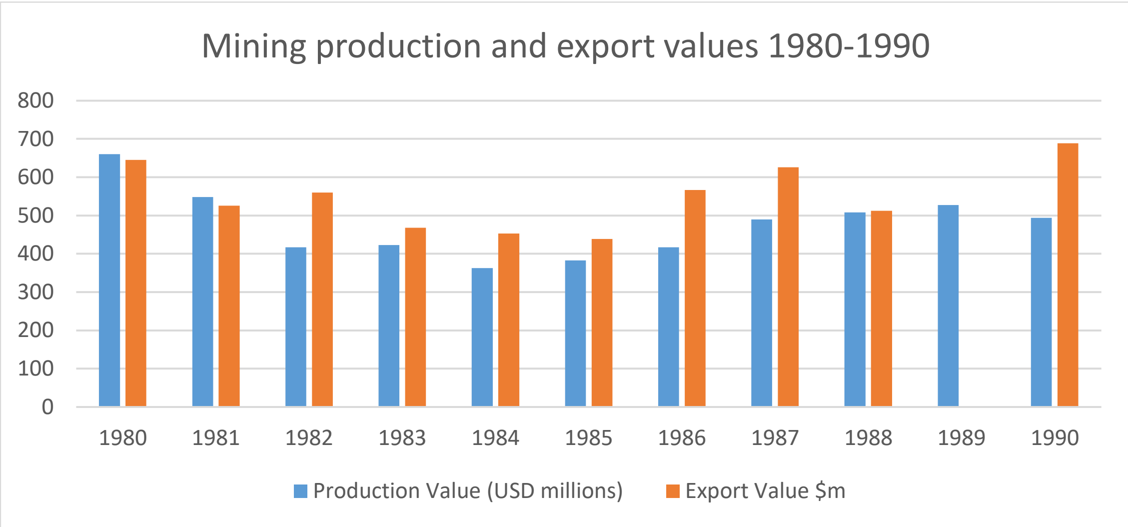
The Minerals Marketing Corporation of Zimbabwe (MMCZ) was formed in 1983 replacing the Chamber of Mines as the chief marketing agent all mining exports in the country replacing (Dansereu, 2000: 230). The formation of the MMCZ was intended among other things to reduce the illicit sale of minerals through the parallel market and also give a chance to local entrepreneurs to sell their produce at competitive and sustainable prices. To ensure that the mining industry was in line with the national development programme the government sought to increase local beneficiation of minerals and also transform the racial disparities that existed in terms of wages and skills within the sector's workforce. One can argue that, in the eyes of the government, transformation in the mining sector could only be achieved through nationalization. The government increased its stake in the industry and monopolized the marketing mechanisms placing it in a better position to promote the interests of aspiring indigenous mining entrepreneurs. Structurally, the mining sector was top-heavy with multinational foreign companies like Rio Tinto, Lonrho, Anglo-American and Union Carbide dominating the mining sector.

Due to the scattered deposits of Zimbabwe's minerals, there was also a significant and relatively prosperous but structurally disadvantaged small-scale sector populated by local business people that employed around 40000 workers. At the bottom of the pyramid were over 100 000 informal gold-panners who resorted to mining as a source of livelihood following the economic hardships induced by drought in the early 80s (Chachage et al, 1993). Through the ZMDC the state now required a 51 percent stake in every new venture, a measure that had the potential to counter the domination of foreign-owned companies (Dansereu, 2000). Through the establishment of cooperative initiatives, the state also hoped to take a lead in improving local ownership of mining enterprises. Testament to the seriousness in increasing its foothold and influence in mining, the government doubled the Ministry of Mines' budget so that it could amass adequate technical knowledge of mining operations and thus be in a position to provide technical assistance to new entrepreneurs (Hollaway, 1997). If the foregoing is anything to go by, the government seemed to prefer a restructuring of the mining sector more through nationalization than indigenization which would have brought in an indigenous bourgeoisie. Perhaps this was the government abiding by its Marxist-Leninist beliefs in public ownership of resources. On the other hand, this could be construed as the manifestation of the ruling class' desire to create accumulation opportunities for itself. The possibility expressed in the latter seems to be corroborated in the current indigenisation context in which such ruling class maneouvres have become an albatross on the indigenisation process.

4.9.1 Performance of the mining industry (1980-1990)

The trends in the mining sector very closely reflect the trends in the macroeconomic environment of the first decade of independence. As figure 1 below shows the value of production, coincided with the economic boom, reaching a peak in 1980 of over US$650 million although it experienced a slight drop in the following year to US$548 million. This was largely due to the country's reintegration to the international economy which opened up for exports and new investments. However, production declined between 1982 and 1986 averaging just below US$400 million from an average of US$600 million in the first two years of independence. The decline occurred in a time of international economic recession which reduced the demand for minerals together with their value in the international market.

Figure 4.1: Shows value of mining production and export in Zimbabwe (1980-1990)



Source: Adapted from Hawkins (2009: 6-8)

The global economic recession may have also had a negative impact on the inflow of foreign investment thus dampening the productivity of the industry. Production recovered between 1987 and 1990 averaging about US$500 million although it did not approach anywhere near the 1980-81 levels. On the export earnings side, the mining industry remained one of the major sources of foreign exchange in the country. As shown in figure 5.2, mining exports contributed an average of just above US$500 million to the country's foreign exchange reserves thus providing a lifeline to other economic sectors like manufacturing and transport.

Moreover, in terms of legislation that governed the mining industry, little was changed as the fundamentals of the Mines and Minerals Act that had been crafted and adopted by the colonial government remained largely intact. Dansereu makes a statement to the effect that the government perhaps became too involved with the industry to effect any change:

> The highly developed consultative mechanism between industry and government, developed during the previous regime, was maintained, giving industry important influence over government policy. The powerful Mining Affairs Board continued to act as the principal liaison between government and industry, retaining many of its functions, including the issuance of exclusive prospecting orders. The Chamber thus maintained its access to the highest levels of policy making and it was frequently consulted during the

> preparation of amendments to the Mines and Minerals Act in 1983. The industry was also represented on the Minerals Marketing Board and the new powerful tripartite Retrenchment Committee that oversaw all retrenchments in the country, including mining. (Dansereu, 2000: 231)

Such a cosy relationship between the government and the mining industry captains dimmed any prospects for any restructuring of the mining sector since the very forces reaping advantage from the status quo had almost captured the state. The cordial relations between the state and the white dominated private sector were also visible in agriculture. Selby (2006: 127-33) shows how the government had entered into an alliance of some sort with the white commercial farmers and reassured them that their place in the country was safe and the land reform was going to be moderate. Despite this awkward position, the government had made an effort to improve the conditions of labour in the mining industry. In 1981 the government repealed retrogressive colonial legislation which included the Masters and Servants Act, African Juveniles Employment Act, Foreign Migratory Labour Act and the African Labour Regulations Act. The minimum wage for the mineworkers was increased from $43 a month in 1981 to $133 by 1985 with an 18 percent real wage increase (Government of Zimbabwe, 1985). It is clear that the mining industry was marked by palpable class tensions between the labour and capital in which the government had to play the role of both the umpire and a player as it had significant interests in the industry as well.

By the end of the first decade the mining industry retained its oligopolistic image being dominated by a few multinational companies which claimed a lion’s share of the output of the country’s most important and top-earning minerals like gold, nickel, chrome, and coal among others (Chachage et al, 1993). Table 5.7 below shows a list of the dominant mining companies in Zimbabwe and the amount of production they controlled in the sector at the end of the first decade of independence.

Table 4.6: Dominant mining companies in Zimbabwe 1989

Controlling company	Mineral	Controlled	Share of total output % (Zim)
Anglo-American Corporation-South Africa	Chromite	Zimbabwe Alloys Ltd Mining cooperatives	12.3 5.3
	Coal	23% Wankie Colliery	23
	Cobalt	Bindura Nickel Corp Ltd.	100
	Copper	Bindura Nickel Corp Ltd.	7.6

	Nickel	Bindura Nickel Corp Ltd.	100
	Palladium	Bindura Nickel Corp Ltd.	50
	Phosphate Rock	Dorowa Mining Pvt Ltd	92.3
	Platinum	Bindura Nickel Corp Ltd.	66.7
Afex Corp – South Africa/Luxembourg	Gold	Falcon Mines plc Olympus Gold Mines Ltd	13.9 1.8
Brascan Ltd (Noranda) / Canada	Gold	50 % Blanket Mine (pvt) Ltd 50 %Golden Kopje Mine	1.5 1.0
Cluff Resources plc /UK	Gold	Cluff Resources Zim. Ltd	13.7
CRM (fit) Ltd/Zimbabwe	Berryllium		100
Forbes G. Thompson (Put) Ltd/Zimbabwe	Gold		6.3
Graphitwerk Kropjiniihl AG/Germany	Graphite	50 % Zimbabwe German Graphite Mines	50.0
Lonrho plc/UK	Gold	Independence Min. (Pvt) Ltd Corsyn Consolid. Mines Ltd	 16.9 11.3
RTZ Corporation plc/UK	Gold	Rio Tinto Zimbabwe Ltd	14.0
	Lithium	50% Bikita Minerals (ht) Ltd	50.0
Trelleborg ABISweden	Gold	50 %Blanket Mine (Pvt) Ltd 50 % Golden Kopje Mine	 1.5 1.0
Turner 6 Newall plc/UK	Asbestos	Shabanie and Nashaba Mines	100
Union Carbide CorplUSA	Chromite	Zim. Mining & Smelting CO	 70.1

		Miming cooperatives	11.9
	Gold	Mopane Mines (Pvt) Ltd	2.1
Government of Zimbabwe/Zimbabwe	Coal	40 % Wankie Colliery CO Ltd	40
	Copper	Mhangura Copper Mines Ltd	68.2
		Merits Ltd	23.6
	Gold	Sabi Consolidated Gold Mines	3.3
	Gold	Mhangura Copper Mines Ltd	1.8
	Graphite	50 % Zimbabwe German Graphite Mines	50
	Iron ore	Buchwa Iron Min. CO (Pvt) Ltd	100
	Palladium	Mhangura Copper Mines Ltd	25
	Platinum	Mhangura Copper Mines Ltd	33.3
	Silver	Mhangura Copper Mines Ltd	76.2
	Tin	Kamativi Tin Mines Ltd	100
	Tantalum	Kamativi Tin Mines Ltd	100

Source: Chachage, Ericson and Gibbon, 1993: 18

Zimbabwe's mining industry was indeed oligopolistic being dominated by a few foreign-owned companies although the government of Zimbabwe commanded a substantial share of the industry output. South Africa's Anglo-American Corporation had investments spread over several minerals but dominated the production of nickel, phosphate rock, cobalt and platinum almost completely fending off competition. Lonrho UK dominated gold production with controlling stakes in ventures that produced 28% of the gold output in the country. Union Carbide from the United States dominated the chrome industry producing over 80% of it while Turnall from the UK monopolised the asbestos industry with 100% of the output. Interestingly there were only two Zimbabwean controlled companies: Forbes G. Thompson and CRM Ltd. The former produced 6% of the country's gold output while the latter enjoyed a monopoly in Beryllium. The GoZ made a significant entry into the industry owning 40% of Wankie Colliery, investing heavily in platinum, copper, tin, tantalum and silver through the ZMDC. The entry of the government into the mining industry signalled the government's intention to reduce the dominance of foreign entities in the sector. The increase of state participation was also important for the long-term indigenization of the mining industry, since it would afford indigenous people an opportunity for managerial experience which is important for any successful restructuring efforts.

Not much by way of radical economic transformation or indigenization was achieved in the first decade of independence in the national economy. This was also reflected in the mining industry which remained dominated by the powerful multinational corporations like Anglo-American Corporation, Union Carbide and Lonrho UK among others. Even in the agricultural sector which had a comparatively more political clout, land reform suffered a false start as far fewer family were resettled than had been originally targeted (Moyo and Yeros, 2011). A host of factors effectively militated against any radical restructuring of the economy. The first among these was the commitment that the nationalist movement had agreed to in the Lancaster House constitution which emphasized the protection of private property rights (Mandaza, 1986). Importantly, the constitution outlined a willing-buyer willing-seller mechanism for the first ten years of independence to govern the acquisition of land for redistribution. This was a very frustrating process because most of the land-owners were reluctant to let go of their land and what little was availed went to government bigwigs and not the intended communal lands inhabitants (Moyo, 2000). Secondly, the country had just emerged out of decades of colonialism the last two of which were marked by intense violence between the liberation movements and the colonial government. Under such circumstances, there was no readily available data which could provide a vital basis of any coherent and long-term development strategy.

Thirdly, the government had to confront domestic political crisis in the wake of alleged dissident activities in the Matabeleland areas believed to be committed by former members of the opposition ZAPU military wing. A regiment was deployed in 1982 to try and eliminate the disturbances which cost the government an enormous amount of money and thousands of lives (See, Sachikonnye, 2011; Chikuhwa, 2013). Lastly but not least, the country had to face a hostile powerful neighbour in South Africa which was still under apartheid. The socialist rhetoric of Robert Mugabe did not go down well with the apartheid government which feared that the success of Zimbabwe's independence would only work to encourage and inspire anti-apartheid activities. The apartheid government embarked on an economic sabotage strategy by withdrawing from a trade deal which had been in force since 1964. The South African government also delayed Zimbabwean goods in its ports and also had a hand in the Beira pipeline attack by the Mozambican National Resistance (Renamo) activities in Mozambique. Zimbabwe depended on the Beira pipeline for fuel and therefore had to deploy soldiers to protect the pipeline (See Fisher, 2010).

4.10 The mining sector in the ESAP period

At the instigation of the International Monetary Fund (IMF) and the World Bank in 1991, Zimbabwe embarked on the Economic Structural Adjustment Programme (ESAP). ESAP was a package of policy measures anchored mainly on trade and exchange rate liberalization, privatization of parastatals, deregulation of the financial and labour sectors and fiscal restraint in terms of reduced social expenditure (Kanyenze, 2003). Through these measures the government hoped to achieve 5 percent economic growth (1991-1995), raise savings and investment to 25 percent of GDP respectively, reduce budget deficit to 5% of the GDP and grow export earnings by 9 percent per annum. The government sought to achieve its budget deficit targets through the restructuring of the public sector by cutting the number of posts therein by 23000 in different government departments. This, it was hoped, would reduce the public sector wage bill from 16 percent of the GDP to 12 percent. However, as shown in table 5.8 below, ESAP failed to reach its targets. The rate of GDP growth was a poor 2.7 percent while employment grew at 1.5 percent. By the end of the ESAP period in 2000 the level of investment in the economy was 15 percent while savings were at 14 percent, a far cry from the 25 percent target for both.

Table 4.7: Economic performance during 1985-1990 and the ESAP period

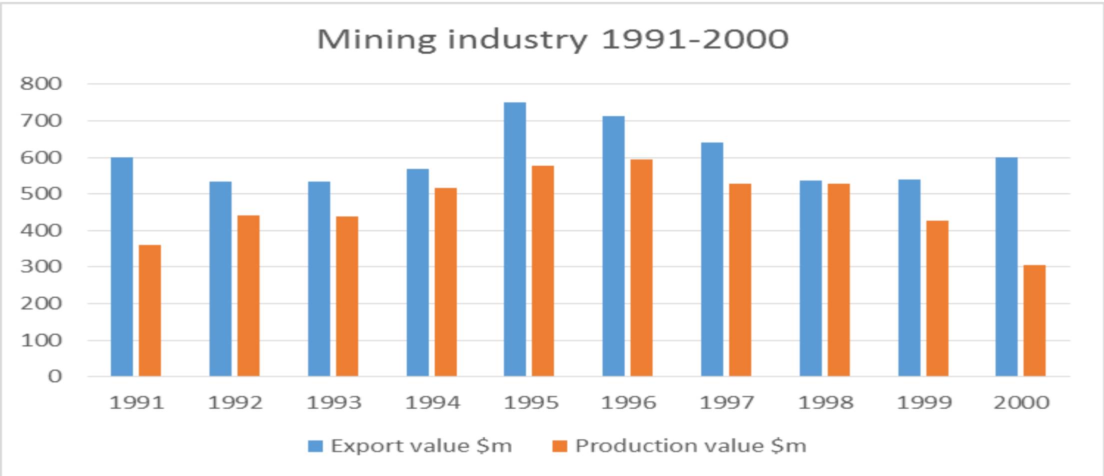
	1985-90	**1991-95**	**1996-2000**
Real GDP growth	4.0	0.9	2.7
Employment growth	2.4	0.8	1.5
Investment of GDP	15.5	22.5	15.5
Savings of GDP	16.8	16.9	14.3
Inflation	11.6	27.6	32.6

Source: Kanyenze, 2003: 63

The prevailing macroeconomic environment that followed the adoption of ESAP also affected the mining industry in terms of investments and production levels and labour issues as well.

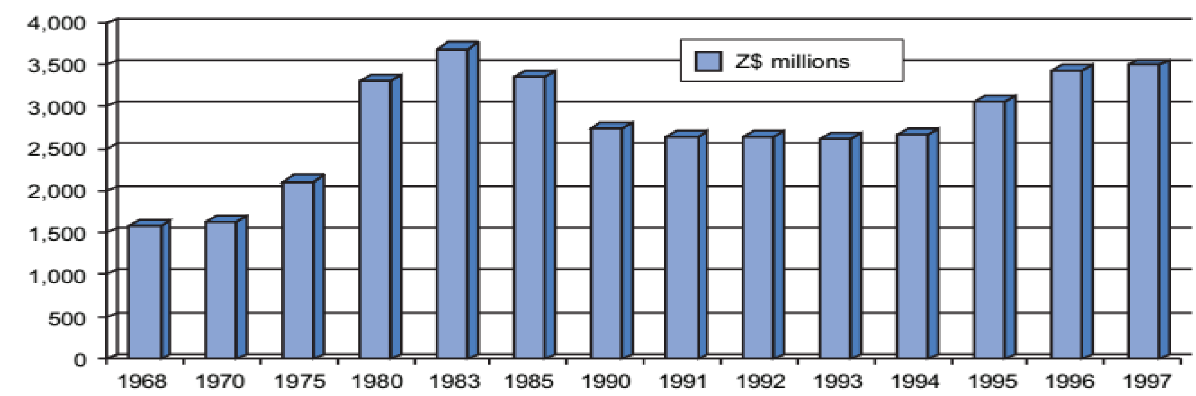
Figure 5.3 below shows that the production patterns in the industry were unstable and on balance less than satisfactory as compared to the previous decade. The average value of production in the sector was around US$500 million. Such low production levels were probably due to a lacklustre flow of investment which stood well below Z$3 billion in the first half of the ESAP period. However, the industry continued to be the country's premier foreign currency generator averaging a little over US$600 million for the whole ESAP period. The discrepancy between the low production levels and the high export earnings is probably due to the unrecorded production in the informal sector.

Figure 4.2: Export and production value of the mining industry (1991-2000)



Source: Hawkins, 2009: 9

Figure 4.3: Investment levels in Zimbabwe mining industry (1968-1997)



Source: Hawkins, 2009: 13

Investment flows declined sharply in the first half of the 1990s averaging well below Z$3 billion but then show a significant spike between 1995 and 1997 reaching Z$3.5 billion in 1997. Hawkins (2009) suggests that an unstable macroeconomic environment and the lack of new mineral discoveries explain the low investment levels of the early 1990s. However, the discovery of new deposits especially platinum reserves in the mid-1990s influenced the rise in investment in the industry. The rise in investments also reflects the impact of the liberalization of the economy under the structural adjustment measures. Government's intervention having been reduced in labour and exchange rate matters, investment flow had less hurdles to deal with (Dansereau, 2000). In terms of employment, the mining industry also felt the effects of the ESAP. In 1980 the industry boasted a workforce of over 66 000 employees but declined sharply during the decade to 51 000 meaning over 15 000 jobs were lost in the industry. Half-way through the ESAP period in 1995 the number of employees in the industry was marked at 59 000 only to drop to 45 000 in 2000 before further declining to 38 000 in 2004 (See Hawkins, 2009; Dansereau, 2000). Thus, the workforce of the mining industry shrunk by over 40 percent between 1995 and 2004 possibly impacting negatively on its political clout.

The adoption of ESAP was tantamount to the abandonment of the indigenization and socio-economic transformation in programme in many ways. Through ESAP, the government cut back its interference in the economy thus leaving poor black people to fend for themselves which they could not do without the support of the government (See Kanyenze, 2003; Sachikonye, 2011). ESAP was a conservative economic strategy that did not create an environment in which previously disadvantaged people could enter the mainstream economy. Instead it concentrated on pampering the people who were already priviledged thus further widening the income inequalities. Government's priority towards cutting spending meant that little in terms of financial or even technical assistance was available to help aspiring entrepreneurs kick-start business ventures (Maphosa, 1998).

4.11 The Artisanal and Small-scale Mining Sector (ASM)

The last section focused on the large-scale mining sector. This section is a brief discussion of the small-scale sector which plays an important role in Zimbabwe's mining sector. Small-scale mining operations have always been an integral part and continue to play a pivotal role in

Zimbabwe’s mining sector. Indeed, the indigenization of the mining industry will depend on the empowerment of the indigenous small-scale operators. The small claim workers are a different class on their own, much like the petty bourgeoisie of the mining industry commanding limited amounts of the means of production in terms of mining implements and employing a few people per shaft. Thus, the ASM constitutes an important part of the class structure in Zimbabwe’s mining sector. This section looks at the government’s policies and approach towards the small-scale mining communities within the context of ESAP.

After having paid little attention to the ASM sector, in the 1990s the government took important steps towards the legalisation of small-scale operations. In 1993, through a policy document known as the “Harare Guidelines on Small-Scale Mining”, the government recognised the importance of small-scale mining as a source of livelihood for millions of poor people. The state issued Statutory Instrument (275) aimed at decentralizing the management and governance of small-mines by granting the Rural District Councils (RDCs) the power to issue mining licences to small-scale operators. The local government being close to the ground, it was reasoned, would better monitor the miners’ adherence to environmental regulations and standards. According to Maponga and Ngorima (2003) the Statutory Instrument 275 also granted local authorities the power to market the output of small-scale operations. Mining permits could be issued by local authorities to individuals or cooperatives with a commitment to adhere to strict environmental regulations.

The government also facilitated the creation of links with international groups to provide legal and technical assistance to the small-scale miners as a step towards formalization. In areas like Shamva and Insiza districts, the Ministry of Mines helped establish local mineral processing centres where small-scale miners could take their ore for processing in return for an agreed fee. However, these support schemes ultimately failed and were disbanded due to mismanagement (Speigel, 2009). More interesting, the Zimbabwean state displayed the will to go the extra mile in promoting ASM by offering to buy gold from small-scale miners at improved prices to reduce smuggling and parallel market activities. Gold sold directly to the Reserve Bank of Zimbabwe (RBZ) was at times bought at higher price than the international market. To encourage registration and formalization the government established the Mining Industry Loan Fund (MILF) which was a micro-financing facility through which small scale miners could access loans and credit to fund their businesses. While this was indeed an innovative way to accelerate the formalization and empowerment of ASM, Speigel (2009) lamented the corruption and political gimmicking that determined the disbursement of credit and loans which undermined the purpose of the initiative.

4.12 Conclusion

This chapter has discussed the evolution of Zimbabwe's mining industry from the beginning of the colonial era in 1890 to the turn of the twenty-first century about two decades into the post-colonial era. The colonial era, which lasted for 90 years saw the processes of class formation and alignment of classes which make up the context of the indigenization policy in the present-day Zimbabwe. Upon the inception of colonialism, the BSAC, which controlled the levers of power, actively sought international capitalists with the capital and technical capacity to invest in Rhodesia's mining potential. The international capitalists have since become the dominant class in the mining industry commanding an enormous share of the mineral output. The scattered nature of Zimbabwe's gold deposits forced the colonial state to actively support a white-settler petty bourgeoisie who worked on and exploited the small deposits. This class depended on state assistance in terms of credit and technical capacity to survive. The state elite or ruling class wielding significant influence in the production relations through policy formulation and implementation became a class of its own in the mining sector. The peasantisation and pauperisation of the indigenous black people through violent land dispossession and draconian legislation like the ICA and the hut tax constituted the basis for the formation of an exploited indigenous working class. The ICA also created a small white working class which got preferential treatment from the state in terms of promotion, training and remuneration. Thus, the mining sector in Rhodesia comprised essentially five classes which include the international capitalists, the ruling class, the white-settler petty bourgeoisie, the white working class and the indigenous working class. The indigenous working class was the weakest and most exploited of the classes. The state, due to the nature of its power was at the centre of the power dynamics between the classes in the mining sector.

The second part of the chapter addressed the first two decades of the post-colonial era under the nationalist government led by the black ruling class. The new political dispensation initiated some changes in the class structure of the mining sector although the Mines and Minerals Act which underpinned the framework of the mining sector remained intact. The post-colonial government reformed the labour relations removing racial priviledges which had worked to separate the white working class from their black counterparts. Perhaps the most significant change was the disappearance of the white working class and the white settler petty bourgeoisie class from the scene due to immigration and withdrawal of support from the government. In place of the white settler petty bourgeoisie came in a poorly supported black petty bourgeoisie working small claims comprising thousands of indigenous Zimbabweans. The new black ruling class showed its determination to increase state influence in the mining sector through the formation of such entities as the ZMDC and the MMCZ which were state-controlled investment and marketing vehicles in the sector. Through the ZMDC the state was able to increase its mining investments in various subsectors while the MMCZ enabled the state to control the pricing, exports and imports of mineral produce. Even though there were changes, the relations between the ruling class and the international capitalists remained essentially the same thus sustaining and nourishing the dominance of foreign-owned large-scale companies. Moreover, the new government did not commit serious resources to create a new class of indigenous mining entrepreneurs. This could be explained by a lack of political will and capital on the part of the state. Further, although colonial labour laws were repealed on the advent of independence, the working class remained weak and repressed by the state. Thus, although there were some changes in class composition and dynamics, there was also continuity in terms of the dominance of international capital, the exploitation of the working class, retention of much of the legislative framework and the absence of an indigenous class of large and medium scale mine owners. The state retained and even doubled down on its influence nationalizing a sizable portion of the sector and tightened its control of the working class. Further the post-colonial state took steps towards creating a class of black petty bourgeoisie in the mining sector through the promotion of the ASM sector. However, things took a dramatic turn in the early years of the twenty-first century in the context of the indigenization policy. The next chapter examines the configuration of class dynamics in the mining sector and the broader power struggle as the government embarked on the indigenization programme in the large-scale mining sector.

CHAPTER 5

Data presentation and analysis of findings: Indigenization in the Large-scale Mining Sector (1995-2017)

5.1 Introduction

The previous chapter explored the history of the dialectical process of class formation which was orchestrated by the settler colonial state in Zimbabwe's mining industry through the 90 years of settler-colonialism. This process placed various groups of people in different locations and positions in the organization of production and the structure of accumulation undergirding the minerals sector. The resultant class structure was such that in one extreme, it concentrated a disproportionate share of the country's mineral wealth and power in the foreign-owned multi-national corporations (MNCs) like Union Carbide and Anglo-American. On the other extreme, through relentless state repression and violence, there emerged a disempowered and over-exploited indigenous working class who provided surplus labour for the big mining companies. Also making up the class structure and no less important were the white-settler petty bourgeoisie who operated small-scale mines and the skilled white working class whom the colonial state pampered with privileges. The state itself had a vested material and institutional self-interest in protecting and maintaining the prevailing production relations in the mining sector often resorting to extra-economic means of appropriating maximum surplus labour from the indigenous working class. A politico-ideological framework centred on capitalism and white supremacy enforced through the state apparatus provided the context that underpinned the evolution of the structure and orientation of the mining sector in Zimbabwe, itself a bellwether for the orientation of the national economy.

Thus, the post-colonial state in Zimbabwe was saddled with an enormous social and political task to heal the structural deformities of the colonial society it inherited. This it sought to do, amongst other ways, through the policy of economic empowerment and indigenization. The policy seeks to undo the colonial legacy of an oligopolistic mining sector dominated by a handful of foreign-owned MNCs by deliberately promoting the participation of previously disadvantaged indigenous people as co-owners of the big mining firms. Using data sourced from interviews, documentary materials, archives and online sources, this chapter delves deeper into the dynamics underlying the process of indigenizing the large-scale mining enterprises predominantly controlled by the MNCs. The chapter pursues and unpacks the story of the attempted transformation of Zimbabwe's large-scale mining sector (LSM) through a case-by-case basis. It explores how the implementation and process of indigenization in the various subsectors of the LSM in Zimbabwe unfolded. The experiences of big mining firms like Mimosa, RioZim, Metallon Gold, Freda Rebecca, Impala Platinum, Anjin Diamonds, and Blanket Mine among others will be explored in detail. This approach will reveal the nature of the Zimbabwean state and its subjects and their bearing on the implementation of the indigenization policy. Drawing from the interviews conducted during the study, this chapter seeks to explore in-depth the unfolding of the indigenization policy in Zimbabwe's mining sector from the 1990s to the present. This is with a view to understanding how the relations between the state, class forces and the global context affected the implementation of the policy. In cases where interviewees preferred not to be identified by their name a marker (Interviewee-1 or I-1, I-2) was used.

5.2 Monopoly and Oligopoly: Ownership in Zimbabwe's Large-scale Mining Sector

Central to the indigenization crusade is the problematization of the historically derived and determined distribution of the ownership and control of the means of production and the power relations that come with it. The preliminary view underpinning indigenization is that the current distribution of wealth is a direct outcome of the historical systematic exclusion and discrimination of the indigenous Zimbabweans. A redistributive process biased in favour of the indigenous people seemed to the policymakers to be the best way to address the historical injustices of colonialism and reduce inequality. The table 5.1 below shows the distribution of ownership in various sectors of the country's minerals industry.

Table 5.1. Ownership of large mines in Zimbabwe

Commodity	Major operating cos & equity owners	Location of mining facility	Capacity/tons
Asbestos	African Associated Mines Pvt. Ltd. (100%)	Shabani Mine, Zvishavane	2,400,000
		Gaths Mine, Mashava	1,400,000
Cement			
	Portland Holdings Ltd. (Pretoria Portland Cement Company Pvt. Ltd. (100%)	Coleen Bawn	1,000,000

	Lafarge Cement Zimbabwe Ltd. (Lafarge, SA) (100%)	Harare	450,000
	Portland Holdings Ltd. (Pretoria Portland Cement Company Pvt. Ltd. (100%)	Bulawayo	800,000
	Sino-Zimbabwe Cement Company Ltd. (China Building Material Industrial Corporation for Foreign Econo-Technical Cooperation and Industrial Development Corp.	Gweru	300, 000
Chromite	Local cooperatives and small-scale mines	Mines on the southern great dyke	340, 000
		Mines on the northern great dyke	230,000
	Zimbabwe Alloys Ltd. ZimAlloys (Balasore – 100%)	Inyala Mine	60,000
	Zimbabwe Mining & Smelting Co. Pvt. Ltd. (ZIMASCO) Zimasco Consolidated Enterprises (ZCE) (Chinese investors 100%)	Mining operations in Darwendale, Lalapanzi, Mutorashanga, Ngezi, Shurugwi South	300,000
Coal	Coal Brick Pvt. Ltd.	Coal Brick Mine, Hwange	500, 000
	Coal Zimbabwe Pvt. Ltd., [Steelmakers Zimbabwe Pvt. Ltd.	Chiredzi	1,200,000
	Hwange Colliery Company Pvt Ltd. (Govt - 37%, Messina Investments Ltd - 15.08%, Mitta Steel African Investments - 9.76%, London Register, 6.78%, NSSA - 6.16%)	Hwange	5,000,000
	Makomo Resources (Private) Ltd.	Entuba coalfields, near Hwange	2,400,000
	Sengwa Colliery (Private) Ltd. (RioZim Ltd.)	Kadoma	5,000,000
	Tulicoal (Private) Ltd. [Senzile Mining (Private) Ltd.]	Kadoma	1,200,000
Cobalt			
Ore, cobalt content	Bindura Nickel Corporation Pvt Ltd.	Bindura	800
	Mimosa Holdings (Private) Ltd. (Aquarius Platinum Ltd., Impala Platinum Holdings Ltd., and Zvishavane Community Share Trust	Zvishavane	88
	Unki Mines (Private) Ltd. (Anglo Platinum Ltd. - 87%)	Shurugwi	NA
	Zimbabwe Platinum Mines (Private) Ltd. (Zimplats Holdings Ltd.) -87.5%	Ngezi	NA
Hydroxide	BSR Ltd. (Bindura Nickel Corporation Ltd., 100%)	Bindura	700
	Empress Nickel Refinery (RioZim Ltd.)	Eiffel Flats, Kadoma	NA

Coke	Hwange Coal Gasification Company (Private) Ltd. [Taiyuan Sanxing Coal Gasification Co., Hwange Colliery Company Ltd., and Stoat Mining (Private) Ltd.]	Hwange	144,000
	Hwange Colliery Company Ltd. [Government, 37.07%; Messina Investments Ltd., 15.08%; Mittal Steel African Investments, 9.76%;London Register, 6.87%; National Social Security Authority, 6.16%]	Hwange	230,000
Copper:			
Ore copper content	Bindura Nickel Corporation Ltd. (Mwana Africa plc)	Bindura	NA
	Mimosa Holdings (Private) Ltd. (Aquarius Platinum Ltd., Impala Platinum Holdings Ltd., and Zvishavane Community Share Ownership Trust)	Zvishavane	3,000
	Unki Mines (Private) Ltd. (Anglo Platinum Ltd.)	Unki, Shurugwi	1,300
	Zimbabwe Platinum Mines (Private) Ltd. (Zimplats	Ngezi	3,600
Refined	Empress Nickel Refinery (RioZim Ltd.)	Kadoma	6,000
Diamond	Anjin Investments pvt. ltd. [Joint venture of Anhui Foreign Economic Construction-50% and Matt Bronze Pvt. Ltd. -50%]	Marange	NA
	Diamond Mining Corporation (Private) Ltd. [Joint venture of Pure Diam and Zimbabwe Mining Development Corp. (ZMDC)]	Marange	NA
	DTZ-OZGEO (Private) Ltd. (Joint venture of Development Trust of Zimbabwe and JSC Zarubezhgeologia)	Chimanimani	NA
	Gye Nyame Resources [Joint venture of Zimbabwe Mining Development Corp. (ZMDC) and Bill Minerals]	Marange	NA
	Kusena Diamonds [Zimbabwe Mining Development Corp. (ZMDC)]	Marange	NA
	Marange Resources (Private) Ltd.) [Zimbabwe Mining Development Corp. (ZMDC)]	Marange	NA
	Mbada Mining (Private) Ltd. [Grandwell Holdings Ltd., Resources (Private) Ltd., and Transfrontier Mining Company Ltd.]	Marange	NA
	Murowa Diamonds (Private) Ltd. (Rio Tinto plc, 77.8%; and RioZim Ltd., 22.2%)	Zvishavane	430000
	Limpopo Minerals Resources Ltd (Rani Investment LLC, 80%, and Khupukile Resources Ltd., 20%)	River Ranch Mine, Beitbridge	NA
	Sino Zimbabwe Development (Private) Ltd. [Zimbabwe Mining Development Corp. (ZMDC)]	Marange	NA
Gold			
	Artisanal miners, including small-scale miners and syndicates	Various locations	3000

	Blanket Mine (1983) (Private) Ltd. [Caledonia Mining Corp., 49%;National Indigenisation and Economic Empowerment Fund, 16%; west of GwandaFremiro, 15%; Blanket Employee Trust Services (Private) Ltd.,10%; Gwanda Community Share Ownership Trust, 10%]	Gwanda	1300
	Casmyn Mining Zimbabwe (Private) Ltd. (New Dawn Mining Corp.)	Turk-Angelus Mine - Bulawayo	550
	DTZ-OZGEO (Private) Ltd. (Joint venture of Development Trust of Zimbabwe and Econedra)	Mutare, Penhalonga Mine	240
	Duration Gold Ltd. (Clarity Capital Group)	Vubachikwe Mine, near Gwanda	200
	“	Athens Mine, Mvuma	100
	“	Gaika Mine, Kwe	30
	Falcon Gold Zimbabwe Ltd. (New Dawn Mining Corp.)	Golden Quarry Mine, Shurugwi	300
	“	Dalny Complex, about 33 kilometers northwest of Chegutu	250
	F.A. Stewart (Private) Ltd.	Jesse Mine, Gwanda	150
	Jena Mine (Private) Ltd. [Zimbabwe Mining Development Corp. (ZMDC)]	Jena Mine	450
	John Mack and Co	Golden Valley Mine	500
	Matebeland Minerals (Private) Ltd	Turk Mine	600
	Metallon Gold Zimbabwe (Private) Ltd. (Metallion Corp.)	Arcturus Mine, Harare	500
	“	How Mine, Bulawayo	1300
	“	Mazowe Mine, Mazowe	400
	“	Redwing Mine, Penhalonga	200
	“	Shamva Mine, Shamva	700
	Mimosa Holdings (Private) Ltd. (Aquarius Platinum Ltd., Impala Platinum Holdings Ltd., and Zvishavane Community Share Ownership Trust)	Zvishavane	NA
	Mwana Africa plc	Freda Rebecca Mine, Bindura	3700
	Pan Reef Mining Company (Private) Ltd.	Indarama Mine	50
	RioZim Ltd	Renco Mine, Masvingo	1000
	Sabi Gold Mines [Zimbabwe Mining Development Corp. (ZMDC)]	Sabi Mine	250

	Unki Mines (Private) Ltd. (Anglo Platinum Ltd.)	Unki, Shurugwi	NA
	Zimbabwe Platinum Mines (Private) Ltd. (Zimplats Holdings Ltd.)	Ngezi Mine	NA
Refined	Fidelity Printers and Refineries (subsidiary of RBZ)	Refinery plant in Harare	NA
Graphite	Graphite Zimbabwe German Graphite Mines (Private) Ltd. [Kropmühl division of AMG Advanced Metallurgical Group N.V. and Zimbabwe Mining Development Corp. (ZMDC)]	Graphite Lynx Mine, Karoi	NA
Iron and steel:			
Ferroalloys, ferrochromium	CINA	Smelter	5000

Source: Barry, J. 2014. The Minerals Industry of Zimbabwe. In US Geological Survey: 2014 (6-10)

It is clear from table 5.1 above that the mining industry in Zimbabwe is dominated by a collection of a few giant MNCs having a stranglehold in their respective sectors within the industry. There is little to show for indigenous ownership, just foreign dominance punctuated by State ownership. In the asbestos sector the African Associated Mines - a subsidiary of Shabanie Mashava Mines (SMM) – enjoys a monopoly with no competition at all. In the cement sector, a foreign oligopoly also exists thus further entrenching the rule. Pretoria Portland Cement (PPC) controls the Gwanda (a town 120km South of Bulawayo) and Bulawayo (second largest city) cement sites producing a total of 1.8 million tonnes of limestone which is used to make cement. Lafarge controls the cement site in Harare producing 450 000 tonnes of limestone per annum. Both of these companies have origins in South Africa. The coal sector hosts six players making it more diverse than the asbestos and cement sectors but oligopolic nonetheless. Hwange Colliery Company Limited (HCCL) and Makomo Resources are the two largest coal producers in the country. HCCL has the government as its largest shareholder with a 37.7% stake in the company with the rest of the shares belonging to a group of private largely foreign investors. Makomo Resources' ownership is obscure with no information available about its share ownership structure. According to *The Chronicle*, Makomo resources is owned by Zimbabwean and South African investors and the latter hold 40 percent stake (Mlilo, 2016). Sengwa Colliery, and Tuli Coal, the other two companies in the sector, comparatively smaller, are subsidiaries of Rio Zim and Senzile Resources respectively. Senzile Resources is a South African based mining company while RioZim is also foreign controlled. There is also Coal Brick Mine and Coal Zimbabwe which is controlled by Steelmakers Zimbabwe Pvt Ltd.

Cobalt ore and copper production is also controlled by a few foreign-owned companies which include the platinum giants Unki (Anglo-American Platinum), Zimplats (Implats), Mimosa (Aquarius and Implats). Yet again, the ownership and control is dominated by the foreign-controlled entities. The chrome sector on the other hand comprises a significant number of local cooperatives and small-scale mines producing an output of 600 000 tonnes of chrome ore. The two large-scale companies Zim Alloys (controlled by Indian investors) and the Zimbabwe Mining and Smelting Company (ZIMASCO) controlled by Chinese investors also operate in the sector with a combined total of 360 000 tonnes output and control 90 percent of the chrome claims in the country. The higher production figures of the small-scale mines and cooperatives may reflect more on their numerical superiority rather than productivity. Worse still the small-scale operators are forced to sell their produce to the two large-scale producers for paltry amounts ($35 per tonne) under tributary agreements (*The Sunday Mail*, 12 September 2015). The country's controversial diamond sector is dominated by the State represented by the Zimbabwe Mining Development Corporation (ZMDC) and a host of foreign and local private investors. The ownership of the diamond sector will be the subject of one of the sections to follow in this chapter.

The gold sector also demonstrates the stranglehold foreign players have on the country's mining sector. The "king" in this sector is perhaps indisputably Metallon Gold, the largest gold producer in the country owning five mines controlled by South African investor Mzilikazi Khumalo. Clarity Group Capital and New Dawn Corporation also control about seven mining sites between them. Caledonia Mining Corporation holds the largest stake of 49% in the indigenized Blanket Mine. Sabi Gold and Jena Mine are controlled by the State while Freda Rebecca one of the biggest mines in the country is controlled by Mwana Africa, a mining consortium from South Africa. Artisanal and Small-scale miners numbering around 600 000 to 1 million are also a force to reckon with in the gold sector overtaking the large-scale producers in terms of production (See Mawowa, 2013; Speigel, 2009). The above information shows that foreign monopolies and oligopolies are rife in the mining sector hence the low participation of the locals in the sector. This chapter will give a detailed presentation of how each of the MNCs' cases of indigenization were handled. These experiences will help construct a comprehensive and coherent narrative of the dynamics of the indigenization programme in Zimbabwe's mining sector. The structure of the ownership in the mining sector also reflects the context which indigenization and transformation of the minerals industry has to contend with. The context of the world-capitalist system. The dominance of foreign mining corporations from and the failure of local investors to penetrate the sector reflects the dynamics of the core-periphery division in the world-system. Mining is a capital-intensive and highly technical industry that makes it almost impossible for a peripheral country like Zimbabwe to invest in mining since it faces a severe scarcity of capital, skills and technology. Only firms coming from the core or developed areas that have the necessary capital and technology can effectively engage in mining on an industrial scale. The poverty of capital and technology, itself a reflection of the structure of the world-system, is perhaps one of the most important determinants of the outcomes of Zimbabwe's indigenization policy as will be demonstrated in the cases to be explored below.

5.3 The Indigenization Context: Retaliation against the West and a pivot to the East?

The decision to adopt the economic indigenization and empowerment as the flagship policy of the government was not entirely the function of the dynamics of domestic political economy and ideological convictions. It was also considerably influenced by external factors like the changing nature of the international order and Zimbabwe's dynamic position in it. Skocpol (1979) observed that the state is a janus-faced entity whose actions are oriented by both internal and external circumstances. The indigenization policy was intensified after the European Union, Japan, USA and Canada and other multilateral organizations like the International Monetary Fund (IMF) and the World Bank had imposed economic sanctions on Zimbabwe in 2001 citing the violent land invasions that affected white commercial farmers in 2000 (See Moyo, 2007). Zimbabwe also quit the Commonwealth organization which is a platform of former British colonies. The sanctions imposed by the West and the destruction of agricultural productivity after the land reform programme had a debilitating impact on the Zimbabwean economy.

The devaluation of currency as hyperinflation set in, acute shortages of basic commodities, deindustrialization and unemployment crippled Zimbabwe's ability to clear its arrears with the

IMF and the World Bank among other international financial institutions (Mararike, 2018). A 2003 IMF Press Release read as follows concerning the suspension of Zimbabwe:

> On September 24, 2001, Zimbabwe was declared ineligible to use IMF's general resources and was removed from the list of countries eligible to use resources under the IMF's Poverty Reduction and Growth Facility (see Press Release No. 01/40). On June 13, 2002, the Executive Board adopted a declaration of non-cooperation with respect to Zimbabwe and suspended all technical assistance to the country (see Press Release No. 02/28). On September 11, 2002, the Executive Board agreed to initiate the procedure to suspend Zimbabwe's voting and related rights in the IMF. (IMF Press Release 03/80, June 3 2003)

The World Bank also suspended Zimbabwe on account of acute differences in policy sparked by the chaotic land reform programme (Peta, 2001). By the beginning of the twenty-first century Zimbabwe, a country that had until then been a darling of the West, found itself isolated. The Mugabe administration berated the West and the Bretton Woods Institutions for pursuing an imperialistic and neo-colonial agenda on Zimbabwe.

All these events happened in the context of tectonic shifts in the global power relations that saw China rising rapidly to challenge the economic hegemony of the United States and the West. Having been isolated by the West, then President Robert Mugabe announced a Look East policy in 2003 through which he sought to cultivate close relations primarily with China but also with other East Asian countries like Malaysia, Indonesia, India and Pakistan among others to salvage the country's ailing economy (Youde, 2007). The Look East policy was a political maneuver by Zimbabwe to reassert its identity, embrace a new set of values, and redefine its role and position in international relations. Zimbabwe and China relations date back to the days of the liberation struggle in the 1970s when China supported the liberation movement ideologically and materially. The Chinese Communist Party and Zanu-PF share deep ideological convictions (Stiftung, 2004).

That said, it is plausible to argue that the indigenization policy in its content and form was to a considerable degree informed and influenced by the new developments in Zimbabwe's external relations. Firstly, the policy may have been motivated by the desire to retaliate against western isolation by threatening western originating MNCs' enterprises operating in the country. As will be shown in this chapter, western companies bore the brunt of the indigenization takeovers.

Referring to the British owned banks Barclays and Standard Chartered at a removal of sanctions petition rally in 2011, Robert Mugabe was quoted as saying that “the indigenization and economic empowerment drive should start with those companies. We must take over. Now it’s time we took measures”. Addressing an earlier rally in December 2010 Mugabe sounded like a man on a retaliatory mission:

> We should read the Riot Act to the British companies and others. To say this is only 51% we have taken. Unless you remove the sanctions we will go 100% and take over…if they insist the sanctions must remain then of course we must take over these companies. (Collins, 2010)

It seemed Robert Mugabe was pushing back against the Western sanctions and isolation by threatening the property of their companies in Zimbabwe. The Chinese and South African capital seemed to be welcomed and exempted from the indigenization laws. At the height of the indigenization crusade, Chinese companies acquired controlling stakes in diamond, gold and chrome producing mines across the country. Indeed, China benefited immensely from mining deals signed with Zimbabwean authorities.

Chinese investors bought controlling stakes in such big mining companies as Bindura Nickel Corporation, Zimasco, Anjin, and Jinan. Anjin and Jinan were two of the companies granted some of the largest concessions in the Marange diamonds fields upon the formalization of diamond mining in 2011. South African companies in the platinum, gold and diamond sectors also seemed to be free from the demands of indigenization policy. The sequence of events, demonstrates that the indigenization policy served as a retaliation against Western hostility and at the same time as an embrace of the western rival (China) on the global stage. The indigenization policy was as much a foreign policy as it was a domestic policy in the sense that the Zimbabwean state used it to recalibrate their external relations with the West and the East. Having been ditched by the western ruling class, the Zimbabwean ruling class sought to cultivate new economic and political partnerships with the Chinese ruling class. Hence the external factor, in terms of Zimbabwe’s position in international relations was an important element in the calculus behind the indigenization policy. The indigenization policy was a manifestation of a transformation or evolution of state power in Zimbabwe precipitated by a shift in the external environment.

5.4 Indigenization: The Case of the Platinum Group Metals (PGMs) Industry

Zimbabwe has the second largest known reserves of platinum ore in the world after South Africa occurring along the Great Dyke (a mineral rich belt stretching from the east to the west of the country). The reserves are estimated at 2 billion tonnes of PGM at 4 grams per tonne of the head grades[19] (See Jourdan et al, 2012). The PGMs industry has become increasingly important as the country's top foreign currency earner with its sales almost doubling from US$475 million in 2008 to US$889 million in 2013 dropping slightly to US$852 million in 2017 (The Source, 2017). Since the late 1990s the industry became a political football following the government's adoption of the indigenization policy in 1998 as political heavyweights angled for a stake in the platinum-mining companies which comprised some of the foremost targets of the policy (Mobbs, 1997). Mimosa is the country's oldest platinum mine located in Wedza on the south side of the Great Dyke. Mining at this site started in the 1920s but later stopped because of political disturbances and was resumed by Union Carbide on a trial basis between 1966 and 1975. The Zimbabwe Mining and Smeltering Company (Zimasco), registered in Mauritius, assumed control of Mimosa in 1992 after acquiring Union Carbide assets. Mining started in 1994 soon reaching 30000 tonnes of ore per month which attracted investors from South Africa. In 2001 Impala Platinum (a South African company) acquired 35% of Mimosa and acquired an additional 15% in 2002 taking its share to 50% (IOL News, 27 July 2001). In the same year Aquarius of Australia bought 50% of the shareholding such that by the end of 2002 Impala Platinum and Aquarius Platinum had acquired a 50-50 stake each in the company. Since then the company has grown in leaps and bounds producing 100 000 ounces of platinum per annum.

A second mine was developed in 1995 under the Hartley Platinum project, a partnership between two Australian companies, BHP and Delta Gold. The project, a result of an agreement between the government of Zimbabwe and BHP, was worth US$233 million (Anderson, 1994). BHP later sold its interests in Hartley Platinum to Delta Gold-owned Zimbabwe Platinum Mines (Zimplats). In 2001, the South African platinum giant, Impala Platinum bought 30 percent of the shares in Zimplats from Delta Gold. The cash brought in by the sale of the shares enabled Zimplats to commence operations in what had been a relatively dormant mining site

[19] Head grades is a term used to refer to the metal content of an ore that has been mined. The grade of an ore that has been removed from the ground before being processed (Splaine et al, 1982).

(Fin24, 30 June 2003). By the end of 2003 Impala had increased its shareholding at Zimplats to 82.5% handing it control of the company (See IOL News, 2003; Fin24, 2003). The third major platinum concern Unki Mine, owned by Anglo American Platinum, opened in 2010 and immediately produced an impressive output of 50000 ounces of platinum in 2011. Thus Zimbabwe's platinum industry consists of three giants Mimosa, Zimplats and Unki all of which are owned and controlled by powerful foreign multinationals from South Africa, Australia and the USA. Such domination of Zimbabwe's platinum industry by western firms is a classic instance of neo-colonialism as articulated by Nkrumah (1965) who lamented that despite the formal end of colonialism, Africa's resources were still exploited for the development of the West.

The transfer of ownership to indigenous people in the platinum sector has been an on-going issue over the years since the early 2000s. The first attempt at indigenization was targeted at Zimplats. The government struck an understanding with Zimplats in the late 1990s in which the parties agreed that the validity of its mining licence was going to be contingent on the incorporation of indigenous partners, not just as workers, but as co-owners who control at least 15% of shares in the mine. This directive from the government elicited intense jostling for the newly available 15% stake in Zimplats among potential local investors (Cremer, 2003; *Zimbabwe Independent*, 15 April 2010). It is important to note that at the time, the indigenization directive was not legally binding as there was no law that required companies to cede a certain amount of shares to indigenous partners. The first to express its interest in the acquisition of the 15% bounty in Zimplats was the statutory body, the National Investment Trust (NIT) which was replaced by National Indigenization and Economic Empowerment Fund following the legislation of the indigenization policy later in 2007. The NIT had been set up by the government in the 1990s to acquire and warehouse shares in the privatized parastatals for distribution to indigenous Zimbabweans. The NIT, then under the leadership of the prominent banker Mthuli Ncube (now Finance Minister), made a bid for the Zimplats shares with a view to keeping them on behalf of indigenous citizens. However, the statutory body failed to raise the US$31 million required for the acquisition of the available 15% shares (Makoshori, 2004).

Needgate Mining, a local company, represented by MacDonald Chapfika and Paul Chimbodza made a bid for the 15% stake in 2003 after NIT attempt had hit a brick wall. Macdonald

Chapfika is a prominent businessman with interests in farming and real estate and brother to Zanu-PF politician and former Deputy Minister of Finance David Chapfika who also later chaired the National Indigenisation and Economic Empowerment Board (Muronzi, 2010). Paul Chimbodza on the other hand is a noted miner who at the time of the bid was the general manager of the Mzi Khumalo-owned Metallon Gold which is the single biggest gold producer in the country. Needgate signed an exclusive three-month deal with Zimplats under which the former committed to sourcing the US$31 million required to purchase the shares or else lose the deal. Needgate mobilised Ngezi Community Trust, the ZMDC, Graname Investments and Jelly Mine to form a consortium called Grassroots Investment to raise funds for the 15% stake. There is no information on the control and ownership of Graname Investments and Jelly Mine but it would be reasonable to surmise that there might have been political heavyweights behind the two entities. The deal did not materialize as the consortium failed to amass the required funds to get the shares. Asked years later about the deal, Chapfika denied that the company failed to raise the required funds, claiming instead that "of all the consortiums that wanted to buy the equity we are the only ones who had the money" (Quoted in Muronzi, 2010).

Further investigations show that Needgate's ill-fated adventure was a result of a cabinet reshuffle in 2004 which saw Edward Chindori-Chininga replaced by Amos Midzi as the Minister of Mines. Needgate was prepared to acquire the over 13 million shares on offer but the new minister, Midzi, declined to approve the deal citing concerns that the government was not represented (Chiriga, 2004). This is a clear case of government instability and overreach derailing the indigenization process through the change of personalities in positions of authority. The discontinuity that comes with the change of ministers also reflects the lack of effective leadership in the corridors of power and presence of disharmony amongst top government officials. The apparent ease with which Minister Midzi reversed and halted a process that had been overseen by his predecessor Chindori-Chininga begs the question whether these decisions are made on a collective basis at the cabinet level or are determined by the personal whims of the minister.

While the Needgate consortium was in the thick of things trying to secure the deal, another indigenous entity, Barbican Bank Holdings led by Mthuli Ncube, who had previously occupied the post of NIT chairman, made a bid for the shares in August 2003 probably towards the elapse of the 90-day period that Needgate had secured to raise the money. The Zimbabwean investment bank offered to buy as much as 40% of the shares at A$5/share which would have cost a total of US$170 million against Implats offer of A$4.74 per share. The offer was not only a counter-offer to the Needgate deal but was also a counter to Implats' bid to buy out minority shares in the company (Chikanga, 2003). This was a rare spectacle of an indigenous entity going toe to toe with a powerful multinational corporation. However, Barbican had to withdraw its offer later in 2004 after the shares on offer had been reduced to 5% from the initial 40% citing that the shares were too small to be of any consequence (Chikanga, 2003; Chanakira, 2004). It is not clear why the shares on offer were drastically reduced from an initial 40% to a mere 5%. Implats may have had the advantage of pre-emptive rights as a minority shareholder to get the first preference in the share sale.

A new indigenous consortium, Nkululeko Rusununguko Mining Company (NRMC) announced its quest to join the race for the Zimplats 15% stake which had thus far proved notoriously elusive in 2004. The entry of the NRMC (apparently hand-picked and having the support of the minister Midzi) was a knock-out punch for the Needgate consortium as it effectively pushed them out of the race (Makoshori, 2004). NRMC was announced by then Minister of Indigenisation in the president's office Josiah Tungamirayi as the legitimate winner of the competition overseen by government to acquire the stake on offer at Zimplats. To put things into context, the NRMC is the company that was later identified during the diamond craze in 2011 as the agent of the Zimbabwe Defence Industries (ZDI) selling diamonds on its behalf (See Saunders and Nyamunda, 2016). This raised the suspicion that NRMC exploited the close links between the military elite and the state elite to land the 15% equity in Zimplats.

However, NRMC like its predecessor indigenous aspirants failed to raise the required US$31 million to secure the 15% stake. In a telling comment, the Reserve Bank of Zimbabwe lamented the missed opportunities as a result of "gate-crashing the white metals industry riding on political connections" (Sandu, 2005). The history of the attempts to indigenize Zimplats through bringing in local players as co-owners is a history of astonishing but unsurprising failure. No less than four indigenous suitors hit a brick wall trying to acquire a stake in the company. This begs the question: why? In the case of the NIT's failure it points to the government's lack of capacity in terms of the capital and skills needed to fund and negotiate empowerment deals. It is also a reflection of institutional weakness seen in the government's failure to mobilise support even amongst civil servants to rally behind a common goal. The Needgate Mining consortium while having come the closest was later undone by the political dynamics that delivered a hostile minister in the mining portfolio in government. Also, Needgate itself seemed to be backed by political connections as evidenced by one of its front man turning out to be a brother to a ruling party heavyweight (Chiriga, 2004). The other leader of the Needgate consortium Paul Chimbodza worked for a foreign-owned gold mining company Metallon. It sure appeared as if he was just fronting for a foreign entity and had neither the intent nor the capacity to acquire the shares himself.

Barbican Holdings seemed to have been ready to purchase a 40% stake in Zimplats but got no support from the government (Chikanga, 2003). How could a government, happy to stand on the moral pedestal of indigenization, fail to lend its political power to an indigenous institution engaged in a fight against a 'Goliath' that was Implats? Such a move could have easily tilted the scales in favour of Barbican Holdings and in the event of Barbican's victory would have resulted in government surpassing (more than double) its indigenization quota. This rightly begs the question as to whether there was possible collusion between Implats and some in government to leave the bank hanging high and dry. The entry of NRMC into the bid for the Zimplats stake, and its subsequent failure demonstrated the shocking subordination of national interests to short-term political gains. This is evidenced by the fact that an unknown company linked to the military and with no history of mining suddenly catapulted by political favours to the front of the race for the Zimplats stake. It also gives credence to allegations of militarized patronage networks through which Zanu-PF doles out economic resources to the military in order to retain power (See Magure, 2012).

The experiences of Zimplats also vindicate the pessimistic views of scholars like Mufema (1998) and Bloch (2012) who expressed misgivings on the indigenization policy, denouncing it as amounting to little more than a scheme of patronage and compradorianism intended to concentrate power in the ruling class. The government would have done better to bring all indigenous players on the table to form a united front. A united front of potential local investors pooling their resources together would have made the raising of scarce capital less of a hurdle. Moreover, as Maphosa (1998) observed, capital scarcity was a major factor in black entrepreneurs failing to acquire stakes in foreign businesses. Most of the indigenous bidders for the Zimplats stake failed to raise the needed capital to acquire the shares.

5.4.1 Post-2007: De'javu All Over Again

The indigenization policy, as the government tried to implement it in the PGMs industry before 2007, was not supported by law hence the lack of a clear implementation strategy. It was implemented in an arbitrary and ad hoc fashion which failed to inspire a unity of purpose even amongst government bureaucrats responsible for the implementation of government programmes. To lend form and force to the policy then President Robert Mugabe signed the indigenization bill into law in 2008 thus giving it a much-needed legal basis which would help shed the arbitrariness that undermined the policy implementation in the previous attempts (Chikuhwa, 2013). The ministry of indigenization followed up the legislation with the General Regulations of 2010 which laid down specific strategies to be followed in pursuit of indigenization towards realising the objectives of the new law. The government had been trying to indigenize the platinum sector for the past decade but to no avail. The major obstacle, among other things, being the lack of capital on the part of the government and potential private indigenous investors. The goal of the new policy was to ensure that at least 51% of equity of every foreign-owned company in the natural resources sector would be owned by indigenous people (Indigenization Act, 2007).

At the forefront of the new approach was the National Indigenization and Economic Empowerment Fund (NIEEF). NIEEF was set up for the purpose of warehousing shares in targeted companies on behalf of indigenous Zimbabweans and also funding start-up business projects by indigenous Zimbabwean citizens. Armed with the new law, the government set forth to try and effect indigenization in the platinum sector once more. At this point the government seemed to have done the required groundwork and the policy engines were finally roaring in the direction of economic transformation and decolonization. Unsurprisingly, the three platinum giants that had survived the previous indigenization attempts became the immediate targets of the revised and rejuvenated policy. The government's decision to focus on the PGMs industry was partly to set the right tone for the policy since, if successful, it would demonstrate the government's seriousness. In 2012, just two years after the General

Regulations were gazetted the government managed to conclude indigenization deals with the platinum big three. Table 5.2 below shows the structure and the transaction values of the deals reached with the three platinum-mining companies.

Table 5.2: Indigenization deals of Zimbabwe's platinum mines

Company	Date deal signed	Transaction value (US$m)	CSOT Allocation	ESOT Allocation	NIEEF Allocation	Local consortium
Unki	1/11/2012	142.8	10%	10%	21%	10%
Mimosa	13/12/2012	550	10%	10%	31%	-
Zimplats	11/01/2013	971	10%	10%	31%	-
Total		**1.6 billion**				

Source: New African Special Report (2013:67)

The first to come to the table was Anglo-American Platinum's Unki Platinum in November 2012. Unki pledged to transfer 51% shares to the local CSOT, ESOT, a private local consortium and the NIEEF. The first three would get 10% apiece and NIEEF would get the lion's share of 21% (*IOL News*, 2 November 2012). About the financing of the transaction, Anglo American Platinum had this to say on its website:

> "The proposed transaction will be facilitated through a notional vendor financing structure…The disposal of equity under the indigenisation implementation plan will be undertaken at a market-related valuation of Unki adjusted for debt and is subject to the requisite Anglo-American Platinum board and statutory approvals, as may be required". (Anglo-American Platinum, 2012)

Vendor financing is an arrangement whereby those who acquire shares are expected to pay for them through future dividends. Following Unki, Mimosa Platinum also reached a deal with the government to cede 51% of its equity to indigenous partners. The CSOT and the ESOT would get 10% each while the NIEEF would receive 31% to make up the 51% (*The Herald Zimbabwe*, 14 December 2012; Karombo, 2012). Like Unki, the acquisition of the shares was going to be paid for through vendor financing. Zimplats, 87% owned by South Africa's Implats, signed the deal valued at a whooping US$971 million in January 2013 (*New African*, 2013).

The structure of the deal regarding the distribution of shares amongst the indigenous partners was identical to that of Mimosa. Giving a speech at the signing ceremony of the Zimplats deal, then Minister Saviour Kasukuwere hailed the deal as "a flagship of the policy objectives of our government's empowerment of indigenous Zimbabweans" (Banya, 2013). Again regarding the financing modalities of the deal the Minister said the shares would be paid for from future dividends insisting that "We can't ask poor Zimbabweans to fork out their money to buy ore which is in their land" (*IOL News*, 11 January 2013). For a moment it appeared the government was finally getting its way with the platinum miners.

However, a few months after they were signed, President Mugabe publicly condemned the structure of the deals saying:

> "That is the problem, they gave us 51 per cent saying that it is a loan that we are giving you and we are paying for you in advance and then you can pay us back tomorrow….I think that is where our minister made a mistake. He did not quite understand what was happening and yet our theory is that the resource is ours and that resource is our share that is where the 51 per cent comes". (Madongo, 2013)

The then Deputy Prime Minister Arthur Mutambara shared Robert Mugabe's criticism of the deals. Mutambara argued that the Zimplats deal had to take into consideration the difference between working capital and equity capital. Arguing that "the possession of claim rights only allows one to do a certain activity but does not mean ownership". He insisted that the government would not pay for the indigenized mining stakes from dividends declared by the company but would pay from the asset underground (*Zimbabwe Independent*, 24 May 2013). This argument was consistent with President Mugabe's understanding of how the process should have been designed. In 2016 then Indigenization Minister Patrick Zhuwao also came under criticism from President Mugabe and fellow cabinet colleagues like then Finance Minister Patrick Chinamasa for piling pressure on the financial sector to comply with indigenization (Thornycroft, 2016). It appears the cabinet, which is responsible for the implementation of the policy was not on the same page in terms of the conceptualisation of the indigenization policy thus condemning the second attempt at indigenization to a still birth. The differences expressed at the highest levels also signified lack of firm leadership which would have ensured that the office bearers' understanding of the policy was on the same wavelength.

However, it appears there were differences between the political leaders and the bureaucrats in charge of implementing the indigenization policy. In an interview with one of the officials at the National Indigenization and Econmic Empowerment Board (NIEEB) which is responsible for monitoring compliance with the indigenization there was a different view. The interviewee, henceforth referred to as I-1[20], stated that "For instance in the manufacturing sector it will take you 4 years minimum to get to 51%. And remember this 51% is not for appropriation. It is for value. You have to pay for the shares. If you are a black indigenous person who wants to participate. It is for value. It is not given for free. It was never free. Issues were to do with propaganda and implementation."[21] I-1 continued, seemingly attributing then president's statements to politicking, saying that "It was probably more politicised than what it was supposed. So that's why you get people complaining that there was no policy clarity. But it was really clarified if you read the Act". Thus, not only was policy discord within the executive but also between the executive and the bureaucracy. The political leaders and the bureaucrats interpreted the indigenization law differently which undermined the unity of purpose. Magure (2014:9) is of the view that politicians, like Former President Mugabe, were drawn to "the populist rhetoric of indigenisation, empowerment, development and employment to lure, particularly, youthful first-time voters". This means that politicians are concerned less with the practicality of the policy than with pleasing the masses to attract votes in the elections.

Things were to get even worse. Two years after the signing of the deals, George Manyere, the chief executive of a Harare-based firm, Brainworks Capital, which played a central role advising the government on indigenization, poured cold water on the deals in 2015. Manyere was brought before the Parliamentary Portfolio Committee on Indigenization and Economic Empowerment to explain the payments for the services his firm rendered in the negotiation of the platinum deals. Manyere told the Committee that the three platinum deals were not a success: "In this particular case the transactions were abandoned, there was no success to them. In that context we just felt we also had to abandon the expenses we accumulated", he said, referring to the deals with Mimosa, Unki and Platinum. He went on to explain that "when we obtained these transactions they were at different stages of progression and in that, the only

[20] I-1 stands for Interviewee 1

[21] Interview with I-1 in Harare Zimbabwe on the 20th of January 2018.

one which went as far as the shares being exchanged was Blanket Mine, everything else was never completed and we never got anything" (New Zimbabwe, 18 June 2015).

Interviews done during the course of this research with officials at the Indigenization Ministry corroborated the claims of the Brainworks Capital head. For example, I-1 stated that the "NIEEF had successfully acquired 16% shares only in Blanket Mine…that is the only deal that has been successful. Up to now, Zimplats has never declared any dividends or transferred any shares". In another interview with one of the directors in the Ministry of Indigenization (henceforth I-2), the respondent agreed with I-1, noting with exasperation that: "It has been difficult getting the policy to kick-off. Multinational corporations like Implats which controls Zimplats, Unki and Mimosa have refused to comply. The Chamber of Mines[22] did not like the Indigenization Act".[23] However, I-1 went on to explain that "So the Indigenisation Act is basically an ENDEAVOUR to get to 51%. You need to take note of the word ENDEAVOUR. It is not a one-day event in which businesses have to give 51%. It had to be sector-specific in terms of which sector you are and how do you get to the 51%". Here the respondent was referring to Section 3(1) of the 2007 Indigenization Act that reads "The Government shall, through this Act or regulations or other measures under this Act or any other law, endeavour to secure that...". Sounding defensive, the other respondent, I-2, who claimed to have coordinated the drafting of the indigenization law, said that there was general misunderstanding of the Act as the 51% policy "The law says that AT LEAST 51 percent of the shares…and this may even go on to 100 percent. It is wrong to be fixated on the 51 percent. This is a process that starts from 0%. The fact that shares have not been transferred does not mean failure, it simply means we are in the process". I-2 was referring to subsection (1)(a) of the indigenization policy which says that "at least fifty-one per centum of the shares of every public company and any other business shall be owned by indigenous Zimbabweans".

Respondent I-2 seemed to lay blame for the failure of the deals on divisions within Zanu-PF and misperceptions of the policy deliberately peddled and propagated by certain media circles: "Another problem is that our media has created a wrong perception of the policy through sheer

[22] The Chamber of Mines is an organization of large and medium scale mines in Zimbabwe that was established to lobby the government on mining policy and represent the interests of the miners.
[23] Interview with I-2 in Harare on the 19th of January 2018.

ignorance or hidden agendas. The journalists in our country are struggling to make ends meet and can be bought for small amounts to do the bidding of third parties…… There is a struggle within a struggle. Zanu-PF is not a homogenous entity which has created problems for the implementation of the policy.” The statement seems to attribute the lack of success in indigenization to the ability of hostile media houses (local and international) to peddle falsehoods meant to portray a negative picture of the policy. A trend of media polarization on the indigenization policy seemed to emerge during the course of this research. Some state media columnists like Chengu (2013) and Bwoni (2015) touted the policy as a model of economic transformation for post-colonial societies worthy of emulation. Other columnists in the independent media (Musewe, 2015; Bloch, 2012; Robertson, 2012) were sceptical of the policy to the extent of calling for its immediate repeal. The politicization of the indigenization discourse may have led to the policy being overly hyped or unfairly criticized in the media platforms for political reasons.

This could also be explained by the second point in which I-2 says “there is a struggle within a struggle” suggesting that not everyone in Zanu-PF, the ruling party, is fighting from the same corner. There is discord within the party in government about what indigenization means. This is evidenced by the fact that some of the stinging criticism of the mining deals that were supposed to set the tone for indigenization came from the then president himself. The then governor of the Reserve Bank of Zimbabwe (RBZ) Gideon Gono publicly expressed misgivings about the indigenization policy model which set him on a collision path with then Minister of Indigenization and Economic Empowerment Saviour Kasukuwere (Newsday, 2012; Nyakayeza, 2013). Gono vowed to shield the banking sector from being indigenized declaring that:

> “as long as I am governor I will protect the sector from unintended consequences…Instead of sharing an existing cake, I have said those who have an appetite for banking please come forward. I will issue licences rather than destroy existing banks” (NewsDay, 17 March 2012).

Without the support of the chief of the country’s central bank, the indigenization policy had no legs to stand on since the RBZ was needed to finance and help design the indigenization deals. Then Finance Minister Tendai Biti also criticized Kasukuwere’s approach to implementation arguing that the law did not call for an instant transfer of 51% shares but rather it was supposed to be a process to get to 51% (Nyakayeza, 2013). Such divisions and dissent amongst the ruling class meant that the indigenization policy lacked the full backing of the government hence its lack of success.

An exposé by one of the country's dailies, *Daily News,* established that the Ministry of Mines and the Reserve Bank of Zimbabwe (RBZ) were never part of the negotiations for the deals. This indicates that the Ministry of Indigenization went at it alone without the backing of the relevant government departments. Moreover, the appointment of Brainworks Capital as the government advisor was not done through a transparent and formal tendering process as is required by the law but was an outcome of a verbal agreement between the ministry and the firm. In an interview with the paper an unnamed official at the indigenization ministry said that the deals put them on a collision course with the RBZ Governor Gideon Gono who:

> "took us to task over all the agreements signed but it was unfair because some of us are not in control of the processes that led to this as we take instructions from our bosses…some board members do not have details of the deals". (Mutsaka et al, 2013)

Not only was there disharmony at the government level, but also within the ministry of indigenization itself as some were kept in the dark regarding the negotiations of the indigenization deals. Such disharmony and secrecy bring to question the nature of the ruling elite and state power in Zimbabwe. It seems from the evidence presented here that the ruling class rank is fraught with divisions and factions such that state power becomes fragmented rendering state action and policy incoherent. While the state's indigenization policy was undermined by chronic lack of financial resources, it was effectively rendered a non-starter by the apparent lack of a unity of purpose.

The failure to effect change in the platinum sector and get rid of the existing oligopoly is an indictment on the competence of the state itself. This outcome points to the problem of Zimbabwe's underdeveloped state in terms of the quality of its bureaucracy, its social relations, ideological clarity and its financial capacity to pursue the indigenization policy successfully at least in the platinum sector (See Evans, 1995). The relevant state institutions like the Reserve Bank of Zimbabwe and the executive arm of the government were not in sync regarding the implementation of the government's flagship policy. Hence the president's later criticism of the indigenization deals that were supposed to set the tone for indigenization as having been a big mistake. The discord at the highest levels of the state gives the impression that the ruling elite in Zimbabwe still lacks coherence which is a result of the lack of leadership. The state has not evolved institutional collectivism to encourage the pursuit of collective institutional goals on the part of the state officials. Hence after almost two decades of trying to indigenize the platinum sector, the state seems to have been fighting a losing battle.

The failure of the government to implement the indigenization policy as demonstrated in the platinum sector may also be attributed to the strengths of the transnational bourgeoisie that controls the big mining firms. Endowed with significant financial and technological resources the MNCs were in a position to effectively resist the change of a status quo in which they held immense advantages (See Wallerstein, 1974). Using their resources, the big mining firms may capture various facets of state apparatus and thus amass sufficient state power at its disposal to resist indigenization advances (Miliband, 1969). In Zimbabwe, it is not unheard of that state officials receive or demand bribes in exchange for favours. In an interview with Mr Moyo who is an official in the Indigenization Ministry in Bulawayo, the interviewee admitted that "they could not monitor or let alone enforce compliance with the indigenization law from big mining companies because of the protection they got from the political principals. I cannot just go to mine X and say that I am fining you because you did not comply with the indigenization law. I do not have the powers to do that. That is for people at the top who give us instructions".[24] If this account is anything to go by, it seems the state and the big capital were in a secretive cordial relationship. It points to Mandaza (1986)'s theory of the schizophrenic state in which the state identifies with the public when making public utterances but identifies with the big capital in action or lack of it. Bradbury and Worby (1985) also noted how the post-colonial state had gone into bed with the big mining capitalists in the early post-independence era.

Moreover, there are two aspects of the world-system theory as articulated by Immanuel Wallerstein that are reflected in the way Zimbabwe went about trying to indigenize the platinum giants. Firstly, Zimbabwe exhibits the classic characteristics of a peripheral area which include a weak and neo-colonial state which does not have the capacity to make independent decisions (Wallerstein, 1976). Secondly, typical of peripheral areas in the world-system, Zimbabwe has a minuscule capital market which proved insufficient to support the

[24] Interview with Mr Moyo (an official in the Ministry of Indigenization responsible for processing indigenization plans) in Bulawayo, Zimbabwe on the 8th of February 2018.

emergence of local investors hence the failure of the indigenous people to take over the mining companies (Martinez, 2001). Amin (1981) and Nkrumah (1965) contended that the neo-colonial system was exclusively focused on the exploitation of resources and accumulation of capital which was invested not in former colonies but in the industrialized world. Thus, the outcomes of the indigenization policy strongly reflect the realities of the world-system which placed heavy odds against the success of the policy.

5.5 The de-indigenization of an asbestos giant: The case of Shabanie Mashava Mine (SMM) Saga

The story of Zimbabwe's indigenization policy in the mining sector cannot be complete without any mention of the Shabanie Mashava Mine (SMM) saga. The details of the story bring a new perspective to the GoZ's indigenization policy. SMM consists of two asbestos mines – Shabanie Mine and Gaths Mine established in 1917 and 1914 respectively and other industrial assets owned by a British company T & N plc (Parliament of Zimbabwe Hansard, 12 April 2017). The company employed over 5000 people and was the world's third largest asbestos producer contributing millions of dollars to the country's GDP (Peta, 2005). In 1996 an indigenous Zimbabwean businessman Mutumwa Mawere through his investment company, Africa Resources Limited (ARL), acquired SMM Zimbabwe from T&N for US$60 million in a first major transaction involving a black person in the mining sector (Peta, 2005; News Day, 15 November 2010; Parliament of Zimbabwe Hansard, 12 April 2017). According to Mutumwa Mawere's website (http://www.mmawere.com/about.php) he entered into a partnership with South Africa's Investec Bank Limited to "structure and mobilize financing for a mining private equity fund". This acquisition happened at a time when the GoZ was pursuing indigenization policy in the mining sector and had set up an indigenization portfolio in the president's office (Msipa, 2015). Mawere later grew his business empire spreading his investments to telecommunications, banking and warehousing. Under his ownership, the company employed over 19000 people and was valued at US$300 million.

However, in a controversial move in 2004, the GoZ decided to nationalize Mawere's assets using the controversial Reconstruction of State-Indebted and Insolvent Companies Act (RSIIC). The law enables the government to take over any company they deem insolvent (Chakanyuka and Mswazie, 2013). Then Justice Minister, Patrick Chinamasa, told parliament that Mawere had used a government guarantee to acquire the company which he was failing to pay back hence the government takeover. However, Mawere dismissed the minister's claims that he used a government guarantee. Speaking to the media Mawere was quoted as saying "The truth is that the acquisition financing was secured by pledging SMM shares to T & N. The vendor was the lender. It was a sale and purchase agreement. There was no government guarantee and no security. The only security pledged were the shares in the two companies." (*News Day*, 15 November 2010). According to Peta (2005), when Mawere's business was seized in 2004, it was neither insolvent nor indebted to the state. Instead the takeover seemed to be a vindictive move by Zanu-PF on Mawere. In 2003 Mawere turned down an unsolicited nomination by Zanu-PF's Masvingo province for the secretary of economic affairs. Mawere declined the post saying that he was not a member of Zanu-PF. Reports say that then president and leader of Zanu-PF Robert Mugabe was incensed by Mawere's refusal of Zanu-PF membership and decided to revenge by seizing his companies (Peta, 2005). However, the mines literally collapsed in 2008 just four years after the government seizure. The crisis that beset the company saw workers earning a measly $50 a month (Machamire, 2017). Zvishavane Member of Parliament John Holder told parliament that the SMM had been turned into universities as the mines look for money to stay afloat (Parliament of Zimbabwe Hansard, 12 April 2017).

In the midst of this takeover, what is more striking is the irony of a government that had portrayed itself as the champion of indigenous empowerment undermining one of the most successful cases of indigenization in the mining sector. Magure (2012: 69) argues that the way the Zanu-PF government treated Mawere is not surprising in view of the party's fear of an independent African business class that may develop into a competing center of power. The party only tolerates political business people who toe the party line. Zanu-PF adopted a vindictive stance towards Mawere likely because he had tried to evade its patronage by turning down a nomination for a post in the party (See also Raftopolous and Compagnon, 2003; Mufema, 1998). The Shabanie Mine saga also vindicates Magure (2014)'s assertion that the indigenization and economic empowerment was less a genuine policy of economic transformation and more of an electioneering gimmick designed to keep Zanu-PF in power. Indigeneity, in the context of the indigenization policy, seems to have been premised on one's affiliation to Zanu-PF.

5.6 Indigenization in the Gold Sector: A Not So Golden Record

5.6.1 The indigenization experiences of Metallon Gold Corporation

The gold sector has also had its own fair share of the indigenization experiences in the past resembling the drama of the PGMs sector. Perhaps the most prominent indigenization saga, among a number of others has been that of Metallon Gold (hitherto known as Independence Gold Mine), one of the biggest mining companies in Zimbabwe and the biggest in the gold sector. Metallon Gold Zimbabwe was formed when Mzi Khumalo, the poster-child of South Africa's Black Economic Empowerment (BEE) acquired Independence Mines from the British-based company, Lonmin in 2002 at a cost US$15 million (Ryan, 2006). Metallon runs five mines in Zimbabwe which include Arcturus, How Mine, Mazowe, Shamva and Redwing. At the time Metallon acquired the Independent Mines, it was the largest gold producer in Zimbabwe raking in 25% of the country's export earnings (Peta, 2006). The purchase of the mines took place at a time the government was pushing for increased local ownership of the mining sector. In compliance with the Zimbabwe government's directive for the indigenization of foreign owned companies, Metallon offered 30% stake to an indigenous entity, Manyame Consortium which was led by Zimbabwean entrepreneurs in June 2003. The consortium was led by well-known businessmen among them John Mukushi, Mthuli Ncube (now Finance Minister) and Albert Nhau. Mkushi was later appointed the chairman of Independence Mines by virtue of Manyame's 30% stake (Ryan, 2006; Goko, 2005). Mthuli Ncube was a former NIT chairperson and Barbican bank chief executive who had twice made a bid for a stake in Zimplats, hitting a brick wall in both cases. According to the details of the particular deal, Manyame paid $1 million cash for the shares while the balance was going to be covered by dividends through vendor financing. So out of the asking price of $9 million, Manyame Consortium had only $1 million in hand (See Goko, 2005).

Related to this transaction was a court case involving Stanmarker, a locally owned mining company, and Metallon which threatened to dampen the mining sector's first apparently successful indigenization case. Upon the incorporation of Manyame into Metallon, it later turned out that the latter had reneged on the initial agreement it had entered into with Stanmarker committing to hand it the empowerment quota in Independent Mines (See Goko, 2004). Having been sidelined in the final empowerment deal, Stanmarker protested that it was unfairly treated and dragged Metallon to court claiming the latter had breached several legally binding aspects of their agreement made in June 2002 pending Metallon's acquisition of Independence Mines. The acquisition was intended to be done through a company known as Newco that was to be incorporated in Zimbabwe (Stanmarker Pvt Ltd vs Metallon Corporation Ltd [2004] ZWSC 117). The agreement was designed as a Heads of Agreement in which several clauses were deemed to be legally binding. One of the legally enforceable clauses of the agreement stated that:

> "From the signature date and for a period of three months thereafter, neither party shall, without the prior written consent of the other party, engage in or enter into discussions with any other party with an interest in acquiring the share capital or business of Independence or its immediate holding company and/or engage in or enter into discussions with any other party desirous of achieving similar objectives than, or competing with, Newco." (Stanmarker Pvt Ltd vs Metallon Corporation Ltd [2004] ZWSC 117)

However, Metallon breached the agreement by negotiating with Lonmin for the sale of Cableair, Independence's holding company, without consulting Stanmarker. The agreement had been that Metallon and Stanmarker were going to acquire Independence Mining jointly which would see Metallon getting 60% and Stanmarker getting 40% (Stanmarker Pvt Ltd vs Metallon Corporation Ltd [2004] ZWSC 117). Metallon was going to provide the funds for the acquisition. Stanmarker was tasked with seeking the blessings of the government in accordance with the government's indigenization requirements (Goko, 2004; Ryan, 2006). Stanmarker subsequently instituted a civil action against Metallon but the High Court was powerless to issue a judgment against the company since it was not yet established in Zimbabwe. In the end, Metallon went on to partner with Manyame Consortium and Stanmarker lost out. It seems from the details of the agreement that Stanmarker was being used to legitimise the foreign venture and act as a front. For renting legitimacy to Metallon it would then acquire 40% shares in the new company. Little wonder that it was peeped to the deal by Manyame who had cash in hand and were willing to earn the shares.

The empowerment deal between Manyame and Metallon was however short-lived as in June 2005, just two years after the deal was put in place, there came the announcement that Manyame had lost its stake in the company. This was triggered by Mzi Khumalo's decision to list the shares on the Johannesburg Stock Exchange (JSE) in 2005. Despite the fact that the public listing of the company would upset the government's indigenization quota about it, government officials from the responsible ministry failed to take action against Khumalo (See Goko, 2005). Khumalo's meeting with the Minister of Mines prior to the listing raised suspicions of bribery or underhand dealings to ensure the ministry's support or at best inaction. The Manyame Consortium was also vulnerable at that time as they needed money to pay back the US$1 million loan they had secured from Barbican bank when they made a deposit for the 30% stake in 2003. The loan had since gained a US$300 000 interest thus piling more pressure on the indigenous outfit. Being the businessman that he is, Khumalo pounced on the opportunity to offer a US$3million buyback proposal for Manyame rather than lending them some money to secure their shareholding. It is not clear how Manyame finally lost the stake in the company but it seems they were bought out. In an interview years later in 2014 Mr Zenzo Nsimbi, Metallon's corporate affairs secretary was quoted as saying "We are 100 percent owned by Mzi Khumalo" (Machivenyika, 2014). Ironically, the secretary confirmed this at the height of the government's indigenization crusade in which foreign owned mining companies were under pressure to cede at least 51% of the shares to indigenous partners as stated by the law. Here was another indigenization deal collapsing spectacularly due mainly to the lack of capital and the government seemingly could not lift a finger to help maintain black representation in one of the biggest mines in the country.

The shortage of capital seems to have been the undoing of the indigenization deals and the government was not learning anything from the past failures. Moreover, the failure of the Metallon Gold indigenization deals was also a result of lack of effective legislation to back the requirement for black representation. Companies could enter into deals with local investors the terms of which could not be legally enforced and thus remained vulnerable as evidenced by Manyame Consortium which eventually lost its 30% stake in Metallon. Further, the lack of unity within the indigenous business class and most importantly between the latter and the ruling class did not help matters. Organizations like the Affirmative Action Group (AAG) and the Indigenous Business Development Center (IBDC) which were purportedly formed to fight for increased representation of indigenous people in the economy were conspicuous by their silence. Evans (1995) showed that countries like South Korea, Brazil and India successfully indigenized their information technology industries which were dominated by foreign capital largely because of the unity of purpose between the local business class and the State. Such unity of purpose behind a common goal transcending the interests of the local bourgeoisie and the ruling class was clearly lacking in Zimbabwe. This was a major weakness that foreign capitalists exploited to shield themselves from a policy they viewed as undermining their interests. This reflects the absence of a strong state in the peripheral areas as observed by Wallerstein (1974). Moreover, again in this case as happened in the platinum industry, there were no local investors with sufficient capital to take over such a giant gold producer, confirming once more Zimbabwe's status as a peripheral member of the capitalist world-system.

5.6.2 Freda Rebecca: Another missed opportunity

Freda Rebecca gold mine is one of the biggest mines in the country located in Bindura town, Mashonaland East province, about 90km from Harare. It is only second to Metallon Gold Zimbabwe in terms of gold production. It is also one of the oldest mines in the country. Mining exploration started there in 1912 when Zimbabwe was still under the rule of the British South Africa Company, however, the mine only started producing gold in 1988. Ashanti Goldfields Corporation acquired the mine from Cluff Gold, a London-based mining conglomerate, in 1996 (Institute of Developing Economies, n.d.). In 2004 AngloGold Ashanti sold its entire gold assets to Mwana Africa Holdings. Mwana Africa Holdings, a South African private company that was formed by Kaala Mpinga in 2003 went on to acquire the Bindura Nickel Corporation in 2003 and Freda Rebecca Gold in 2005. Mwana Africa acquired 100% shareholding at the mine but signed an agreement obliging it to sell 15% stake to an indigenous partner. In 2012 the company announced that it had sold 15% shares to Mr Kenneth Musanhu, a prominent businessman and a Zanu-PF legislator for Bindura who was also a long-time board member at the company. The 15% would cost Mr Musanhu US$405 000 (See *The Zimbabwe Independent*, 17 July 2012; Moyo, 2017). The then Chief Executive said the completion of the deal was conditional on approval from South Africa's Industrial Development Corporation (IDC).

However, 2015 saw a restructuring of the company during which a new Chinese-dominated leadership took control after ousting Kalaa Mpinga who had overseen Freda Rebecca's indigenization deal. The China International Mining Group Company (CIMGC) that had made a $21 million investment in Mwana Africa in 2012 to get a 21% stake and its associate Mr Ning who owned a 7.6% stake became the major shareholders with a combined stake of 29%. Mr

Ning became the new Chief Executive replacing Kalaa Mpinga who had been ousted at an Extraordinary General Meeting in London in 2015. The company changed its name to ASA Group Resources (plc) a few months after the change of leadership. In 2017 it was revealed that at the time of his ousting Kalaa Mpinga was in the process of negotiating an indigenization deal with a local consortium, Zindico, led by one Ian Chikanza, a United Kingdom-based medical doctor with extensive business interests. The ousted founder member of the company had led negotiations arranging an empowerment deal with the consortium in accordance with the country's indigenization laws that would see indigenous entities owning the majority shares in Freda Rebecca. However, the new Chief Executive, Mr Ning, ignored the Zindico-Mwana Africa agreement on the grounds that the agreement was not approved by the company's board of directors (*Ibid*).

The local consortium then filed court papers citing ASA Resources (previously Mwana Africa) as respondents in February 2017 for reneging on an empowerment deal it signed with the previous company directors in 2011 entitling it to a 26% stake in Freda Rebecca priced at US$26 million (*The Herald Zimbabwe*, 26 January 2017). The former Chief Executive, Kaala Mpinga, was quoted in *The Herald Zimbawe*, as saying: "I have read and understood the founding affidavit of the Applicant (Zindico) in this matter and I associate myself with the contents therein…. Mr (Kenneth) Musanhi worked with me in the identification of an indigenous partner(s) and subsequent discussion with Dr Chikanza and his consortium (the Applicant) to purchase 26 percent equity in the 4th respondent as required by the laws of Zimbabwe" (Moyo, 2017). The purchase and sale of shares was drafted by a South African lawyer who subsequently handed in an affidavit corroborating the Zindico representative, Mr Chikanza's narrative. However, the agreement was not signed. Internal corporate politics got in the way of indigenizing one of the biggest gold mines in the country without the government taking any action to ensure the indigenization law was followed. A powerful mining MNC openly stood in contempt of the country's law seemingly with impunity.

It was not only Zindico, that was left hanging, Mr Musanhu who had bought a 15% stake in the company under an empowerment deal in 2012 was also querying the treatment which he was receiving from the new directors. In October 2017 he applied to sue Freda Rebecca and ASA Resources over their decision to dispose of company shares neglecting in the process the pre-emptive rights of minority shareholders (Munyoro and Mhundwa, 2017). This set of rights commits the owners of the company to give preference to common stockholders which allows them to purchase issued stock on a proportional basis to maintain their percentage of the shares. In this case, Freda Rebecca was disposing its shares through its listed shareholder, ASA Resources without regard to the Articles of Association. ASA Resources, owned 85% of the stock in Freda Rebecca. Musanhu and his Suncraft Enterprises were concerned that the disposal of the shares would affect their percentage shareholding in the company. Such developments were a blatant undermining of the spirit and intentions of the indigenization programme. The standing of an indigenous partner in the gold mine was being threatened while another potential indigenous partner was blocked from acquiring a stake in the company.

This case reveals and reflects certain complexities and dynamics that underpinned the indigenization process in Zimbabwe's mining sector. The government of Zimbabwe's apparent inability to enforce the indigenization law can be attributed to a number of factors. Firstly, the Freda Rebecca indigenization case reflected Zimbabwe's awkward position in the international politics. Zimbabwe was caught in a terrible dilemma between its foreign and domestic policies – creating new foreign allies and drumming up domestic support. The case unfolded at a time when the government of Zimbabwe was trying to cultivate closer relations with China as a key ally under the so-called 'Look East' policy after it had been isolated by the West since the turn of the twenty-first century (Youde, 2007). This might have undermined the State's ability to act against the interests of a multinational company (ASA Resources) in which a Chinese entity was a major stakeholder. Secondly, the explanation can be located within the nature of state power and class dynamics in local politics. In the absence of any significant national indigenous bourgeoisie in Zimbabwe, the state bourgeoisie monopolized political power which they used to establish almost total control of the state apparatus. It served the interests of the state bourgeoisie to subordinate the objectives of the indigenization policy to good relations with the Chinese who had sufficient capital to invest in the large-scale mines and also pay kickbacks to the political elite. A policy crafted as a platform for local empowerment and decolonization soon became the pivot to China. This case also underscored the scarcity of domestic entrepreneurs with sufficient capital to take over the mines hence the continued dominance of foreign players. Moreover, having a ruling party member as an indigenous partner in Freda Rebecca gold mine smacks of patronage and the use of the indigenization policy for the retention and reproduction of the ruling class' political power.

5.6.3 RioZim: Yet Another Flop

RioZim is one of the country's mining giants with interests in gold, coal, copper and nickel in which the indigenization policy requirements have been contemptuously disregarded. RioZim was formed in 1956 as RioTinto Southern Rhodesia Limited whose sights were set on getting the Empress Nickel Mine up and running, the company's first venture outside Europe. RioZim was weaned from RioTinto in 2004 becoming a wholly Zimbabwean owned company listed on the Zimbabwe Stock Exchange (ZSE) (See RioZim website). Since its existence as an independent venture, RioZim has not had it easy. Mismanagement and a difficult economic environment saw it accumulate a debt of over US$60 million owed to a number of local banking institutions (*Chronicle*, 18 May 2011; *The Herald*, 16 September 2011). The company was facing pressure from banks and risked its assets being liquidated or placed under judicial management. Its share price had tumbled to US50 cents. US$100 million was required to settle the company's debt and also restart its operations. In 2011 RioZim tried to raise capital by floating a US$40 million rights issue but this was not successful as its underwriter Essar Global withdrew from the deal citing discomfort with the indigenization law. In the same year RioZim suffered a US$5 million loss for that financial year (See Nyakayeza, 2015; Muronzi, 2016).

Suddenly in 2012 in its moment of need, RioZim received what was probably to them a godsend term sheet[25] outlining plans to raise US$6.6 million through the selling of shares to Raintree Investments Consortium. Under the agreement, the consortium, which was a partnership between Raintree Mining and Global Emerging Markets (GEM) Management Limited,[26] would get 13 325 000 ordinary shares at US$0.5 each. The new player, going by the name GEM amassed a 24% stake of Rio Zim after the transaction was completed. They had peeped a group of indigenous Zimbabweans who had partnered with Middle Eastern investors to the deal (*Herald Zimbabwe*, 7 March 2012). Another agreement was made between GEM and RioZim soon after for the issuance of convertible debentures[27] to GEM valued at US$45 million. Under the new agreement, it was resolved that Raintree Investments Consortium

[25] A term sheet is a document outlining the terms and conditions of a business agreement (Foaley Hoag, 2014).
[26] Raintree Mining is a firm owned by former white commercial farmers who ventured into mining after losing their farms during the land reform programme. Global Emerging Markets (GEM) a London-based investments group that manages a variety of investment portfolios (Muronzi, 2016).
[27] A debenture is a long-term security with a fixed rate of interest issued by a company secured against its assets (Chen, 2019).

would have the right to appoint four directors out of a total of eight to the board. The RioZim shareholders voted in favour of the debentures deal at an Extraordinary General Meeting (EGM). A new board was formed with Ashton Ndlovu replacing Josh Sachikonye as the Chief Executive. GEM leader Harpal Randawa (a prominent UK-based investor) managed to talk the banks into easing pressure on RioZim regarding its debt to them. Although Randawa was not on the board he seemed to be pulling the strings from behind and had even the CEO try to convince the board to pay him a management fee for handling the banks. After a brief resistance a management contract was signed in July 2012 (Muronzi, 2016).

Two years after signing the US$45 million debentures agreement, no debentures had been issued by GEM yet. To its defence, GEM cited its concern with the indigenization law saying if it had paid for the debentures its stake would have gone beyond 24% and combined with Old Mutual's 20%, would have violated the provisions of the law. However, in 2014 GEM expressed willingness to underwrite the rights[28] issued by the company to raise $10 million capital to kick-start one of its mines (Muronzi, 2016). The GEM leader was called out by other members of the board on his failure to honour the 2012 debentures agreement. The issue of rights coincided with a significant slump in RioZim share price which had fallen to US17 cents. GEM managed to get on the board its loyalists after the unprofessional conduct of its leader Randhawa had frustrated the old board and executive members and led to a string of resignations. The independence of the board was compromised and it seemed Randhawa was set to get his way on every major decision. And get his way he did. The US$10 million rights issue became a major issue once again when GEM wanted the $2.887 million (management fees) it was owed by the company to be counted as part of the underwriting fee (See *Daily News*, 2016). In other words, Gem wanted to trade the management fees it was owed by RioZim for more equity. In notifying the shareholders and the board, the rights issue circular tried to hide the $2.887 million as money meant to finance funding for the company and other general purposes thus misleading the market and the board.

[28] Right shares are the shares that are issued by a company for its existing shareholders. The existing shareholders have their right to subscribe to these shares unless some special rights reserve them for some other persons (Pathak and Gupta, 2018: 2)

After successfully underwriting the rights issue, Randhawa increased his stake in RioZim to 44% (*Daily News*, 14 June 2016). The Gem RioZim Investments increased its stock by 20% for a paltry amount of money thus going directly against the objectives of the indigenization policy (*The Source*, 2015). To make matters worse, one of the indigenous shareholders, RioZim Foundation that had before, held 11.6% of the stake had its shares diluted[29] to 4.2%. Thus, instead of indigenization RioZim indigenous partners were being bled of their stake contrary to the spirit and letter of the indigenization policy. It is not clear whether these changes in shareholding had the blessing of the indigenization ministry. Section 3 of the 2007 Indigenisation Act states that the government shall ensure that:

> (b) no— (i) merger or restructuring of the shareholding of two or more related or associated businesses; or (ii) acquisition by a person of a controlling interest in a business; that requires to be notified to the Competition Commission in terms of Part IVA of the Competition Act [Chapter 14:28] shall be approved unless—
>
> (iii) fifty-one per centum (or such lesser share as may be temporarily prescribed for the purposes of subsection (5)) in the merged or restructured business is held by indigenous Zimbabweans; and
>
> (iv) the indigenous Zimbabweans referred to in subparagraph (iii) are equitably represented in the governing body of the merged or restructured entity; (Indigenisation Act, 2007)

In this case, the ministry of indigenization failed to uphold the Act it is meant to administer and enforce. Even more baffling is the inability of the Zimbabwe Stock Exchange (ZSE) to act to ensure its rules were followed. According to the RioZim lawyers, there was a 2004 Shareholders Agreement that Randhawa completely ignored in his acquisition of the stake despite being briefed about it (*Daily News*, 14 June 2016). Moreover, the ZSE guidelines stipulate that related party transactions were to be preceded by an Extraordinary General Meeting (EGM) in which shareholders agree to sell shares to a related party. No such EGM was held, instead the shareholders were not even furnished with the relevant information.

In another related case, the sale by RioTinto of its assets in Sengwa Colliery and Murowa Diamonds was a blatant disregard and violation of Zimbabwe's indigenization law. In 2004 RioTinto sold its 78% stake in Murowa Diamonds and 50% in Sengwa Colliery to RioZim before it left the country. RioZim had owned the 22% in Murowa Diamonds and 50% in

[29] Shares or stock dilution means a reduction or a decline in shareholders' ownership in a company in the event of the company issuing new shares. (Ibid)

Sengwa Colliery before the sale (Muronzi, 2016). From the looks of it, the sale of the stake was apparently consistent with the requirements of the indigenization law[30] since RioZim was a wholly owned Zimbabwean company (Mataranyika, 2016). However, as it turned out, the companies were instead sold to RZ Murowa Diamonds, a company registered in Mauritius owned by non-other than Harpal Randhawa the owner of GEM RioZim Investments. It was also surprising that Murowa Diamonds, which at the time produced more than 40 000 carats per month with a value of over US$6 million, could be sold for as low a value as US$19 million. With a capital injection of US$3 million, the mine could have easily increased its productivity to 100 000 carats per month thus generating over US$15 million per month (See Kachembere, 2016). It was mind-numbing how such a valuable asset could be sold for a paltry amount of money to an offshore company that did not have to pay tax to the government. At the height of the indigenization programme, the shares and control of valuable mining companies were exchanging hands between agents of foreign capital. The State once again proved incompetent to implement and enforce the terms of the Indigenization Act which were so blatantly being violated. Quizzed about the issue, the then Deputy Minister of Mines said his department was "still investigating to verify the manner in which the shares changed hands outside the country" (Mataranyika, 2016).

Moreover, RioTinto was also accused of disregarding the 2004 shareholder agreement which gave pre-emptive rights to minority shareholders should there be any sale. However, RioZim, now firmly under the control of Randhawa, the beneficiary of the sale, argued that the company's board of directors waived the shareholders' pre-emptive rights and everything was done above board (See Kachembere, 2016). The then RioZim chairman Lovemore Chihota argued that the decision to waive their pre-emptive rights was informed by the financial challenges facing the company as they could not source the required finance to acquire the stock. Then Deputy Minister of Mines, Fred Moyo told the parliament that his ministry was investigating the sale of the two mining enterprises (Mataranyika, 2016). This is an example that had since become the rule, in which foreign companies continue to flout the indigenization rules seemingly with impunity. It seems even the State lacks the capacity to enforce its own rules and policies. According to the Indigenization Act the Minister has every right to inquire

[30] Indigenisation law stipulated that any restructuring of the shareholding in any entity should abide by the 51% indigenous equity ownership.

about the shareholding structure of any company for the purposes of compliance with indigenization rules.

However, despite being briefed about the goings-on before the sale as explained by the RioZim chairman, Chihota, the authorities failed to stop the sale of shares that went to a foreign entity for a song. The merry-go-round scenario that characterised the exchange of shares in RioZim brought to light the impractical nature of the Indigenization Act pointedly criticized by Matyszack (2014) in a takedown worth quoting at length when he wrote:

> Potential problems are also evident in the case of large public companies. These companies may have millions of issued shares distributed over thousands of shareholders. Determining the race of each of these shareholders is a daunting task. In the case of a public company, the shareholding is subject to constant change through trade on the stock exchange. Accordingly, the extent of "indigenization" of the 51% could be in a state of constant flux depending upon who is purchasing the shares. To avoid this, there would have to be legislation requiring that the race group of each purchaser and seller of shares is disclosed, and if the 51% is to be retained once reached, a prohibition on the transfer of shares to a person of a particular race once a certain threshold is reached. This would require a separate, racially determined index of shareholdings to be maintained at the stock exchange or racially segregated bourses – something which the line Ministry claimed was under serious consideration. (Matyszak, 2014:3-4)

Thus, the law itself was poorly drafted making it notoriously difficult to implement, even more so for a chronically incapacitated State. Just ensuring that there is balance of shareholding (which is very dynamic as shares are exchanged all the time) in over 1000 companies is an unbearably arduous task. In an interview with officials from the NIEEB Compliance Division, which is responsible for monitoring compliance with the indigenization regulations, one official (henceforth I-4) bemoaned the lack of capacity:

> The problem is that we don't have enough and adequate resources to effectively monitor compliance. For example, in the department we don't even have a car making travelling difficult. Also, the department only has three staff members, to effectively discharge our duties we need at least forty people. (Interview with I-4 in Harare Zimbabwe, 24 January 2018)

The violation of the indigenization law, in all cases without consequence, sets a very bad precedent giving foreign companies the confidence to disregard the laws. This has not been helped by the fact that some of the top government officials who have a lion's share of the responsibility to implement the Act are of questionable integrity. One such official was the former Minister of Mines, Obert Mpofu of Zanu-PF who was accused of taking and demanding millions of dollars in bribes from prospective investors[31]. He also displayed his disinterest bordering on contempt for indigenization when he was quoted as saying “What worries me most is that whoever speaks loudest about mining has not contributed a penny to the mining sector, as they have done with the rest of the economy” (News Day, 28 July 2012). He was responding to complaints that the mining sector had been short-changing the government in terms of the revenue from the mineral sales which was way below expectations. Then Minister of Youth and Indigenization, Saviour Kasukuwere[32] in charge of implementing the indigenization policy also did not have a stellar record in good governance and upholding the rule of law. With such ministers of questionable integrity in charge of the policy, little wonder then that the Act, at least in the mining sector, suffered the opprobrium of being honoured in the breach for much of its existence.

5.6.4 Duration Gold Zimbabwe: Intersection of Race and Indigenization

There is also the curious story of Duration Gold Zimbabwe, a subsidiary of US-based investment manager, Clarity Capital, which owns Vubachikwe mine in Gwanda, Athens mine in Mvuma and Gaika Mine in Kwekwe. It acquired the mines in 2006 apparently from white-owned Zimbabwean firm Forbes and Thompsons (Interview with I-5 who is a staff-member, 23 September 2017). This transfer of ownership to foreign investors was against the indigenization policy of the government which, though not backed by legislation at the time, was taken seriously enough to be managed directly under the office of the President (Msipa, 2015). One of their mines, Vubachikwe in Gwanda refused to join the Community Share Ownership Trust to which they were supposed to issue 10 percent equity of the company. The owners of the company apparently refused to comply with the indigenization law citing that they already had white Zimbabweans as major shareholders. The Minister of Indigenization is

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[31] Mpofu is a phenomenally wealthy politician with properties all over Matabeleland areas in the western parts of the country. It is believed much of his wealth was acquired while he was still in charge of the Mines portfolio in the cabinet. Recently, a prominent businessman, Lovemore Kurotwi, approached President Mnangagwa demanding the arrest of Mpofu saying he presided over the loss of his diamond investment after he refused to pay him a $10 million bribe. (Sibanda, 2018)

[32] Saviour Kasukuwere is also a fantastically rich Zanu-PF politician with a number of business interests across the country. He is known for his extravagant mansion in Harare and presiding over dummy checks presented by diamond mining companies for community trusts. He has been accused by prominent businessman, Philip Chiyangwa of demanding $5 million bribe when he was in charge of the Local government portfolio in the cabinet. (See Phiri, 2017)

reported to have reacted angrily quoted as saying he was “fed up with trying to negotiate with the Vubachikwe mine management who seem to think they are still operating in Rhodesia” (See Makoshori, 2012). This touches on a crucial and contentious aspect of the indigenization law regarding the definition of the indigenous person. It appears that Zimbabwean whites did not qualify as indigenous despite having been born in Zimbabwe and possessing full citizenship. The indigenization law defines indigenous people as those or descendants of those who before 1980 were disadvantaged by the discriminatory laws of the colonial government on the basis of the colour of their skin.

Another respondent, (I-6), who leads the National Mineworkers Union of Zimbabwe (NMWUZ) who is also a senior employee of Duration Gold lamented this discrimination against white Zimbabweans:

> The second thing, is this thing was even threatening indigenous whites because they were whites. So if you were white this thing was not considering you as a Zimbabwean but rather as a foreigner. Regardless of how long your family has been here, as long as you were white you were not considered indigenous. It’s just like how white Zimbabweans lost their farms during the land reform programme. (Interview, Bulawayo Zimbabwe, 24 September 2017)

In his 2015 book *In Pursuit of Justice,* Cephas Msipa, former governor of Midlands who in 1995 served as the first Minister of Indigenization and Privatization in the President’s Office remarked that they preferred the word “indigenous” to “black” precisely to allay fears of racism. However, it is clear that white Zimbabweans are deemed to have benefited directly or through their forebears from the colonial system which disqualifies them as indigenous people. Matsyzak (2011:2) put it in stark terms arguing that “the proclaimed intention of the Regulations is that all foreign-owned businesses and all businesses owned by white Zimbabweans or permanent residents valued at a prescribed amount cede a controlling 51% share to black Zimbabweans”. Logically, young white Zimbabweans who were born after the 1980 cut-off date would not qualify as indigenous persons and if they happen to own mines, they would be targeted for indigenization as were the owners of the Vubachikwe gold mine. This makes it difficult for the indigenization policy to survive charges, as has already been flighted in some circles, of being racist and nothing but an inverted Rhodesian policy of discrimination.

Duration Gold submitted its indigenization plans in 2013 and got approval from the Minister in that same year (Makoshori, 2013). However, by 2017 they had not set up or joined any existing community trust or an employee trust as is required by the indigenization law. According to the leaders of the Gwanda CSOT in an interview done in 2017, Vubachikwe was one of the companies that was not contributing any funds to the trust even though it fell under the Gwanda District (Interview with GCSOT official I-7, 17 September 2017). Only Blanket Mine and Pretoria Portland Cement (PPC) had complied with the indigenization law in terms of funding the CSOT. As far as the Employee Share Ownership Trust of the indigenization law which required the qualifying businesses to cede shares to their employees in order to give them a voice in the company, Vubachikwe did not have one, nor any other mining company. I-6 seemed to defend the company saying that the indigenization policy would fail because the owners of the mines realized that:

> "…the new shareholders were not bringing anything from indigenization. It was good on paper but there were no indigenous guys who were willing to pay for that 51%. They just wanted shares because they are Zimbabweans". (I-6, Bulawayo Zimbabwe, 24 September 2017)

Such sentiments touch on the issue and questions of entitlement and property, an issue central to the indigenization policy and how it is implemented. It appears that the intended beneficiaries of the indigenization policy feel entitled to own shares in mines by virtue of their descent and not investment in the form of capital. That is, foreigners and white citizens can only secure property rights on mineral resources through investing capital, and even then, they cannot exceed 49%. It is important to note that the interviewee used the word "willing" as opposed to "able" in making the point that intended beneficiaries were not willing to pay for the 51%. This implies that some people who might have the capital to buy the shares are taking advantage of the inbuilt sense of entitlement in the indigenization law to secure a "free lunch" as it were. In most cases, these people happen to be politicians or their proxies who may be trying to manipulate the laws or interpret the law in a way that facilitates primitive accumulation[33].

In an inquiry by the Parliamentary Committee on Youth, Indigenization and Economic Empowerment, the Duration Gold Director Raymond Smithwick accused the then Deputy Minister of Mines, Fred Moyo and the Zanu-PF Member of Parliament in Gwanda Central of pulling strings behind the scenes to scuttle company operations so that they take over when it fails (*Herald Zimbabwe*, 11 March 2016). Such attitudes from the ruling class are consistent with Fisk (1989: 136)'s grim observations about the enrichment of the ruling class which is "not through production but through some form of plunder". The ruling Zanu-PF party members try to leverage their political power for self-aggrandizement and in the process giving bad publicity and cultivating negative perceptions of the indigenization policy. It may seem that in practice the Indigenization and Economic Empowerment Policy is really the Indigenous Elite "Entitlement" Policy.

5.6.5 Blanket Mine: Busting the Trend

The only apparently successful story in the post-2007 indigenization phase amongst the large-scale mines in Zimbabwe has been that of Blanket Mine. Blanket Mine is a gold mine located in Gwanda District which is the capital of Zimbabwe's Matabeleland South province that lies in south-western parts of the country about 150km south-east of Bulawayo, Zimbabwe's second largest city. The mine was acquired in 2006 by Caledonia Mining Corporation (Canadian firm) from its previous owners Kinross Gold Corporation also based in Canada (another case of violation the government's indigenization policy pre-2007). According to Hubert (2016) Blanket Mine is the country's third single largest gold producer contributing about 14% of industrial production and 9% of total production. On February 20, 2012 Blanket Mine signed an indigenization deal with the ministry of indigenization committing to implement measures to transfer 51% of its equity ownership to indigenous entities including CSOT, ESOT, NIEEF and an identified indigenous investor (Sharara, 2012; *Herald Zimabwe*, 11 October, 2012). As of 5 September 2012, just months after signing the indigenization agreement, Blanket Mine implemented the indigenization process transferring shares to indigenous people as follows:

Table 5.3: Distribution of indigenous shareholding in Blanket Mine

Recipient	**Equity %**
Gwanda Community Share Ownership Trust	10%
Management and Employee Trust	10%
National Indigenisation and Economic Empowerment Fund	16%
Fremino Investments (Indigenous investors)	15%

Source: Caledonia Mining Corporation Plc, http://www.caledoniamining.com.

The value of the transaction, which like other deals was arranged to be financed through vendor-finance, was US$30 million.[34] Interviews done with the Gwanda CSOT officials and the NIEEF officials confirmed that this was indeed the case. In an interview, the Chief Executive of the Gwanda CSOT confirmed that Blanket was one of the two qualifying mining enterprises to comply with the indigenization regulations and that the Trust has a seat on the board of the company. The other compliant company was the cement manufacturer Pretoria Portland Cement (PPC) while the defecting companies included Jesse Mines, Vubatshigwe and Farvic Mines. About the benefits thus far received by the Trust from Blanket Mine, the CEO of the Trust who also sits in the board of the mine had this to say:

> "They have declared dividends, Blanket Mine has declared, PPC has declared though they are not consistent. With Blanket Mine the dividend is forfeited to pay back the advanced dividend of 4 million dollars that we got from them. They gave us 1 million dollars seed capital. PPC is not consistent, each time they declare a dividend they deduct part of the money for the shares. The net that we get from PPC is about 200 000 dollars per year. BM declares about 700 000 dollars per year but unfortunately until we finish that 4 million they will continue forfeiting including interest". (17 September, 2017)

With dividends of 700 000 dollars per year and assuming the rate remains consistent and depending on the interest of the loan it would take 6 to 7 years for the Trust to complete the payment for the 10% shares they got from the company. However, the CEO did say that not all the money is forfeited as they do receive an agreed portion of the dividends.

In an interview with I-1 of the NIEEB, Blanket Mine emerged as one of the few companies to have complied with the indigenization regulations:

> "NIEEF gets dividends which it uses to fund business projects. NIEEF has shareholding in Blanket Mine, PPC, RH Tungsten, and a few other companies. The most successful one has been Blanket Mine. Remember NIEEF also has to pay for these shares. So since 2012 they have been paying for the shares for Blanket Mine. They are almost finalizing the payments to blanket mine. They have been using a certain percentage of the dividends (60%) to pay for the shares. The 40% goes to NIEEF for immediate use". (20 January, 2018)

[34] See www.caledoniamining.com

The total value of the indigenization transaction being $30 million and the NIEEF having received 16% of the shares, it is possible that they got the shares for an amount in the region of $5 million. However, Hubert (2016) notes that since the NIEEF or any of the indigenization partners did not pay for the acquisition of shares but instead got loans from the company, they would continue to receive an agreed portion of their dividends until they repay their respective loans which at 10% interest rate may take a considerably long time.

Table 5.4 (a): Dividends advanced to indigenous partners $000s

	SHARE %	**2012**	**2013**	**2014**	**2015**	**TOTAL**
GCSOT	10	-	$901	$804	-	$1,505
ESOT	10	-	$901	$804	-	$1,505
NIEEF	16	-	$1442	$966	-	$2,408
FREMIRO	15	-	$1352	$906	-	$2,258
TOTAL	**51**	**$4800**	**$4596**	**$3080**		**$7,676**

Table 5.4 (b): Payments accrued to indigenous partners $000s

	SHARE%	**2012**	**2013**	**2014**	**2015**	**TOTAL**
GCSOT	10	$3,000	$2,000	-	-	**$5,000**
ESOT	10	-	$53	$35	-	**$88**
NIEEF	16	$1,800	-	$285	-	**$2,085**
FREMIRO	15	-	$80	$52	-	**$132**
TOTAL	**51**	**$4800**	**$2,133**	**$372**	**-**	**$7,035**

Source: Adapted from Hubert, D (2016:16)

The information in the tables 5(a) and (b) above shows the amount of dividends and the payments accrued to indigenous partners between 2012, when the indigenization process was implemented, and 2016. No dividends were paid in 2012 since the share agreement was only completed towards the end of that year. No dividends were paid in 2015 as the company invested some money towards the expansion of the mine (Hubert, 2016). About US$4,5 million and US$3,08 million in dividends were declared in 2013 and 2014 respectively. The NIEEF got the bulk of the dividends amongst indigenous partners at US$966 000. Fremiro Investments was not far off at US$906 000 while the GCSOT and the ESOT got US$804000 apiece. After deduction towards loan repayments Fremiro Investments got US$80000 and US$53000 in 2013 and 2014 respectively thus receiving a total of US$133 000 in dividends payments by 2015 (Ibid). The GCSOT and NIEEF got initial loans of US$3 million and US$1, 8 million respectively in 2012 and the GCSOT got a further US$2 million in 2013 as seed capital to kick-start community development projects (Ibid). The CEO of the Trust confirmed US$1 million of the US$2 million they got in 2013 was a donation which was not going to be repaid. In total, US$7 million in payments had been made to indigenous partners by 2016 (Interview, 17 September, 2018). Unlike NIEEF and the GCSOT, Fremiro Investments and the employee trust did not get an advance dividend payment which places them on track to complete payments for their shares earlier than the other indigenous partners.

Little is known about Fremiro Investments except that they are a company incorporated in Zimbabwe under registration (5560/2011) (See Caledonia Mining Corporation, 2014). The shareholders agreement shows that the company is domiciled in Harare and its contact person is one July Ndlovu. Ndlovu is a prominent figure in the mining circles in Zimbabwe and was the Chairman of Unki Platinum at the center of its indigenization negotiations with the government in 2012. He had also worked as the Executive Head of Process in Anglo American Platinum, a powerful multinational mining conglomerate in 2001. According to the shareholders agreement that Fremiro Investments entered into with Caledonia, it acquired 6, 4 million 'A' class shares out of the 42, 8 million shares available for uptake by indigenous partners. According to clause 5.1 of the agreement the shares would cost Fremiro an amount of US$11, 008, 536 which "shall be debited to the Loan Account" (2014:3). Clause 5.1.2 states that the loan shall be paid in instalments through 80% of the dividends payable to Fremiro. The latter would then get the balance of 20% after tax payments have been made. However, clause 6.2 of the Agreement risks the indigenization process being reversible:

> If the Subscriber (Fremiro) is called upon to advance an amount to the Company (Blanket Mine) in terms of clause 6.1 above, and if the Subscriber has declined, or as the case may be, failed to comply with such a request in accordance with the provisions of clauses 6.1.1 and advance, *CHZ (Caledonia) shall have the right to call upon the Subscriber to sell to CHZ such number of shares at par as shall,* (own emphasis) after be equal to the percentage which the aggregate of loan capital and share capital contributed by CHZ to the Company constitutes of the total capital contributed by all shareholders by way of share capital and loan capital. (Caledonia Mining Corp, 2014: 5)

This clause places the indigenous shares in Blanket Mine in danger. The employees and community trusts are likely to fall victim to their shares being diluted should they fail to pay to advance capital to the company or in the event of the company issuing rights on new shares. Even Fremiro Investments itself, which acquired the shares they have through vendor finance may have their shares diluted should they fail to avail the capital needed to fund the company. It is far from a home-and-dry situation for the indigenous partners in what has so far defied the odds as the only successful transfer of majority shares to indigenous partners under the Indigenization Act of 2007.

Moreover, the indigenous partners, due to the loans they owe to Blanket Mine have to cede management issues to Caledonia and according to clause 8 of the agreement are required to vote always in favour of the resolutions taken by the management or else they risk losing their stake (Caledonia Mining Corporation, 2014). This undermines the spirit of the indigenization programme because the indigenous partners' power to make important decisions concerning production, distribution and investment is seriously curtailed. This too is a confirmation of Zimbabwe's place in the world-system – the lack of capital. The gold sector is dominated by MNCs from the developed world who appear to have successfully kept the indigenization pressures at bay by holding on to their stranglehold in the sector. Metallon Gold, Freda Rebecca and RioZim were restructured in favour of foreign investors' right at the height of the indigenization rhetoric without any consequences. In some cases, like in Rio Zim, the restructuring resulted in the dilution of shares held by indigenous entities which was directly contrary to the indigenization. The state did not seem to be able to enforce the law against such blatant violations of the Indigenization Act. The realities of a weak state and Zimbabwe's position as peripheral member of the world-system starved of capital effectively rendered indigenization almost impossible.

5.7 The Chromium Sector: Indigenization Remains Elusive

The Zimbabwe Smelters and Miners Company (Zimasco), the country's largest ferrochrome producer provides for another interesting case as far as the indigenization policy is concerned. The country has the largest metallurgical grade chromite ore (which is above 46%) and has the second largest reserves of chromite ore after South Africa (See International Chromium

Development Association, 2011). This makes Zimasco one of the country's premier and most valued mining assets. Zimasco started producing chrome way back in 1926 through an offshore registered company African Chrome Mines owned by white settlers in the then Rhodesia (now Zimbabwe). It was purchased by US-based Union Carbide in 1962 which embarked upon the expansion and modernization of the company's smeltering and refinery plants to enable it to produce high carbon ferrochrome rather than chromite ore. Zimasco was a wholly owned subsidiary of Union Carbide and became a corporation in 1980. In 1994 Union Carbide completed a sale of its assets in Zimbabwe leaving Zimasco under the care of a team of experienced managers (See Mail & Guardian, 1997; Latham, 2014). In 1995 Zimasco Consolidated Enterprises (ZCE), a company registered in Mauritius, acquired Zimasco resulting in the formation of Zimasco Holdings Limited. ZCE was owned by white Zimbabweans who were residing outside the country. According to the Mail & Guardian (1997), President Mugabe referred to them as "former Rhodesians" while threatening to seize the mine if they did not come to the country to negotiate an indigenization deal with the government. Again, with the government's definition of indigenous Zimbabweans demonstrated that it did not consider white citizens as indigenous people.

In May 1997, just three years after the Union Carbide sale, former commander of the Zimbabwe National Army (ZNA), General Solomon Mujuru sealed a deal which saw him acquire 27% equity in Zimasco for Z$40 million. The deal was financed with the help of the locally owned Trust Merchant Bank. At the time, the deal was widely considered to be a huge bargain especially considering that Zimasco was valued at over Z$1 billion. The Retired General was not alone, he was leading a consortium of black businessmen under the name: Nyika Investments (See Chikuhwa, 2004). The deal was also part of the company's intentions to sell 50% equity to local Zimbabweans. However, the then President Robert Mugabe was left seething at what he called a fraudulent indigenization deal that gave one individual a 27% stake. The President had preferred that the shares be given to a broad-based group of indigenous people. He invited the new owners of the company to come to the country and negotiate an indigenization deal with the government failing which the government would seize the company. The President also claimed the new owners of the company had got the company from Union Carbide for a mere US$45 million, less than half of the US$100 million offer that was made to the government (Mail & Guardian, 1997).

It is understood President Mugabe tasked the National Investment and Empowerment Trust (Niet) then chaired by Justice Minister Emerson Mnangagwa (now President) to negotiate the indigenization of Zimasco which would see a transfer of 50% equity to indigenous partners. The matter was taken to court where the Nyika Consortium sought to have the judiciary stop the impending sale of shares to other indigenous Zimbabweans (Nyika Investments v Zimasco Holdings and Another [2005] ZWSC 49). General Mujuru and Mnangagwa clashed on this matter which marked the beginning of their long term feud. Mujuru eventually got 17% from his initial 27% while ZCE retained its majority shareholding as the government seemingly failed both to find indigenous partners with sufficient capital and to source the capital itself to acquire a 50% stake (*IOL News*, 2000). This experience with Zimasco reflected the way in which the divisions amongst the ruling class had become the major obstacle in the indigenization of the mining industry. Firstly, the fact that a whole former army general happened to be at the forefront of the race to acquire the shares in Zimasco was hardly a coincidence. It smacks of a state-capture by the ruling class exposing the narrow-based implementation of the indigenization process as a comprador bourgeoisie project which is a far cry from its national project status peddled by the government (See Saunders, 2008; Magure, 2012).

In 2007, Sinosteel Corporation, which happens to be China's biggest chrome company acquired 92% of Zimasco's holding company, ZCE but eventually increased its stake to 100% fulfilling an initial agreement that it would be allowed to buy the remaining 8% after two years (See Bridge, 2007; *China Daily*, 2007). This just months after the Zimbabwean parliament enacted the Indigenization and Economic Empowerment Bill into law. However, after the Sinosteel takeover, Zimasco faced an increasingly difficult environment not least of which was the global financial crisis that dampened global demand for chrome. While the global economy together with demand improved in 2009, the global economy took a dip in 2011 thus affecting the company once again. Coupled with a difficult economic environment in Zimbabwe, by 2015 the company had accumulated an unsustainable debt of over US$130 million which forced it to suspend operations and to apply to the High Court to be placed under judicial management. It was placed under judicial management with Grant Thornton International in 2016. The new management was tasked with crafting a turnaround strategy that would restore financial and operational viability (*Zimbabwe Independent*, 24 June 2016). It only came out of judicial management in January 2018 when the management restored operational and financial stability and mutually agreed on a strategy with the creditors by which Zimasco was going to pay its debt (*The Herald Zimbabwe*, 9 February 2018).

However, in a surprise turnaround, the Zimbabwean government in 2016 demanded that Zimasco cede half of its 45900 hectare chrome claims across the country to the government which, the latter said, was meant for redistribution to indigenous people (Senkhane, 2016). According to reports Zimasco had by the beginning of 2017 ceded over 21 000 of its chrome claims to the government in Mashonaland East, Mashonaland Central and Midlands provinces. The minister of mines stated that as a result of this new step the Zimbabwe Geological Services would be given 5000 hectares for future development, 7000 hectares would be given to small and medium smelter and beneficiation plants while the remaining 10000 hectares would go to small-scale miners (*The Financial Gazette*, 12 April 2017). Justifying this government action the then Mines Minister, Walter Chidhakwa had this to say:

> "The Zimbabwean nationals interested in the chrome industry participated only as tributors to these two multinational companies and other small companies that have recently entered the sub sector. In order to broaden the indigenisation in the chrome sector and empowering Zimbabwean citizens to create more employment, the government directed that 50 percent of the claims held by Zimasco and ZimAlloys must be released and made available to other players to ensure wider inclusion of indigenous players in the chrome sector," (Quoted in the Financial Gazette, April 27, 2017)

This is a certainly good move as far as increasing the representation of indigenous people in the chrome mining sector is concerned as spelt out in the indigenization policy. However, what the government is conspicuously and worryingly silent about, is how the small-scale miners will be assisted to make their enterprises profitable and viable. The government should put in place mechanisms that support the exploitation, processing and marketing of chrome product by the small-scale miners. Failing this, a situation akin to that obtaining in the agricultural sector would arise, whereby small-scale miners give up their land or resell it to multinational companies because of lack of capital. Small-scale miners were already operating in tributaries handed out by Zimasco and ZimAlloys under which they sold their chrome ore to the two chrome giants. The small miners constantly complained of exploitation by the two multinational companies which paid them US$40 for a tonne of chrome ore (*The Sunday Mail*

Zimbabwe, 12 September 2015). The success of this new arrangement, if it lasts[35], is directly conditional upon the support of the government because leaving the small and medium scale operators to their devices would be a recipe for disaster. Moreover, it is hard to pin down the exact motivation behind this sudden somersault by the government which a few years earlier had gone to town touting the takeover of Zimasco by China's Sinosteel.

Why would the government seize the asset of a Chinese company, a country they would bend over backwards to propitiate for economic and diplomatic support at a time when the West had isolated Zimbabwe? One possible explanation might be that President Mugabe had finally got his way regarding the broad-based indigenization he had envisioned for the chrome sector when he blocked General Mujuru's indigenization deal with Zimasco almost two decades earlier. Another possible explanation could be that the government assumed this position with a view to cultivating support for the ruling party in the scheduled 2018 elections. Parcelling out mining claims would give the ruling party something to show the electorate during the elections campaign, especially the burgeoning small-scale sector which has become a source of livelihood for millions of Zimbabweans. Magure (2014) also showed how Zanu-PF uses patronage to dole out resources in order to win elections. In agreement, Alexander and McGregor (2013: 758) also note that "control over land and mineral resources has been the source of immense political capital for ZANU(PF)". In other words, it is possible that this is nothing more than a patronage scheme aimed at boosting electoral prospects. Further, the failure of Zimasco under Sinosteel, which was performing so badly it had to be put under judicial management in 2016 only 9 years after it took over the chrome giant, may have been another factor. The dismal performance was obviously prejudicing the country of millions of dollars in revenue through chrome exports. Perhaps the government reckoned that remodelling and restructuring of the exploitation of chrome, in which the small-scale sector controls a substantial amount, may give the sector as a whole the resilience and the dynamism to withstand economic shocks or hostile economic environment (domestic or international). In an interview, an official in the Ministry of Mines (henceforth, I-8) suggested that "the government

[35] President Mugabe was ousted through military action in November 2017. At the time of writing, the new administration led by his former vice president Emerson Mnangagwa has announced that it will narrow down the indigenisation policy to the diamond and platinum sectors. At present, it is not certain whether these new indigenisation measures will be maintained or reversed altogether.

wanted to expand existing indigenous enterprises and crowd out MNCs by promoting artisanal and small scale miners (ASM) through a poly-poly model" (20 September, 2017).

Whatever the motive was, the action would surely go a long way in increasing the representation of the indigenous citizens in the sector and if successful, might set a precedent to be followed in other sectors. That is, instead of looking for non-existent liquid indigenous entrepreneurs ready to invest in mining, preference should be given to readily available small-scale operators. If properly planned and managed, this does not only improve the viability of the mining sector, but also achieves the goals of the indigenization policy. Furthermore, this also means a shift or realignment in class alliances to make this move successful. Better planning and organization on the part of the small-scale sector and the ruling class would have to change its attitude towards the ASM sector which up until now has suffered marginalization and criminalization (Speigel, 2009). The government would need to use its political power to create a favourable legal and policy environment for the ASM to thrive. This can also be a win-win or mutually beneficial strategy if the large-scale sector positively engages its ASM counterparts to find ways of effectively and efficiently exploiting the mineral resources.

5.7.1 Zim Alloys: Reversal of Indigenization

ZimAlloys is another chromium mining giant whose production, at over 300 000 tonnes annually, is only second to Zimasco. The corporation owns over 19000 hectares of mining claims spread across various parts of the country which have been verified to possess over 70 million tonnes of chrome ore. ZimAlloys was owned and controlled by Anglo-American Zimbabwe until 2005 when it sold the company to Benscore Investment Consortium comprising local businessmen in line with the government's indigenization programme for a sum of Z$90 billion which was then equivalent to US$10 million (Chirara, 2006). Anglo-American announced the development on its website in June 2005. The consortium included a prominent Zimbabwean banker Farai Rwodzi who is a founder member of one of the most successful commercial banks in Zimbabwe, the Interfin Merchant Bank of Zimbabwe (See NewsDay, 21 June 2012). He was partnered in this venture by one Adam Molai who owned and founded Pacific Cigarettes and Savanna Tobacco. At the time Adam Molai was married to Sandra Mugabe, former President Mugabe's niece (See News24, 29 December 2013; Mawson, 2016). It is reasonable to surmise that his relations with the president may have positively or even decisively pushed Benscore Investments' bid for the acquisition of stock in ZimAlloys. That said, this was one of the few success stories of indigenous citizens taking over a company previously owned by a powerful multinational. Though it was short-lived. As it turned out, just 3 years after the takeover, ZimAlloys was forced to suspend operations in 2008 due to the severe political and economic problems in Zimbabwe[36] compounded by a crashing global economic crisis (Midlands Watch, 2014). It was eventually placed under judicial management by the High Court in 2013 due to rising debt and imminent liquidation as the firm was fast running out of working capital (Mbiba, 2013).

In yet another reversal of the indigenization process, the company was in January 2018 acquired by India's Balasore Alloys controlled by Mittal family. The Indian outfit reportedly paid US$16.4 million to buy 70 percent shares from the company's shareholders while a further US$74 million would be injected to pay creditors and also kick-start operations. "The acquisition will help Balasore Alloys create synergies and expand its business base to different parts of the world" (Mazumdar, 2018). At the time of the acquisition, the government of Zimbabwe under the Mugabe administration had demanded that ZimAlloys cede half of its claims to the state for redistribution in furtherance of indigenization (*Daily News*, 4 February 2017). Former Mines Minister, Walter Chidhakwa, was quoted as saying that ZimAlloys have "literally been sitting on the concessions and from their 50-year plans we established they will not use the land in the next 100 or 200 years" (Ibid). ZimAlloys met the same fate as that of Zimasco where the government spearheaded a redistribution principally earmarked to benefit local small-scale operators.

It is not clear whether, as a result of the sudden change of guard in government following the removal of Mugabe and the ascension of Emerson Mnangagwa in November 2017, the government will hold on to this decision. In an interview in the course of this research, one NIEEB official, when quizzed about the future of the indigenization policy, resignedly said "We don't know what will happen two months from now. We are simply waiting for the

[36] 2008 was the year that Zimbabwe reached the height of its economic crisis made worse by the breakdown of its political system. Hyperinflation reached over 200 million percent, companies closed in droves throwing tens of thousands on to the streets unemployed.

directives from the government"[37]. However, the new government has been clear that it will narrow down the indigenization policy to platinum and diamond sectors. This was announced by then Finance Minister Patrick Chinamasa in his presentation of the National Budget Statement to the Parliament of Zimbabwe at the end of 2017:

> "Diamonds and platinum are the only sub-sectors designated as extractive. Accordingly, the proposed amendments will confine the 51/49 indigenisation threshold to only the two minerals…The 51/49 threshold will not apply to the rest of the extractive sector, nor will it apply to the other sectors of the economy, which will be open to any investor regardless of nationality". Government of Zimbabwe (2017:19)

This is a radical climb-down from the wholesale indigenization policy under its predecessor administration led by Robert Mugabe, who held firmly to his guns amidst unrelenting criticism of the policy as being repellent to investors and altogether counterproductive. Chinamasa's announcements heralds a "new era" underpinned by new President's favoured "Zimbabwe is open for business" mantra. It is interesting to see how the new administration would move to follow-up these turnaround announcements with effective changes in legislation to give the so-called "new era" the force of the law.

Moreover, the ZimAlloys case demonstrates the sheer potency of structural factors like the macroeconomic imbalances, weak institutions and the culture of rent-seeking in undoing and scuttling indigenization and transformation of the mining sector (See Saunders, 2008). If powerful multinationals like Anglo-American, Union Carbide and RioTinto among others felt the pinch of a hostile economic environment, it is hardly surprising that poorly resourced local investors could not withstand the economic meltdown. Zimbabwe's currency had become worthless, foreign exchange was scarce while inflation was on a runaway spiral (Dugger, 2008). A few companies had the resources to survive. Many companies were either put on judicial management or closed shop altogether. That said, the indigenization policy will remain a non-starter and a pipe dream if the government's economic policy fails to address macro-economic fundamentals to create an environment in which domestic investors can prosper and thrive.

[37] Interview with I-1, 20 January, 2018.

Cox (1987) argued that a world order is always shaped by the hegemony and the values of the most powerful country. By insisting on indigeneity being the criteria for property rights in the country's minerals, Zimbabwe was, ill-advisedly perhaps, going against the values embraced by the western hegemonic bloc and further isolating itself from the world. Even the Chinese and Indian investors, believed to be sympathetic to Zimbabwe, could not be bound by the terms of the indigenization law as they acquired ownership of the two chromium giants over and above the indigenization quota. One of the officials interviewed in this research (henceforth, I-9) pointed out that "the Chinese were in charge of removing indigenization. The Chinese bank, ExIm, which gives loans to Chinese investments, emphasizes Chinese majority ownership" (19 September, 2017). Worse still, in the case of Zim Alloys an Indian investor replaced indigenous ownership by the Benscore Investments led by Farai Rwodzi (Musiiwa, 2017). The indigenous outfit could not cope with the harsh economic environment because it lacked the capital to cushion itself (*NewsDay*, 21 June 2012). The Zimbabwean state simply did not have the wherewithal to successfully challenge and undermine the world-capitalist system hence the glaring failure of the indigenization policy in the chromium sector in keeping with the outcome in other areas. One also wonders whether Zimbabwe's Look East policy which has seen Western investors being replaced by Chinese and Indian investors is not simply replacing one exploitative and imbalanced relationship by another. In all indications, the Chinese investors, just like the Western MNCs, are also there to exploit Zimbabwe's resources and accumulate as much capital as possible for use and investment in China (See Mlambo, 2019). As such the drafting in of Asian investors seems like a submission to the capitalist and neo-colonial world system which the indigenization policy was meant to rebel against.

5.8 The Marange Diamonds Saga: A Scandalization of Indigenization

Marange is a district in Zimbabwe's Manicaland province that lies south of provincial capital city of Mutare. It is the district that hosts the group of Chiadzwa villages where the now globally (in) famous diamond fields are located, an area of about 21000 square kilometres. A relatively unknown and remote part of the country was suddenly thrust onto the global spotlight following the discovery of diamond deposits in 2006 (See Zvarivadza, 2015). Upon discovery, some experts estimated that the diamond fields had the potential to produce up to 40 million carats per year with an annual revenue in the region of US$2 billion (Partnership Africa

Canada, 2010). The area was believed to hold 25% of the world's alluvial diamond (The Africa Report, 2014). Exploration activities in the area started in the 1990s when the De Beers mining conglomerate from South Africa was granted two Exclusive Prospecting Orders (EPO) to conduct exploration for diamonds in the area.

Figure 5.1: Map of Zimbabwe showing the location of Marange diamonds fields

Source: Spotlight Zimbabwe (2016)

The orders expired in 2006 and De Beers exited the area paving way for a British company: Africa Consolidated Resources (ACR) which secured an EPO to take over the search (Makombe, 2017). ACR made a large find in Chiadzwa in June 2006 after just a few months of searching following which they declared a find as required by Zimbabwean law. However the government rubbished ACR's claim and declared the diamond fields open to everyone ostensibly in the interests of indigenization thus precipitating a deluge of more than 20000 small-scale and artisanal miners from all over the country (See Human Rights Watch Report, 2009). An opposition party MP who was part of parliament's investigation into the matter was quoted as saying "Senior government officials encouraged villagers to pan for diamonds and it's difficult to rule out that they (ministers) benefited from the chaos" (Gandu, 2007).

According to the Human Rights Watch report of 2009 "the government moved quickly to "cancel" ACR's legal title and rights on the grounds that they had been improperly conferred to ACR in the first place" (2009: 13). Despite winning a court case which declared it as the legitimate owner of the diamond claims, the ACR was given orders to vacate the area by government officials who said that the Minerals Marketing Corporation of Zimbabwe (MMCZ) had been handed a special grant that awarded it the ownership of the claims (Mail & Guardian, 2010). Saunders and Nyamunda (2016) point out that the then Deputy Minister of Mines Tinos Rusere explicitly encouraged informal miners to pan for diamonds in the area arguing that

ACR's title was not legitimate. This led to an influx of tens of thousands of artisanal miners who descended on the diamond fields in search of fortune. The Deputy Minister encouraged the artisanal miners to sell their diamonds to the MMCZ agents. The expulsion of ACR from the Marange diamonds also reflected the state of relations between Zimbabwe and Britain at the time. The two countries were not on talking terms after Britain had led the imposition of European Union (EU) sanctions on Zimbabwe following its chaotic land reform programme in the early 2000s. Given such a context, it is hardly surprising that a British company was denied the chance to exploit what was then described as the world's biggest alluvial diamonds find (The Africa Report, 2014).

However, soon the MMCZ proved to be out of its depth as it had no cash to match the supply and the prices they offered were way too low (Interview with I-13, 18 September 2018). This prompted the growth of illegal marketing agents who bought the diamonds from artisanal miners for a song smuggling it across the borders to various destinations including South Africa, Mozambique, United Arab Emirates (UAE) and India among others. According to the Human Rights Watch (2009) sometimes diamonds were exchanged for such cheap stuff as clothes, cellphones and cars. Illegal artisanal mining having spiralled out of control, the government decided to bring in ZMDC to officially conduct mining in Marange in 2006. The decision to grant the State mining agency, rights over the Marange claims, the government explained, was to restore rule of law and order and rein in the proliferation of illegal miners and the corresponding growth of the black market which siphoned diamonds out of the country almost for nothing.

The ZMDC failed to bring order and stability in the diamond fields because it did not have the capacity in terms of capital and technology. The government decided to bring in the police in November 2006 under an operation code-named *Chikorokoza Chapera* (End of Illegal Mining). The operation was meant to drive away illegal miners and marketing agents who had descended on Chiadzwa in the diamond rush. About 600 police officers were unleashed all over the country arresting over 22 000 people involved in illegal mining all over the country. About 9000 people were arrested in Marange. The operation lasted two years in Marange during which the police committed atrocious human rights abuses including killing, torture, forced labour[38] and arbitrary arrests (Sokwanele, 2011). Instead of stopping the illegal flow of diamonds the police became the chief perpetrators accumulating obscene amounts of wealth as a result. A member of the police interviewed by the Human Rights Watch narrated his experiences in Marange as follows:

> During the time I was based in Marange at the end of 2007, together with a colleague we controlled six syndicates with a combined total of 102 members. We would grant them access to the fields, and they would dig for diamonds while we guarded them and then hand over the diamonds to us to sell, and then we shared the proceeds equally, giving 50 percent to each side. My government salary for three months was less than US$5, but from the diamond business together with my colleague we made more than US$10,000 in three months. (Human Rights Watch, 2009: 22)

Magure, (2009) argued that the state elite in Zimbabwe use brutal force and violence to intimidate its opponents and to get what it wants. Moyo and Yeros (2011) also note how the loss of hegemony has compelled Zanu-PF to rely on force rather than social consensus. Thus, the use of coercive organs of the state and not the law, to establish order in Marange diamonds fields is a mere expression of an old culture of violence within Zanu-PF.

In November 2008, at the height of the economic crisis and political tensions between Zanu-PF and the MDC, the government launched Operation *Hakudzokwi* (No Return) which involved the Zimbabwe National Army (ZNA), the Central Intelligence Organization (CIO) and the Airforce of Zimbabwe (AFZ). The security forces were brought in with the intention of dealing with illegal mining once and for all. The Zimbabwe Lawyers for Human Rights (ZLHR) described the military operation, which immediately resulted in over 200 miners being killed as “resembling war” (McGreal, 2008). The intervention of the army was a violation of Zimbabwe’s constitution which forbids deploying the army on defenceless civilians like illegal miners. A local miner who spoke to the Human Rights Watch said that at one time after an attack by soldiers they gathered 37 dead bodies which they took to a nearby morgue where they found another truck offloading 35 bodies. They were forced to bury the 72 bodies in a mass-grave.[39] An officer interviewed by the British Broadcasting Corporation (BBC) narrated his

[38] According to the Human Rights Watch Report (2009) police forced local miners to join syndicates which became major sources of revenue for the police. It is believed a number of police deployed into Marange became rich almost overnight.
[39] Human Rights Watch (2009: 30-31)

story as follows "Twenty to thirty people would die every day. I am talking about the ones I saw with my own eyes…those who were injured were being finished off" (Anderson, 2011).

In class struggles, the military, intelligence and police are the silent and invisible backers of the ruling class. While Zimbabwe's ruling class has always turned to the military to stifle political competition[40] and in return treated the military to a largesse in state parastatals, it was the first time that the military was used to intervene in the natural resource sector. The ruling Zanu-PF had its back to the wall, viz a devastating economic crisis and a dismal performance in the 2008 March elections. Under pressure, the ruling class played the nuclear option to ensure the security of its accumulation channels and its political future by letting out the army. The HRW report (2009) states that the soldiers quickly created their own syndicates through which they confiscated the illegal miners' diamonds selling them to middlemen thus establishing their own channels of accumulation. One local miner corroborated these reports saying that soldiers would cajole them into:

> "partnering in syndicates with them, then after they would confiscate all the diamonds for themselves while forcing the miners to continue working. Everyday we had to be stripped naked as we were being searched for diamonds we might have been hiding. It was such a painful experience.[41]

Another respondent who also stays in Mutare and was a teacher at the time of the diamond rush said that the situation was tense with "police all over the place and roadblocks were erected along major roads in an attempt to curb the illicit flow of diamonds. However, in most cases, the diamonds whenever they were found were never surrendered to the authorities. Instead, the police sold them and pocketed the money".[42]

The situation in Zimbabwe's diamond fields was getting out of hand. In an interview with the Zimbabwe Independent (24 February 2017) describing his first visit to Marange in 2008, South African diamond mogul David Kassel had this to say:

[40] In the 1980s, then Prime Minister Robert Mugabe unleashed the 5th Brigade on the opposition party Zimbabwe African People's Union (ZAPU)'s strongholds in a move wildly seen as part of an agenda to decimate the opposition and entrench a one-party state and thus neutralize any possible threats to Zanu-PF's political power See Chikuhwa, 2013).

[41] Phone interview with an anonymous respondent (I-10) who was involved in diamond panning in Marange (22 June 2018).

[42] Phone Interview with Michael Mugumisi 24 June 2018.

> "There were artisanal miners digging around with steel bars, picks, shovels and carrying diamonds in bags. We estimated about 30000-35000 people. No one was really in control. Soldiers around were firing in the air, while artisanal miners were also armed fighting back….we were witnessing what looked like an incipient stage of a potential civil war over diamonds".

While this was happening, the ruling class could not care less because it was exploiting the situation for self-enrichment. In a move largely seen as an effort to hide the controversy in Marange, the diamond fields were declared a protected area under the Protected Areas and Places Act ostensibly to keep away illegal miners. In the midst of the chaos, the then Vice-President Joice Mujuru and wife to former Army General Solomon Mujuru had her own claim in the fields which was being guarded by the police and worked by the community members (Sokwanele, 2011). There seemed to be no end in sight to the chaos.

The events that unfolded in Marange revolve around the tussle for the ownership and control of the diamond resources using brutal and violent crackdowns (See Alexander and McGregor, 2013). The ruling class, itching to make a killing, pulled all the stops in seizing the property rights of the ACR. Even after the ACR had won a court case granting it property rights over the diamond fields the ruling class could not care less as government officials blatantly disregarded the court ruling (Mail & Guardian, 2006). Having failed to strike a mutually beneficial alliance with illegal miners who had descended on Marange ironically at the behest of the government officials, the ruling class unleashed vicious violence on the illegal miners. Security personnel, first the police in 2006 and later the soldiers in 2008 were stationed in the fields to protect the interests of the ruling class. Government institutions like the Ministry of Mines and Minerals Development (MMMD), the Zimbabwe Mineral Development Corporation (ZMDC), the Minerals Marketing Corporation of Zimbabwe (MMCZ) and the Reserve Bank of Zimbabwe (RBZ) were also stationed in the area. The government and military leaders managed to form a symbiotic alliance through which they could loot the diamonds in Marange illegally.

This was a scandalisation of the indigenization programme because despite having eliminated the ACR, diamonds were exploited unaccountably and unconstitutionally to benefit the ruling class rather than empower indigenous people. In some instances, as the KPCS (2009) report showed, indigenous people were exploited and enslaved by the security personnel and some prominent politicians to work the diamond fields for them at times without compensation[43]. The Marange diamonds chaos descended into a violent contest amongst the so-called indigenes or natives of the country vying to take the place of the departed or relegated foreign capitalist. The ruling class with the aid of the security forces eventually claimed victory after spilling the blood of the people they purported to empower. Judging by these events, clearly the ruling class' understanding of indigenization did not go deeper than simply taking the place of the foreign capitalist (See Fanon, 1961; Muvingi, 2008). The structure of accumulation propped up by violence and exclusionist tendencies ensured that only a few benefit from the country's mineral wealth remained intact.

As a member of the Kimberly Process Certification Scheme (KPCS), Zimbabwe's diamonds production had to meet certain requirements before they could be cleared for trade in the global market. The KPCS was established to ensure that diamonds from areas afflicted by violence and conflict are not granted access to the market. The body had recommended that Zimbabwean diamonds be banned from the world market since mining took place in the midst of gross violations of human rights and state-sponsored violence. After lengthy interventions by the KPCS, the Zimbabwean authorities finally embarked on demilitarization and formalization of diamond mining in Marange in 2009 in a bid to be granted access to the market (Global Witness Report, 2017).

5.8.1 The Formalisation of Ownership of Marange Diamonds Fields

Following the chaos of the aftermath of the discovery of diamonds and pressure from the civil society and international community, the government of Zimbabwe began to solicit investors to operate in the diamond fields in a bid to formalise exploitation. The government was acting through the Ministry of Mines, the ZMDC which pursues investment opportunities in mining on government's behalf and the MMCZ which is responsible for the sale and purchase of minerals in the country. Between 2006 and 2008 the ZMDC had invested over US$10 million in an effort to formalize mining in Marange without success[44]. In the formalisation process the ZMDC as the government's investment vehicle formed Marange Resources in 2009 which was

[43] In an interview with Michael Mugumisi 24 June 2018
[44] Interview with an anonymous Ministry of Mines official (I-11) (25 September 2017)

going to be its subsidiary company in the diamond fields to partner with private investors in joint ventures. The maximum equity any private investor could hold in a partnership with Marange Resources would be 50%.

Table 6.5 below shows the private companies that were selected by the government to form joint ventures with Marange Resources to exploit various claims in the fields. One would assume that the formalisation process would have afforded the government a chance to make what was by far the State's most prized mining asset a model of economic indigenization. However, a closer scrutiny reveals an obscure network of plunder and accumulation designed to benefit a few in the ruling class circles and host of other shady investors from South Africa, China and Dubai among other countries. Broad-based indigenization and economic empowerment was callously and scandalously cast out of the window.

Table 5.5 shows joint ventures between private investors and Marange Resources.

Name of private investor	**Name of joint venture**	**Marange Resources stake**
Grandwell Holdings	Mbada Diamonds	50%
Core Mining Resources	Canadile	50%
AFECC	Jinan Mining	50%
China International Fund and Central Intelligence Organization	Kusena	100%
Glass Finish and AFECC	Anjin Investments	20%
Pure Diam	Diamond Mining Corporation	50%
Gye Nyame	Gye Nyame	50%

Source: ZMDC Report, 2012

The first two companies that won bids to partner with ZMDC were Core Mining Resources from Kimberly in South Africa and Grandwell Holdings, a company registered in Mauritius.

The latter joined forces with Marange Resources to form Mbada Diamonds while the former partnered with Marange to form Canadile Miners Private Limited. The set-up of what became the first two companies to formally operate in Marange was finalized mid-2009. The chairman of Mbada Diamonds was Robert Mhlanga, a phenomenally rich figure who happened to be the then Mines Minister Obert Mpofu's cousin and also served in the Airforce of Zimbabwe as President Mugabe's helicopter pilot. Mhlanga's daughter Patience Khumalo was appointed CEO of the company (Muzulu, 2014). Robert Mhlanga is believed to be the owner of the Hong Kong-based firm Transfrontier which had a 49.99 percent stake in Grandwell Holdings (Global Witness Report, 2017). Mhlanga emerged as the chairman of Mbada representing government interests while at the same time being a key member of the private investor with whom the government had entered into a joint venture. Grandwell Holdings in 2010 transferred 50% of its shares to a company named Transfrontier registered in Hong Kong (Ibid). It is suspected that Mhlanga was the owner of Transfrontier which through the transaction had gained 25% of shares in the largest diamond company in Marange. While conceding that Transfrontier's ownership structure was opaque, the Global Witness Report noted that Mhlanga was the CEO and sole director of Liparm, a South African company associated with Transfrontier and Mbada. The report claims that Liparm removed information about its links with Mbada and Transfrontier upon inquiry. Mhlanga's name was also linked to various companies in Hong Kong using a variation of the Transfrontier name.

The report further claims that Robert Mhlanga operates a diamond trading company in Dubai and sits on the board of the Dubai Diamond Exchange (DDE) which made it possible to sell Marange diamonds in Dubai. However, according to Mambo and Manayiti (2017) who interviewed the South African investor David Kassel, who was also the chairman of New Reclamation that owned 25 percent in Mbada through Grandwell Holdings, Mhlanga only brokered the deal between New Reclamation which owned Grandwell Holdings and the ZMDC ushering a joint venture partnership. Kassel also contended that "Mhlanga was not a shareholder in Transfrontier, the 49.99% owned by Transfrontier in Grandwell Holdings was controlled by a consortium of Chinese investors" (*Ibid*). Some of the ZMDC representatives in the Mbada Board included Sithengiso Mpofu who, it turned out was then Mines Minister Obert Mpofu's sister in-law and Dingiswayo Ndlovu who was the Minister's personal assistant. A 2013 Parliamentary Portfolio Committee report on Marange diamonds lamented the hostility and non-cooperation displayed by Mbada which even rendered legitimate state institutions like the ZMDC powerless by making decisions without consulting it (2013:14). Nepotism and compradorism were clearly the major determinants in the governments' decision to partner with Grandwell Holdings – a company whose experience in mining was questionable.

The Core Mining Resources representatives in the second joint venture, Canadile, included a list of notorious individuals of questionable record. One was Lovemore Kurotwi the controversial nephew of the late former ZDF Commander General Vitalis Zvinavashe. Adrian Taylor had a background as a Sierra Leonian mercenary while Danesh and Ashok Pandeya were reported to have engaged in smuggling activities in the DRC. Cougan Matanhire was the chairman of Canadile Private Limited. A 2013 Parliamentary Portfolio Committee Report on Marange revealed that Matanhire was entangled in conflict of interest since he had worked for the MMCZ. This meant the integrity of the MMCZ as the issuer of KPCS certificates would be compromised by one of their own. Canadile's license was later terminated in 2012 as it turned out that Kurotwi and his foreign investor partners had no resources to invest in the diamond exploitation. However, Kurotwi claimed that the reason they were not able to invest was that the then Minister Obert Mpofu asked for a US$10 million bribe[45]. He further claimed in a letter he wrote to the current President Emmerson Mnangagwa that the State confiscated equipment worth US$17 million, 1.4 million carats of diamonds and US$3.6 million cash (Ncube, 2018). His account was contradicted by former ZMDC Chairperson Goodwills Masimirembwa who told the Parliamentary Committee on Mines and Energy that Core Mining Resources where Kurotwi held a 46% stake did not make any investment or buy any equipment:

> Core Mining was supposed to be a Special Purpose Vehicle (SPV) of Beny Steinmetz Group Resources (BSGR) who were supposed to bring in $2 billion. But that investment never came. We ended up with Core Mining on its own and a ragtag team of people from South Africa. Mr Kurotwi eventually owned 46% of the company but he is the one who had initially come in and said he was bringing in BSGR. But that never materialized. An audit by Grant Thornton found that no investment was brought by Core Mining. It was on these grounds that we then terminated their licence. Mr Kurotwi never brought a single cent but he is a Zimbabwean. We also discovered that Core Mining did not purchase any equipment. (Zim Stones, 9 April 2018)

Such contradicting details reveal lack of accountability and transparency in the way in which the government managed Marange diamonds. Sibanda (2019) lamented that while transparency

[45] Parliamentary Portfolio Committee on Mines and Energy, 1 March, 2018. Video evidence available at: https://www.youtube.com/watch?v=K6BeToib6ec

and accountability was guaranteed by Constitution under section 13(4), the country continues to lose billions of dollars in revenue due to lack of transparency. The fact that the ZMDC went into partnership with a company banking on the word of Mr Kurotwi that he was going to bring in investors is evidence of incompetence on the part of the State. The Core Mining Resources story also shows how indigenous Zimbabweans can be used as fronts by big international investors. Mr Kurotwi was acting for BSGR which is an investment company from Israel and Robert Mhlanga, if David Kassel's narrative is anything to go by, was also fronting for the Grandwell Holdings using his considerable political connections. Notably, Akinsanya (1988) also pointed out that fronting was one of the major obstacles to indigenization in Nigeria.

The information on the selection and the ownership of the companies that operate in Marange is a tightly guarded secret access to which is limited by the provisions of the notorious 2003 Access to Information and Protection of Privacy Act (AIPPA). This law obliges government to withhold information from the public if its disclosure may prejudice national security or interests in any way. The 2013 Parliamentary Committee Report lamented that most of the ZMDC and company officials could not furnish the Committee with accurate information apparently upon the orders of the executive. The same report raises red flags on the appointment of Grandwell Holdings and Core Mining as ZMDC partners in the first two joint ventures noting that it "was not done according to any known precedence, procedures or with reference to any legislation in the country" (Parliament of Zimbabwe, National Assembly Report, 2013:14). The report further reveals that upon questioning Minister Obert Mpofu about the selection of the two companies the Minister simply said "I was a new Minister, I was told to go that way and that is the way it is" (Ibid).

The ZMDC chairperson at the time Miss Mawarire lied to the Committee that the selection of the two companies was a cabinet decision but later withdrew upon being presented with the minutes of the cabinet decision on the issue which simply encouraged ZMDC to find a partner (Parliament of Zimbabwe, National Assembly Report, 2013: 14). This then begs the question: who appointed the two companies? Is the State really in charge? Further inquiry noted that the ZMDC was not really active in Mbada only playing the role of a by-stander[46]. Even the

[46] Interview with I-11, 25 September 2017.

appointment of board members was unilaterally done by the Minister without consultation with the ZMDC board members whose company was entering into the partnership to form the biggest diamond company in the country. It seems the ZMDC, the State representative, had little control and influence over the goings-on in Marange, the country's most valuable mining asset. Did the State have any sovereignty or autonomy over Marange diamonds? The other companies that were later given concessions include Kusena (2011), Anjin Investments (2010), in which the ZMDC owns 10% equity, the other 40% is believed to be owned by the State through the military. In Jinan Mining (2010) and the Diamond Mining Corporation (DMC) (2010) the ZMDC owns 50% stake. Anjin, Jinan and Kusena are linked to the military and Zimbabwe's Central Intelligence Organization (CIO) respectively. Gye Nyame, which had links with the Zimbabwe Republic Police also formed a joint venture with Marange Resources.

There are interesting facts around the existence and ownership of Kusena which came to light following the former CIO Director General Happyton Bonyongwe's appearance before the Parliamentary Portfolio Committee on Mines and Energy on the 9th of April 2018. Giving his side of the story, Bonyongwe agreed that indeed the CIO had participated and was a stakeholder in Kusena. He said the decision to venture into diamond mining was taken in light of the economic distress that the country was going through which saw the government becoming increasingly unable to fund the activities of the CIO (Zim Stones, 2018). The agency then decided to venture into diamond mining to generate the revenue it needed to function effectively. The CIO eventually found a partner, China International Fund (CIF), which had the capital and the appetite to invest in the diamond fields. The CIO and the CIF partnered to form Kusena. The CIF brought in equipment worth more than US$10 million which the CIO helped to clear at the customs department. The equipment, the former DG emphasized was meant to be used to exploit alluvial diamonds in claims D and H in Marange which were some of the smallest claims around (Ibid). After exploration the investor decided to quit citing unfavourable returns on investment. The former DG told the parliamentary committee that they convinced the investor not to take the equipment arguing that they also owned the equipment by virtue of having facilitated its entry into the country. After the exit of the CIF the CIO then went into a joint venture with the ZMDC in 2011 on a 50-50 basis (Ibid). The ZMDC was going to run the mine while the CIO provided security since they had no pedigree in mining. According to Mr Bonyongwe the mine produced 833 gem carats, 784 semi-gem carats and 11000 industrials realizing a revenue of over $1 million (Ibid). He however denied that the CIO ever received any money from their partner ZMDC saying "We never got anything out of it. We never realized anything. That was the end of the story" (Ibid).

If the Global Witness report is anything to go by, it is very likely that the CIO did get funds from the mining ventures which might have been used to commit human rights abuses. According to *The Zimbabwean* (11 November, 2014), the CIF is associated with one Sam Pa, reportedly of Chinese nationality who has exploited oil and mineral resources across Africa. Quoting a 2012 Global Witness Report the paper claims that Sino-Zimbabwe smuggled diamonds out of Zimbabwe to Hong Kong using Sam Pa's airbus (Ibid). The paper further reports that Pa is closely linked with the CIO and assisted the organization in devising a strategy to undermine the opposition Movement for Democratic Change (MDC) in the 2013 elections. State institutions like the CIO owe their continued accumulation directly to the survival of the ruling Zanu-PF and therefore would do anything, including violence, to ensure Zanu-PF's continued stay in power (Tendi, 2013). Kusena participated in the sale of diamonds in Antwerp and Dubai in 2013 after the EU lifted sanctions on the ZMDC (Global Witness Report, 2017). This is yet more evidence to show that the so-called indigenization and economic empowerment may be little else but empty rhetoric. The activities in the mining sector amount to a ruling class project in cahoots with the so-called foreign "investors" precisely designed to secure and protect its power base, and thus, its lines of accumulation. Marange diamonds revenue was only enjoyed by a few state elites and their foreign partners. No indigenous people were empowered in Marange. The only indigenous people to participate in the exploitation of the diamond in Marange were the already priviledged like Lovemore Murotwi and Robert Mhlanga who had access to the corridors of power. Instead, the indigenous people who were resident in Marange were forcibly relocated without adequate compensation to make way for mining operations (Dzirutwe, 2017).

Gye Nyame, was one of the companies exploiting diamonds in Marange in a joint venture with the ZMDC on a 50-50 basis like other joint ventures. The private sector part of Gye Nyame comprised of a partnership between a local consortium and Ghanaian investors. The Ghanaians agreed to source the capital to fund the operation. Speaking to the Parliamentary Portfolio Committee on Mines and Energy on the 9th of April 2018, the former Managing Director of Gye Nyame, Mr Munyeza who was part of the local consortium narrated a shocking story.

According to Mr Munyeza, sometime after they had begun operations they were suddenly instructed to give the Zimbabwe Republic Police (ZRP) 20% shareholding. This was resisted at first but the investors gave in following a meeting with the then Minister of Mines Obert Mpofu. However, as per his narration the police proved difficult to work with as they were bossy and behaved as if the concession was theirs. At one time the police just decided they did not want Ghanaian investors anymore saying that they had their own preferred investors from Singapore. After Mr Munyeza refused to kick out the Ghanaians, police forcibly retrieved from him the keys to the diamond safe. The company lost the diamonds and the banks stopped funding the company after getting wind of what had transpired leading to its demise (Zim Stones, 2018). Former ZMDC Chairperson Goodwill Masimirembwa also told the committee that they had decided to terminate Gye Nyame's license after due diligence on the foreign investors showed that they were not capable of raising the needed investment for the project to take-off.

The ZRP officials were also quizzed about their participation in the company of which the former Deputy Commissioner General of Police Mr Matibiri denied any knowledge of the company. Three retired assistant commissioners confirmed to the committee that they were appointed by the former Commissioner General of Police Augustine Chihuri to the board of Gye Nyame. Surprisingly, the then Minister of Home Affairs which portfolio is also responsible for the police, Ignatius Chombo told the committee that he had no knowledge of the company and the police participation in the diamond venture. The former police commissioners also denied any knowledge of any attack on the former Gye Nyame Managing Director Mr Munyeza, professing ignorance on where the diamonds that were in the box the keys to which were forcibly confiscated from the latter were eventually taken. Even the permanent secretaries in the Ministries of Home Affairs and Mines and Minerals Development denied any knowledge about the police involvement in Gye Nyame (Ibid).

Two other companies that operated in Marange, Anjin and Jinan, were linked to the Zimbabwean military. According to the Zimbabwe Independent, Anjin Investments is a partnership between Anhui Foreign Economic Construction Group Co Limited (Afecc) and Matt Bronze Enterprises a company wholly owned by the Zimbabwe Defence Forces (ZDF) (Ibid). The company was also linked to the construction of the US$100 million National

Defence College in Zimbabwe through an ExIm Bank loan guaranteed by anticipated inflows from diamond sales. According to the ZMDC 2012 report Anjin is 50% owned by Afecc, 10% by ZMDC and 40% by the government of Zimbabwe (See ZMDC Report, 2012: 10). However, the Global Witness (2017) reported that the 40% said to belong to the government belongs to Matt Bronze Enterprises, a subsidiary of the ZDF. The Global Witness also reported that the ZMDC and the ZDF were in a 20-80 partnership in a company called Glass Finish Limited. The latter went into partnership with Afecc to form Anjin Investments. Rumours had it that the 80% army-owned Glass Finish received in 2014, US$40 million for management fees in addition to 40% of whatever dividends were declared in Anjin.[47] Jinan, another company that operated in Marange, is also 50% owned by the Afecc and 50% by the ZMDC (Zmdc report, 2012). According to the Global Witness report Jinan and Anjin are closely related, share staff and equipment and whatever lucrative findings are made in Jinan are transferred to Anjin.

Speaking to the Parliamentary Committee on Mines and Energy on the 19th of April 2018 the Defence Ministry Financial Director Martin Rushwaya gave the military's side of the story concerning the background and operations of Anjin. He confirmed that the Defence Ministry with the blessings of the then president Robert Mugabe decided to venture into diamond mining to generate revenue since the country's treasury was no longer able to adequately fund their activities due to the economic crisis. Rushwaya told the committee that they partnered with AFECC and got a Special Grant from the Mines Ministry to exploit diamonds in Marange diamonds fields. He went on to dispel the accusations that the army was mining under opaque circumstances where they could not be held accountable:

> The MMCZ managed the sale of diamonds. Every single carat was sold by the MMCZ on behalf of the company. To say that we were operating in the dark is not correct. All taxes, commissions and fees were collected before the company was given its dues. The final certification of the sale was done by the Ministry of Mines. We have the names of people we were dealing with. (Zim Stones, 19 April 2018)

The army personnel revealed before the Committee that the company generated a gross revenue of US$332 million from the sale of just over 9 million carats. Of this amount, US$62 million went to the government in royalties, commissions and taxes, the army as the local partner in the company got US$54 million and the balance went to AFECC and other operational costs.[48] The money was used to fund the Defence Ministry activities, the National Defence University

[47] Global Witness (2017: 28).
[48] Ibid

and a number of other parastatals. However, speaking to the same Committee on the 9th of April 2018 the ZMDC finance officer told parliament that they only received taxes and dividends between 2010 and 2014 from Mbada, Jinan, Marange and Diamond Mining Corporation. Quizzed about Anjin's accounts the finance officer said they had not seen any financial statements from Anjin and other companies like Kusena, Gye Nyame and Rera that were operating in Marange (Parliamentary Portfolio Committee on Mines and Energy, 2018). If this information is accurate, the militarization of Marange diamonds was not ended but was simply covered up in the post-2009 formalization process. Rather than benefitting the indigenous people, Marange diamonds became the property of special interests in the military, executive and partners from abroad.

The Diamond Mining Corporation (DMC) is another controversial company that was cleared to mine diamonds. The company was established in 2010 as a result of a 50-50 partnership between the ZMDC and a Dubai company, Pure Diam. The owner of Pure Diam, Imad Ahmad, has a notorious reputation of engaging in illicit diamond trading across Africa. The Zimbabwe Independent (2009) reported that Imad Ahmad illegally used an import licence belonging to a Dubai company Atom DMCC to purchase diamonds from the MMCZ. However, further research revealed that Pure Diam did not have any business links with Atom DMCC but purchased industrial diamonds from the MMCZ for US$478 000 (Zimbabwe Independent, 2009).[49] The Global Witness also claimed in its report that Ahmad ran a smuggling network in Zimbabwe and Mozambique between 2007 and 2010 before the formalization process (Global Witness, 2017). The network is alleged to have involved state security personnel in the police, military and CIO who sold diamonds to buyers linked with Pure Diam. Pure Diam was awarded a concession in Marange in 2010 upon the formalization of mining in the area despite a criminal background. Again, this raises questions on the extent to which the ZMDC was responsible for the selection of the private investors it entered into partnerships with. It might be that special interests had captured and side-lined the State in the management (distribution and production) of Marange diamonds.

5.8.2 Who benefited from Marange Diamonds?

> We have not received much from the diamond industry at all, not much by way of earnings. I don't think we have exceeded US$2 billion or so yet we think well over US$15 billion or more has been earned in that area. The companies that have been mining virtually robbed us of our wealth. (President Robert Mugabe Interview on Zimbabwe Broadcasting Corporation, 2016)[50]

However, a few months after being ousted from power and amid parliamentary investigations[51], Mugabe later backtracked telling a Zimbabwen weekly, Zimbabwe Independent in 2018 that the $15 billion claim "was just a story with no factual basis" (Ndebele, 2018). Nonetheless, the flow of earnings in Marange is no less murky and controversial than the ownership debacle. The tracing of the diamond money reveals that the money that gets to the national treasury is significantly lower. Table 6.6 below shows the money made from diamond sales and the amount accruing to the State.

Table 5.6 Marange diamonds exports and revenue – 2009-2016

Year	Volume (Carats)	Amount (US$)	Govt remittance
2009	1,349,172	28,900,799	-
2010	8,424,384	320,237,120	US$174 million
2011	7,787,923	422,926,507	US$80 million
2012	14,957,649	740,998,085	US$45 million
2013	9,564,278	448,635,918	US$41 million
2014	6,367,107	480,221,832	-
2015	3,899,385	168,612,483	-
2016	2,322,418	123,314,734	-
TOTALS	**54,672316**	**2,733,847,478**	**340,000,000**

Source: Kimberly Process Certification Scheme: https://www.kimberleyprocess.com

Information in the above table shows that the diamond industry produced over 54 million carats from 2009 to 2016 thus raking in over US$2,7 billion in sales of which the reported amount received by the government is a paltry US$340 million. Thus, the government of Zimbabwe through its investment vehicle, the ZMDC, which owns 50% of every company operating in Marange received only 12% of the diamond export revenues between 2009 and 2016. In an interview in 2013, then Minister of Finance Tendai Biti bemoaned the lack of diamond revenues "We received nothing at all in January for the diamonds, nothing at all in February.

[50] Available at https://www.youtube.com/watch?v=PNpWxuWS0Rw

[51] Mugabe was summoned by parliament to give evidence on his 2016 claims about the looted $15 billion worth of diamonds in Marange (Mashininga, 2018).

In March we received $5 million against a target of $15 million…the current situation is unacceptable" (*Daily News*, 2013). This is not surprising given that the companies operating in Marange seem to have been controlled by a powerful invisible hand that proved many a time to be above the law. There seems to be a parallel invisible State running Zimbabwe's diamond sector. The above figures suggest that the ZMDC is a non-existent partner in the joint ventures in Marange. However, as is often said, there are always two sides to every story.

Table 5.7: **Mbada Diamonds financials – 2010-2015**

Year	Dividends	Royalties	Corporate tax	Resource dep. fees	Sales
2010	48 856 658,80	21 356 170,75	34 803 358	12 279 798	213 561 707
2011	17 500 000	9 359 032	8 158 243	13 333 287	291 696 577
2012	-	31 811 687	19 886 466	12 996 062	310 808 920
2013	-	16 374 300	3 101 000	11 905 424	202 750 013
2014	84 188 258	48 990 829	-	1 671 360	74 458 588
2015	-	3 489 908	-	598 629	27 612 787

Source: The Zimbabwe Independent, 2016, https://www.theindependent.co.zw

The figures in Table 5.7 above published by the Zimbabwe Independent tell a different story. According to the figures, Mbada Diamonds, which was the biggest diamond miner in Marange, settled its dues with the ZMDC and government in the form of dividends, royalties, corporate tax and resource depletion fees. From 2010 to 2015 (its last year of operation) the figures show that the company paid a total of US$131 million in royalties, US$150 million dollars in dividends, US$66 million in corporate tax among others. In total the company paid the government over US$472 million (42% of its sales) after having made US$1.2 billion dollars in sales during the said period. These figures, if true, absolve the company from any charge of failing to honour its dues to the government. This would suggest that the people responsible for remitting the diamond money to the treasury were not doing it. The money seems to have disappeared into thin air before it reached the state coffers.

The apparent diversion of money was compounded by the existence of the Government of National Unity (GNU) comprising bitter political rivals, Zanu-PF and the MDC from 2009 to

2013. Perhaps the disappearance of the diamond revenue could be seen in the light of the fact that the Mines ministry was controlled by Zanu-PF and the Finance ministry by the MDC. It is possible that the former sought to undermine the latter making it look as if the rival is failing to discharge its duties. It is also possible that the money may have been diverted to further the political interests of Zanu-PF through the funding of party activities and the security apparatus which was explicitly pro-Zanu-PF (Magure, 2012; Tendi, 2013). The duration of the GNU ironically gave rise to a fragmented and divided State where the ruling class was ideologically and politically divided. The state elites were divided into rival camps along party lines, a rivalry which extended to the State agencies they controlled. As a result, they failed to work together to ensure that the public benefitted from the Marange diamonds revenue.

5.8 Changing the game-plan: Zimbabwe Consolidated Diamond Company (ZCDC)

In 2015, almost a decade after the discovery of diamonds in Marange, and six years after the formalization of their exploitation, the Zimbabwean government announced a change of strategy. In March of that year, the government decided to form ZCDC Private Limited with the intention of consolidating all mining operations in the diamond fields in the interests of transparency, accountability and productivity. The company was formed as a wholly owned subsidiary of the ZMDC replacing Marange Resources. Under the plan the government would consolidate the seven companies: Anjin Investments, Jinan, Mbada Diamonds, DMC, Kusena and Gye Nyame into one entity; the ZCDC (in which the ZMDC would hold 50% stake) and the other companies would share the balance according to the size of their investment (Zimbabwe Independent, 8 December 2015). Appearing before the Parliamentary Portfolio Committee on Mines and Energy, former Minister of Mines Walter Chidhakwa explained the decision to consolidate the industry thus:

> "My challenges as the Minister of Mines were to do with the accountability of the companies. Could we sit as leaders of this country with companies where we owned 50 percent of the shares and not be able to get dividends from those companies? This is what sits on your conscience all the time. You must ask yourself: am I doing Zimbabwe a favour by allowing that situation? That is what drove the process (of forming the ZCDC). I had to make the decision and some were asking me if I was signing a death warrant. Whenever you make a decision in the mines they gratify one side and hurt the other but these are the things you must contend with" (Zim Stones, 10 April 2018)

It is important to note that Chidhakwa was former president Mugabe's nephew and served as Minister of Mines at a time when factional wars in Zanu-PF (induced by Mugabe's succession) had infiltrated the security forces. According to Mambo (2017), the military was sympathetic to then vice president Emmerson Mnangagwa. While the CIO and the police were believed to be backing the so-called G-40 faction fronted by former First Lady Grace Mugabe (Ibid). The rift in the security was dramatically manifested when soldiers physically attacked the police manning a road block on a major road in Harare (News24, 2017). Then President Mugabe himself publicly accused the military of plotting a coup at a Zanu-PF rally arguing that "military involvement in the internal politics of the ruling Zanu-PF party was tantamount to a coup" (Ibid). These factional wars may have influenced the policy change in Marange where the military had enormous interests in two of the biggest companies, Anjin and Jinan. Minister Chidhakwa also disputed that the ZMDC was getting any dividends despite it being a shareholder in the joint ventures in Marange, hence his move to restructure diamond mining in the area. He was thus accusing the military-controlled entities in Marange of defaulting in their obligations to the state.

While also emphasizing the need for transparency and accountability as the major factors behind the formation of the ZCDC, appearing before the same Committee, the former Permanent Secretary in the Ministry of Mines Professor Gudyanga also argued that:

> The need to transition from alluvial mining to kimberlitic mining was one of the key factors that necessitated the creation of the ZCDC. You needed a big company to go to that phase. These small companies never did kimberlitic mining and there was no evidence that they could do kimberlitic mining. No company could meet the investment requirement. (Zim Stone, 10 April 2018)

Clearly, the government and the military were not in sync as shown by contradicting accounts of what transpired in Marange diamonds. In February 2016 the government ordered the seven companies operating in Marange to stop their operations since their joint venture permits had lapsed and had not been renewed (*IOL News*, 22 February, 2016). In an interview with the state broadcaster, President Mugabe said "The state will now own all the diamonds in the country…Companies that have been mining diamonds have robbed us of our wealth that is why we have said the State must have a monopoly" (*The Telegraph*, 3 March 2016). This could have been a retaliation on the military that was becoming increasingly sympathetic to his deputy Mnangagwa. The ZCDC commenced operations under the new arrangements in March

2016 despite mining companies like Mbada and Anjin challenging the government's decision in court.

It also appears that there were irregularities in the way the company was formed. The ZMDC chief executive one Mr Murangari told the parliament about the circumstances around the formation of the company:

> We were not in favour of consolidation because of the certain clauses contained in the agreements (between government and various companies mining diamonds). Our preference would have been that we let the companies continue mining until they ran out of the alluvial diamonds. Then form ZCDC thereafter. However due to the fact that this was a directive coming from the government every operation had to be halted. The formation of the ZCDC happened at the ministry, the ZMDC was never consulted. The shareholding by the ZMDC only happened after parliament raised queries. Even now the CEO goes straight to the ministry bypassing the ZMDC. (Zim Stones, 11 April 2018)

Such evidence from the ZMDC which is the mining arm of the government raises interesting questions on the formation of the ZCDC. Was it a genuine concern for the national interest that led to its formation or part of a counter-scheme within the ruling class in what respondent I-1 called "a struggle within the struggle"? That is, the internal factional wars in Zanu-PF manifesting in fights for the control of Marange diamonds fields.

In a presentation before parliament, Martin Rushwaya, the Ministry of Defence's Permanent Secretary, said Anjin, which was controlled by the ZDF and their Chinese partners felt aggrieved by the way their company was asked to stop mining operations (Zim Stones, 19 April 2018). He argued that Anjin was mining based on a Special Grant that had no expiration date. The company tried to have a dialogue with the ministry of mines to resolve the issue but to no avail. Rushwaya also rubbished the claims that the company had no capacity to do kimberlitic mining saying that they were the only company that was already embarking on conglomerate mining (Ibid). He also disputed the claims of the former minister Walter Chidhakwa that there was no accountability and transparency, claiming that everything they did from mining to the sale of the diamonds was done in the presence of the ZMDC, ZRP, MMCZ and KPCS representatives (Ibid). The police were sent into Marange to force the companies out in an operation code-named "*Chengetedza Upfumi*" (keep the wealth) (Global Witness Report, 2017). The sending in of the police (400 armed) to act against the interests of the military gave the impression that the security sector was divided along the ruling class factions thus rendering the state irreparably dysfunctional.

Nonetheless, the company was formed and managed to produce 960000 carats in its first year of operation and almost doubled that in 2017 when it achieved 1.8 million carats (Chingwere, 2018). Finance Minister, Patrick Chinamasa assured the public that all proceeds from the diamond mines would be directed to the treasury. However, the Zimbabwe Independent reported at the end of 2017 that companies like Anjin Investments were trying to use their military links after the fall of President Mugabe to worm their way back to diamond mining (Mambo, 2018). At the time of writing, the situation remains uncertain as to whether the Emmerson Mnangagwa – led administration will make changes to the arrangements. The new government has already said it will be repealing the indigenization law in every sector with the exception of the Diamond and Platinum sectors. President Mnangagwa was literally lifted to the seat of power by the military. It remains to be seen whether he will give in to the demands of the military-linked private investors like Anjin and Jinan who felt short-changed by the amalgamation move.

The consolidation of the diamond sector under the majority ownership of the State smacks of nationalization and brings with it, sea-change in the dynamics of the class struggle that have characterized the sector. The first question that springs to mind concerns the state of the relationship between the ruling class and the military from which it derives its power. Why would the ruling class or elite cross paths with the military by usurping its feeding bowls in the diamond fields? This question is a particularly interesting one in the context of the November 2017 downfall of the Mugabe-led administration in which the military played a central role. It seems the military was retaliating an assault on its accumulation interests by the government and moved swiftly to prevent further assault. Secondly, would the ZMDC, which was apparently relegated to a by-stander in the joint-ventures take the lead this time around as the majority shareholder in the ZCDC? If the new arrangement was formed based on the allegations of joint-ventures having short-changed the country in terms of revenue remission, it boggles the mind as to why the State did not launch an investigation into the matter. The failure of the State to launch an investigation to get to the root of the issue would raise questions as to whether this new arrangement presents genuine change. Moreover, the new arrangement is still shrouded in secrecy. The shareholding structure of the new entity is still unknown. The government only says that the ZCDC will control a 50% stake in the company, but there is a lack of information on the respective amount of shares owned by the other parties it entered into the arrangement with. Ownership is at the centre of the class struggle because it is through ownership that people claim property rights and the accompanying benefits.

The ‘nationalization’ of the diamond sector smacks of Zanu-PF’s phobia for an indigenous business class that would control key economic sectors. The ruling class already has leverage over the agricultural sector where farmers have no title deeds but are operating under the so-called 99-year leases which forever places them at the mercy of the government. In the chromium sector, the government has moved to nationalize 50 percent of the claims although in that case, for redistribution to indigenous small-scale miners. It seems the default position of the government is to take custody of important sectors of the economy. One wonders if the interests of the indigenous people are best served when the government owns and controls the resources. The State in Zimbabwe is not known for its efficiency in running viable commercial entities. A lot of parastatals like the Zimbabwe Iron and Steel Company (ZISCO), the National Railways of Zimbabwe (NRZ), Cold Storage Company (CSC) to mention a few have been victims of State mismanagement (See Chikuhwa, 2013). Their perennial underperformance has resulted in the unemployment of tens of thousands of people, and the drainage of state resources. Judging by the past performance of the government, the nationalization of the diamond industry hardly inspires confidence in the future of the industry itself let alone hope for the empowerment of the indigenous people. The State does lack the financial capacity to mine diamonds at an industrial scale.

5.9 Conclusion

This chapter has given a comprehensive account of the trajectory and the dynamics of the indigenization policy as it was applied in the large-scale mining sector in Zimbabwe. As seen in the first table, foreign capital from South Africa, China, Australia and Canada among other countries is dominant in the mining sector in Zimbabwe. On balance, the government has largely failed to achieve the desired outcomes of the indigenization policy. The attempt to indigenize the PGMs industry dating back to the mid-1990s to the present have so far failed spectacularly. The capital market in the country is too small to support an indigenous business class with the wherewithal to take over the platinum sector. In the gold sector the indigenization programme has also been largely unsuccessful as indigenous business people have found it hard to penetrate and establish a firm footing. The only successful case of indigenization is Blanket Mine in Gwanda but even there the indigenous partners stand in a precarious position. Even after the enactment of the Indigenization Bill in 2007 giving the policy the force of the law, the going has been tough. Most of the consortiums formed by indigenous people to take over stakes in big mining companies consist of politicians and the politically connected. This gives the impression that indigenization is little more than a patronage scheme run by the political elite to secure its power base. Besides the lack of capital, another hindrance to the indigenization of the mineral economy is the dysfunctional and underdeveloped State. The Zimbabwean State is chronically under-resourced to drive the indigenization process successfully. There is a lack of leadership within the ruling class itself which is why foreign capital has been able to successfully resist indigenization. Moreover, the indigenous business class is largely absent in Zimbabwe hence the indigenization crusade has been hijacked by ruling party politicians. Almost 40 years after independence, the colonial legacy is alive and well in what is by far the country’s most vital economic sector. Indigenization efforts have hit a brick wall.

CHAPTER 6

Downstream indigenization: Artisanal and small-scale miners, working class, and the peasant communities

6.1 Introduction

The scope of the indigenization policy in Zimbabwe's mining sector extends way beyond the purported transfers of equity in big multinational corporations to private, wealthy and politically connected indigenous citizens. The indigenization programme is broader than the fight for the control and ownership of the mining MNCs operating in the country. This chapter focuses attention on other stakeholders - the artisanal and small-scale miners (ASM), the working class, and the peasant communities in rural areas – whose various roles constitute crucial components of the structure of the mining industry. These three groups, while being the most structurally disadvantaged, have shaped the trajectory of the indigenization discourse and implementation in the mining sector in admittedly obscure but, nonetheless, non-negligible ways. Their demands and interests, though at times violently suppressed and marginalized by the ruling class and the international capital, have certainly, and in concrete ways, added to the content and complexion of the indigenization programme. The above-mentioned groups are the chief subjects of the ongoing and dynamic process of class formation in the minerals sector in Zimbabwe and cannot be possibly neglected in any assessment of the decolonization and transformation of the sector.

Given the foregoing, this chapter seeks to shine a light on a terrain that has thus far been, by and large, equally shunned by the academia and the media. Using data obtained through interviews, documentary reports, videos, email correspondence and online sources this chapter critiques Zimbabwe's indigenization policy in the mining sector from the perspective of the ASM, working class and peasant communities. The significance of these classes is that they are overwhelmingly made up of indigenous peoples who have historically been relegated to the margins of the mining sector. To the degree that indigenization entails a redistribution of wealth in favour of the indigenous citizens, it should be ultimately evaluated on its ability to improve the condition and the position of the above-mentioned groups in the matrix of class relations that underpin the production of mineral wealth.

Despite experiences of marginalization, constant repression and even outright criminalization at times, these groups have become an indispensable element of the politics and dynamics of indigenization in the mining sector. The indigenization policy regulations have explicitly recognized the working class and the peasant communities by creating mechanisms like the Community Share Ownership Trusts (CSOT) and the Employee Share Ownership Trusts (ESOT) to enhance their participation in the mining sector. On paper, the CSOTs and ESOTs are aimed at establishing peasant communities and the working class as co-owners of mineral wealth through ownership of a specified amount of shares in mining companies. This would have far-reaching implications in the class configuration and production relations of the mining sector. The policy has however remained relatively mum and ambiguous save for ad-hoc government interventions on the empowerment of ASM players in the industry who are overwhelmingly indigenous citizens. The presence of these classes in the production of mineral wealth unleashes an ever-evolving pantheon of social forces that have become both the conduits and, to an extent, the determinants of the exercise of state power in the struggle to decolonize and transform the sector. As this chapter delves deeper into how the ASM, working class and peasant communities have been affected by indigenization, there is much to learn about how state power intersects with class relations in objectively and historically determined conditions to dictate the character of the indigenization programme.

6.2 The evolution of the ASM sector: Chronicles of a suppressed class

Zimbabwe's geological profile necessitated the emergence of two mining sectors – the large-scale and the artisanal and small-scale - governed by different modes of production (See Hollaway, 1997). A prominent part of Zimbabwe's mineral geology is the Great Dyke. The Great Dyke is 550km long geological formation that contains some of the world's largest reserves of chrome, platinum and asbestos among others (See Wilson, 1996). The Dyke is dominated by huge MNCs like the platinum miners from South Africa and Australia (Zimplats, Mimosa Anglo-American) and chrome miners like Zimasco and Zim Alloys (Zhuwakinyu, 2019). The large-scale mining (LSM) sector as already articulated in the previous chapter is fundamentally oligopolistic, is dominated by a few foreign-owned MNCs, and operates on an industrial scale. The artisanal and small-scale (ASM) sector on the other hand is a diverse group of more than a million operators, are largely informal and overwhelmingly dominated by indigenous citizens (See Mhlanga, 2017). This section assesses the politics of the indigenization policy within the context of the ASM sector in Zimbabwe from 1990 to the present. According to the Zimbabwe Miners Federation (ZMF), an umbrella organization representing the interests of the sector, the income generated from ASM activities supports the livelihoods of over 3 million people.[52]

The ASM sector has a long and rich pedigree in Zimbabwe's mining sector dating back to the colonial era. Its origins can be traced back to the early twentieth century when the BSAC government realized that the country had numerous scattered gold deposits which could be profitably exploited at small scale rather than industrial. It was then that the colonial government actively encouraged the growth of the small-scale miners (Phimister, 1976). As detailed in the fifth chapter, the ASM sector initially comprised white settlers funded and supported by the colonial state which actively and explicitly discriminated against indigenous people. Having had a long existence in Zimbabwe, the ASM sector has managed to evolve into a distinctive class in the mining sector governed by the dynamics of its own mode of production. The ASM players mostly operate under the legal radar, sell their produce to an informal market, use rudimentary equipment, nomadic and difficult to manage and exist for subsistence purposes. A confluence of a lengthy history, geology, and the dwindling fortunes of the economy has seen Zimbabwe being host to one of the largest ASM sectors to date.

Table 6.1: Size of ASM in different countries

Country	ASM size
Bolivia	72,000
Brazil	10,000
Burkina Faso	100,000–200,000
Central African Republic	> 100,000
China	3,000,000–15,000,000
Democratic Republic of Congo	2,000,000
Ecuador	92,000
Ghana	180,000–200,000
India	12,000,000
Indonesia	109,000
Malawi	40,000
Mali	200,000
Mongolia	40,000–60,000
Mozambique	60,000
Nepal	120,000

[52] Interview with Dosman Mangisi, the spokesperson of the Zimbabwe Miners Federation (23 December, 2017).

Pakistan	400,000
Philippines	185,400–300,000
Papua New Guinea	50,000–60,000
South Africa	10,000
Sri Lanka	165,000
Tanzania	550,000
Uganda	196,000
Zambia	30,000
Zimbabwe	1 500 000

Source: Zimbabwe Miners Federation; Buxton, 2013

As the table 7.1 shows, Zimbabwe is only second to the DRC in Africa in terms of the size of the ASM sector and the fourth largest in the world. This makes Zimbabwe a country with probably the highest per capita ASM dependants. With the country's unemployment rate hovering around 95% and the second highest inflation rate in the world of 300%, millions of young engage in mining to earn a living (Chin'ono, 2019; Samaita, 2019). The enormous numbers of the ASM raise two interesting possibilities or prospects.

Firstly it means the sector has the potential to contribute a significant share of mineral output especially gold and thus earn the country much needed foreign currency. If well managed and allowed to flourish, the ASM sector has the potential to become an important economic player. Secondly, its big numbers make it too large a voting constituency for the politicians to ignore making it potentially politically important. One of the major reasons behind the tremendous growth of the ASM is the economic crisis that has plagued Zimbabwe in the recent past which saw people resorting to rudimentary mining for survival. Mabhena (2012) suggests that the 1990s Economic and Structural Adjustment Policy (ESAP) forced many people out of work in Zimbabwe, which had many of them resorting to gold panning to make a living. Spiegel (2014) notes that at the height of the economic crisis in 2008 about 1 in 4 Zimbabweans depended on income from the ASM sector. This somehow had the effect of escalating and intensifying the class struggle in the sector between the ruling class and the small workers in the mining sector as will be detailed below.

The ASM, as the name suggests, consists of two categories, the artisanal and small-scale miners. Artisanal miners are basically those who work small claims with simple tools like picks and shovels. They do not employ any workers, they move from place to place in search of richer claims, are often not registered and are not permanent miners as they usually engage in mining when the farming season is over (See Mawowa, 2013). In Zimbabwe they are locally referred to as *Amakorokoza/Makorokoza* (gold panners). They can work individually or as a family. Mabhena (2012) points out that the ASM sector conducts mining in three areas which include old disused mines; small open cast virgin claims using simple tools like picks and shovels, and small underground claims. The small-scale miners are relatively more stable, some of them are formally registered, work comparatively bigger claims and may employ a few people (less than 50) (Buxton 2013).

The processes involved in the extraction of gold depends on where the gold panning is taking place. Riverbank panning is a labour-intensive process (Pact, 2016). The first step is to explore the site for gold. Upon satisfaction that a specific site on the riverbank may have gold, the miners then dig and collect huge quantities of a mixture of soil and gold (Mabhena, 2012). The next step is sieve so as to separate the soil from the mud containing the gold ore. Miners use water to wash the gold ore from the mud. They then use a chemical known as mercury to get the actual gold itself by dissolving other impurities in the gold ore (Buxton, 2013). The final step is to burn the mixture of mercury and gold ore to remove the former and the gold is ready for the market. Mining in disused mines and underground claims is different from mining in riverbanks. Miners have to go about a kilometre underground to extract gold. They can spend days underground as such they take food and other implements with them to cook and battery-powered or paraffin lights since it is dark underground (See Mabhena, 2012). Miners use explosives (locally known as mahora) to blast the rock thought to contain gold. The rocks are then carried out of the tunnel either crushed manually or sent to the millers (Pact, 2016). Once the gold ore is crushed, water is then used to sieve the gold and mercury is applied to get the gold itself.

The GoZ distinguishes between LSM and ASM in terms of the size of output, the latter fall into the category of those who produce less than 15kgs of gold per year. Artisanal miners do not engage in mining with a view to accumulate profit but rather as a direct source of living or survival.[53] Whatever they earn from mining they spend on their basic needs. Small scale miners on the other hand fit, with qualification, the label of petty bourgeoisie in the sense that they employ a few people and, in some cases, reinvest part of their income to expand their businesses. However, like artisanal miners, they by and large operate unregistered which makes them vulnerable to victimisation by law enforcement agents. According to ZMF of the more than 1000 000 ASM operatives only about 40 000 are registered. The ZMF is engaged in a mobilization and education campaign to get more ASM players registered[54]. The ASM operators are predominantly based in the gold and chrome sectors[55]. The ASM sector has the potential to be an important economic player in the country by helping increase the generation of forex. According to Kuwaza (2019) the ASM sector in Zimbabwe produced 6.6 tonnes of gold out of a total of 10.8 tonnes in the first five months of 2019. In 2018 the ASM sector delivered 21,7 tonnes of gold out of a total of 33, 2 tonnes thus far surpassing the LSM producers and contributing hundreds of millions of dollars in revenue (Chingwere, 2019).

This demonstrates beyond any reasonable doubt that the ASM sector is fast becoming a serious player in the mining sector that has to be taken seriously. It is a class of small producers, who if engaged, have the potential to contribute, in a substantial way, to the welfare interests of the country's most vulnerable especially in the rural areas where the ASM players are largely based (Mawowa, 2013; Bello and Bybee, 2014). Moreover, the ASM sector is dominated, by and large, by indigenous citizens, if the government is serious about making the indigenization policy a success in the mining sector, it makes sense for the policy makers to focus on where the indigenous people are located within the minerals sector. A pro-indigenization approach would empower the ASM operators to maximize their capacity and realize better output. However, such a tremendous growth in the economic surplus produced in the ASM only raises the stakes in the battle for its appropriation.

[53] Interview with a mineral economist at Ministry of Mines offices in Bulawayo (Henceforth I-11) (27 September 2017).
[54] Interview done with Dosman Mangisi, ZMF spokesperson (23 December, 2018).
[55] Ibid

6.3 State -ASM relations

6.3.1 Class Alliance: Historical perspective (1990-2005)

The relations between the government of Zimbabwe and the ASM sector in the country have been characterised by a constant state flux. The government has over the years changed its stance on the ASM sector from accommodative and progressive to brutal and violent. Between the 1990s and the mid-2000s the government had progressive policies earmarked to promote the ASM sector. The Mining Regulations of 1991 stipulated in the Statutory Instrument (SI) 275 decentralized the management and administration of the ASM granting the Rural District Councils (RDCs) the authority to issue licenses to prospective miners and enforce environmental protection measures (See Spiegel, 2015; Pact, 2016). Some of the terms of the regulations included the prohibition of mining along river banks, working of pits more than one-and-half meters deep and the use of mechanised equipment was disallowed. Under these regulations, programmes to fund small-scale miners were developed. For example, the micro-finance scheme called Mining Industry Loan Fund (MILF) (established in 1904) meant to provide credit lines to the ASM sector was revived. However, MILF was discontinued in 2000 as the government cited administrative difficulties. It was later replaced by the Mining Industry Development Fund (MIDF) in 2004. Amongst other things the new fund sought to provide financial and material support, access to plant, equipment and tools, and subsidise the cost of mining (Mine Entra Exhibition, 2004). This would go a long way in improving the capitalization and sustainability of small-scale mines. Granting the RDCs authority to issue mining permits was a major step towards reforming a process that had been centralized by the Ministry of Mines, often to the detriment of small-scale miners because the country's mining laws favoured the large-scale mines (Spiegel, 2015). The regulations coincided with a sharp increase in the number of ASM operators in the context of a deteriorating economy that forced many to engage in mining.

The SI 275 was soon followed by the 1993 Harare Guidelines on Small-scale Mining crafted by the government in conjunction with the UN Department for Economic and Social Development. Under this plan, the government sought to explore strategies of streamlining and accelerating the formalization of ASM and providing it with means to improve their mining techniques and productivity. In that direction, the government passed SI 271 allowing mining activities in some river banks under local authority supervision and SI 328 in 1993 which decentralized gold buying agencies to make the legal market accessible. International organizations were also roped in from countries like Germany and Sweden to help with expertise and knowledge on mining issues and the necessary technology. Organizations such as the Intermediate Technology Development Group (ITDG) and the Netherlands Development Association were active in districts like Insiza in Matabeleland South province where the ASM sector was growing (Chachage et al, 1993). They offered training programmes on environmental management and other effective ways of conducting mining. Another progressive move by the government in support of the ASM sector was to facilitate the building of local mill centres where small miners could process their ore and also at the same time receive training and education on the procedures of legalization. For example, the ITDG was instrumental in the establishment of the Shamva milling plant which serviced small miners from the surrounding areas at affordable prices (See Chachage et al, 1993).

To encourage the formalization and legalization of the ASM and reduce black market leakages the government of Zimbabwe in the 1990s offered favourable prices for small scale miners which at times surpassed the international market rates of over US$300 the time (Spiegel, 2015). As such the 1990s to the early 2000s saw the government going the extra mile in providing support to the ASM in Zimbabwe to encourage formalization and increase gold deliveries to the government. Most of the policies were designed with a win-win mindset. The government took steps to promote the indigenous small-scale miners through funding and technical assistance a move consistent with the goals of indigenization and economic empowerment. In the colonial era, as discussed in the fifth chapter, the government only funded white-settler ASM players making it virtually impossible for the indigenous people to venture into a capital-intensive industry like mining. Government policies between 1990 and mid-2000s were transformative in the sense that they were expediting the representation of indigenes in an industry that was formerly dominated by white-settlers. A new class of indigenous ASM operators was formed and the government played an important role. The state was instrumental, albeit with limited resources, in nurturing an emergent indigenous petty bourgeoisie in the mining sector. However, the period after 2006 saw the relations between the ruling class and the ASM breakdown completely as the government dealt with the ASM in an unduly heavy-handed way.

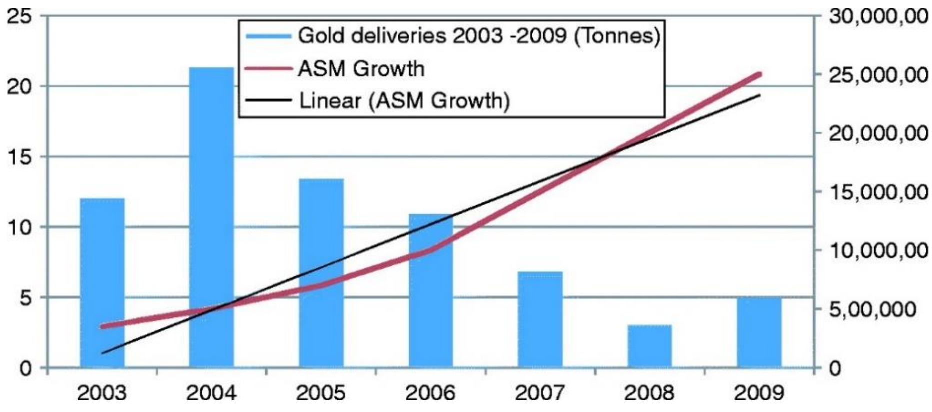
6.3.2 Breakdown of ruling class-ASM alliance: violence and disempowerment (2006-2015)

Towards the end of 2006 the government of Zimbabwe through the Joint Operations Command (JOC)[56] launched a violent campaign code-named Operation *Chikorokoza Chapera* (End Illegal Mining) ostensibly to curb rampant smuggling of gold through the black market. One of the most prominent instigators of the intervention was the then Reserve Bank of Zimbabwe Governor Gideon Gono who argued that illegal miners were bleeding the country of hard currency and the government had to take drastic measures to contain the situation (See *Mail and Guardian*, 2006). He blamed the country's declining gold production on the smuggling activities of illegal miners who were selling gold to illegal dealers from countries like Botswana and South Africa. The operation was set in the context of a deteriorating economic environment characterized by runaway hyperinflation (over 1000 percent) which rendered the Zimbabwean currency almost worthless (Wines, 2006). Amid the hyperinflation, the ASM miners could only get a fraction of the international prices by selling gold to the government agencies thus condemning themselves to losses.

Despite these hostile conditions, the government was adamant that small miners deliver their gold to the designated government entities - the Fidelity Printers Refineries (FPR). The country having run dry of any hard currency, what would ordinarily be a game of cat and mouse between the government and the ASM miners soon became a matter of life and death. Gold was the only source of hard currency and the ruling class was desperate to get its hands on it to fund its activities. The poor ASM operators residing mostly in the rural areas had their only lifeline in mining. Since the country was in an economic crisis, they could only turn to mining for survival (See Mabhena, 2012; Mawowa, 2013). However, understandably, the ASM sector went around government channels and sold their gold in the illegal market where they could fetch far higher prices. As figure 7.2 above shows, the ASM sector continued to grow in the first decade of the 21st century, but there was no corresponding growth in the gold deliveries made to the designated government entities.

[56] The Joint Operations Command is a council of Zimbabwe's security apparatus which includes the CIO, ZDF and the Zimbabwe Republic Police (ZRP). (Tendi, 2013)

Figure 6.1: Growth of ASM and gold deliveries made to FPR between 2003 and 2009.



Source: Mawowa, S. (2013: 927)

For example, in 2009, the ASM sector produced about 25 000 kilograms of gold but only 5000 kilograms were recorded. The deficit of 20000 kilograms was probably sold in the rampant black market where artisanal miners sought buyers for their gold. Having failed to tame the ASM and the black market, the government repealed the SI 275 that had been adopted in the 1990s thus stripping the local government of the authority to manage local miners (Pact, 2016). By so doing, the government also recriminalized the ASM creating and peddling a discourse painting them as enemies of the national interest who sold national resources for a song at the expense of the country's well-being.

The process was recentralized by the Mines Ministry which accused local authorities of lacking the capacity to effectively oversee the activities of the ASM in their areas especially in stopping the smuggling of gold through the illegal market (Speigel, 2014). The repeal of the SI 275 had the effect of marginalizing the ASM sector which was not catered for under the country's principal mining law: the Mines and Minerals Act. The SI 275 had afforded the ASM a path to legalization and formalization, thus its withdrawal meant that they were effectively delegitimized and shut out of the country's mineral economy. Moreover, the ASM was already suffering from neglect by the government as shown by a weak regulatory framework which was even more poorly reinforced. Instead of building on the little that was there, the government effectively illegalized the ASM sector by discarding the SI 275. Thus, the ground was prepared to sell the government's operation and justify the violent treatment of the ASM operators. A class struggle pitting the ruling class against the indigenous small-scale miners was in full swing.

Under the guise of restoring sanity to the ASM sector, the government unleashed the nation-wide police operation on the 21st of November 2006, which sought to forcefully remove ASM operators from their areas. As always, the side with the superior means of violence carried the day as the State ruthlessly crashed illegal miners killing, maiming and incarcerating many. About 600 police officers were deployed all over the country particularly in Gwanda, Insiza, Kwekwe and Marange where ASM operations were most intense. By the end of 2006 the operation was going full throttle. Just weeks after the launch of the operation, then police spokesperson Oliver Mandipaka was quoted as saying "according to figures coming from our 10 provinces we have so far arrested 16 290 illegal gold panners and dealers since the launch of the current operation" (*Mail and Guardian*, 28 December 2006). Thousands of miners were arrested (about 25 000 according to some reports) and tens of thousands more lost their sources of income as a result of the disturbances (Speigel, 2015). More than US$7 million worth of precious minerals was confiscated by the police. In Marange diamond fields, where the government had earlier encouraged artisanal miners to mine for diamonds, scores of people were arrested while more than 200 people were killed when the police descended on the area.

In an incisive research study on artisanal mining in Kwekwe, an area in central Zimbabwe, Mawowa (2013) lucidly reveals the structures and forces behind the primitive accumulation that takes place in the ASM sector. Prominent figures within the ruling party, Zanu-PF, have been known to use their links to the security sector and control of mafia gangs and shady syndicates to benefit immensely from artisanal mining. What transpired demonstrates that despite the government's efforts to cast the ASM as an alien, it turned out to be the Holy Grail which the ruling class wanted to grab at all costs. This is because the numerous gold claims for which the country's geology is famous for, were a low hanging fruit in that they yielded substantial returns and yet did not require huge sums of money to invest in, unlike large-scale mines. At the time the operation was launched, the country's economy was on a free fall which made it impossible even for the country's political heavyweights to extract rents or make any investment in large-scale mines. The only place that could bring relief was the ASM sector. Far from being marginalized, the ASM sector soon became the site of a vicious class struggle pitting the ruling class and the ASM operators. Mawowa (2013) reported that police syndicates were formed during 2007 to extract rents from artisanal miners whom they were supposed to stop from carrying out any mining activities:

> A new gold-rush site in Bhamala (near Totororo) was heavily guarded by the police, who were charging Z$3 million (R200 – a fee equivalent to a policeman's monthly salary in July 2007) per hour spent in the tunnel. Miners grateful to the police for managing access, creating order and averting violent conflict were happy to pay, and entered in groups of eight to ten each turn. Thus an apparently mutually beneficial relationship was established between artisanal miners and law enforcers in this instance, unlike the case of Marange diamonds. (Mawowa, 2013: 934)

Zanu-PF politicians worked together with the RBZ and Ministry of Mines to obtain mining permits which they would use to exploit artisanal miners. Mawowa (2013) reveals that artisanal mining in Kwekwe was controlled by two powerful syndicates in the days of Operation Chikorokoza. One of the syndicates was believed to be linked to the current President Emmerson Mnangagwa (then Minister of Defence - 2007) rumoured to have access to the South African market. The other group involved a local traditional leader linked to RBZ officials and business people with connections to Zanu-PF (Ibid). This goes to show the extent to which the ruling class is deeply involved in looting and appropriation in the ASM sector. Members of the ruling class use their influence and access to state resources to exploit and extort money from defenceless artisanal miners. This mode of fighting (deploying security forces) soon created another class of police officers who, not immune from the economic hardships, did not hesitate to grab the feeding trough. The police as the go-between were strategically placed to extort as much money as they could from the artisanal miners at the base and forward to their masters at the top just enough to retain their trust (Manwere, 2007).

Another study in Insiza District in Matabeleland North province where the operation and police violence were most intense, revealed the deeply politicised nature of the operation itself and illegal appropriation methods of the political elite. Speigel (2014) found in his study that a small mine owned by a Zanu-PF parliamentarian was left free to operate while the rest of the miners were subjected to intense police harassment. The operation was such that it did not discriminate between registered and unregistered miners as both became victims of dispossession.

> In the early period of the crackdown, allegations were publicly made by the Police Commissioner that elite politicians were benefiting from the unregulated gold rush. Later on, a wider spectrum of political elites

> was identified as profiting heavily as Operation Chikorokoza Chapera proceeded (including powerful Members of Parliament and Gideon Gono, Governor of the Reserve Bank). (Speigel, 2014: 552)

Such observations show the extent to which the ruling class and the most powerless class in the country's mining sector are intimately linked. High ranking government officials and prominent politicians were pulling strings behind the scenes to maximize their accumulation from the ASM sector.

When local artisanal miners were denied rights to mine in the Insiza District, six Chinese mining companies were granted rights to conduct riverbed mining. It is believed they paid hefty amounts of money to secure permission to mine from the Mines Ministry despite the amount of environmental damage this was causing which ironically was one of the reasons which the government used to justify its violent actions against the ASM in the area. One member of the local district council noted in an interview that "the Chinese are too big and connected to powerful people. They cannot be resisted, but we have received a computer and some cement for a school" (Speigel, 2014: 556). This gives the impression that Operation *Chikorokoza Chapera* was not motivated by the need to reverse environmental degradation or curb the smuggling of gold. Instead, it was a ruling class operation that sought to assert their control of the ASM sector to ensure they benefit themselves, far from advancing any national interests. It was about the ownership of the only goose that laid the golden eggs at a time when everything else was crumbling.

The events of the ASM sector in Zimbabwe should also be placed within the context of the country's politics – especially regarding the ruling party's factional wars. Just like the Marange diamonds fields became a battlefield of the different factions inside the ruling party. There is reason to believe that the ASM sector has also become a political football amongst the political elite in Zanu-PF (Hunter, 2019). President Emmerson Mnangagwa and his long-time loyalist, who is also current Minister of State Security, Owen Ncube, have been cited as some of the prominent people controlling the ASM activities in Kwekwe and other surrounding areas (Mabhena, 2012; Mawowa, 2013; Speigel, 2014). At the forefront of calling for the violent crackdown on ASM miners was Mugabe loyalist, former RBZ Governor, Gideon Gono (Mail and Guardian, 2006). At the helm of the police was another Mugabe loyalist, former Police Commissioner General, Agustine Chihuri. As such, looked at from another angle, it would appear that Operation Chikorokoza Chapera was an attempt by a certain faction in Zanu-PF to strip Mnangagwa and his loyalists of the control of a vital sector of the country's economy. There are also numerous cases where ministers and high-ranking politicians in Zanu-PF have been embroiled in the fight for the control of small-scale mines. In a recent wave of violence, police arrested 63 illegal miners known as '*MaShurugwi*'[57] in Mazowe, a place in Mashonaland Central province, who were wielding machetes and harassing local villagers boasting that they were linked to Minister Owen Ncube (Mushava and Sithole, 2019). A Zanu-PF Silobela Member of Parliament (MP) Mthokozisi Mpofu was reported by a local miner to a parliamentary committee for threatening to grab their mine (Matanhike, 2019). As such, the events in the ASM sector are a manifestation of the factional dynamics within the ruling party Zanu-PF.

Another prominent area of focus during the Operation was the Marange diamond fields where a government-induced diamond rush had seen 30 000 to 35 000 artisanal miners descend on the area in search of fortune. This decision was made, firstly, to discard the rights of the British company Africa Consolidated Resources (ACR) which had made the discovery after months of exploration. Secondly, it was a ruling class plan to appropriate proceeds coming from the artisanal miners by placing government buyers on site to whom artisanal miners were ordered to sell their diamonds (Partnership Africa Canada, 2010). However, this strategy failed to materialize as the government agents were short for cash and were beaten by competition from illegal buyers who offered higher prices coming from South Africa and Mozambique. Livid that things were not going according to plan the ruling elite unleashed its police on the artisanal miners. Just a few months after the government explicitly gave its blessings to artisanal miners to dig for diamonds in the name of economic empowerment, the same government unleashed its police force which sought to clear the area of artisanal miners in the most brutal of ways (See Human Rights Watch, 2009; Global Witness, 2017). Purportedly sent in to stop illegal mining, the police soon became the central perpetrators and beneficiaries of the illegal smuggling of diamonds out of Marange:

> When the police started guarding the diamond fields in Chiadzwa, we could easily bribe them. At the end of 2006, we used to gain access to the fields simply by giving the police a pack of cigarettes, a can of beer or mutsege (roasted nuts). At one time we even devised a plan with three gwejelines (women) in my team

[57] They are called MaShurugwi because they come from Shurugwi, a place in the Midlands province, from where the Minister Owen Ncube hails.

> where the women had sex with the six police on guard and, while they attended to the police, we were digging for diamonds. (Human Rights Watch (2009: 20))

With time, the police could not simply accept bribes but resorted to forming syndicates with groups of illegal miners whom they provided with security and granted access to the fields. The terms binding the syndicates were that the proceeds from diamonds were to be shared between the police and the miners. Some members of the police-force who spoke to the Human Rights Watch said they had secured contacts with diamond buyers themselves such that they did not have to depend on the miners to sell the diamonds but could sell the diamonds themselves (HRW, 2009). In yet more evidence that Operation *Chikorokoza Chapera* was little more than an exercise in primitive accumulation the Sunday Times reported that:

> These so-called diamond barons were working for the personal accounts of a select wealthy few, the sharks at the top of the military and security services — people such as General Constantine Chiwenga, the ambitious, thuggish army chief; Emmerson Mnangagwa, the wealthy defence minister; the late General Solomon Mujuru, [former commander of the national army], and his wife, Joice, [President] Mugabe's vice-president; Gideon Gono, governor of the [Reserve Bank of Zimbabwe] and Augustine Chihuri, the powerful police chief. And, of course, the Mugabes themselves. (Sunday Times (UK), 'Robert Mugabe's dirty diamonds', 4 April 2010)

The operation was the culmination of factionalism within the ruling class in which one of the factions used state power to brutal effect trying to undermine the power of the other faction. The ruling class criminalized, outlawed and targeted an entire class of the mining sector dominated by indigenous people. The ASM sector was already the least rewarding (partly because it was the least supported) sector of the mining industry (See Mawowa, 2013). Operating in a hostile environment, the ASM sector already supported the livelihoods of 2-3 million citizens - not a small number by any standard. Saunders (2008) also lamented that the elite-driven actions were victimizing ASM miners who only wanted to earn a living in mining. If the government was serious about indigenizing the economy and particularly the mining industry, then promoting the growth of the ASM sector was the best place to start. However, the ruling class chose instead to decimate the sector by totally criminalizing it. The ASM sector in Zimbabwe has the potential if adequately supported to tilt the balance in the structure of the mining sector away from the big foreign-owned companies. This would achieve the goals of the indigenization policy the core of which is to effect indigenous control of vital sectors of the economy.

The operation only succeeded in pushing indigenous Zimbabweans out of the only corner of the mineral economy which could be used as a springboard to climb up the ladder of the mining structure to the LSM sector. The operation also left implications on the nature of the post-colonial state in Zimbabwe. First, it proved that the state had not transformed from the colonial state. Violence, not dialogue, was its default move in getting its way (See also Ndlovu-Gatsheni, 2007; Magure, 2009). Suffice to say it was a classic neo-colonial state. Second, it betrayed the ideological bankruptcy of the ruling class which Fanon (1961) so thoroughly bemoaned. The lack of ideological grounding undermined the possibility of cohesion and harmony within the ruling class rank itself. Thirdly and more importantly, as Sachikonye (2011) also argued, the resort to the use of force to pursue looting adventures proved the decay of state institutions which include the parliament, the judiciary, the executive and the regulatory agencies. Hence state power was scandalously captured by an unholy alliance of the political and security elite setting light years back the transformation of the country's mining sector.

6.4 Barriers to formalization: Structural obstacles to ASM growth

The success of the indigenization policy hinges on the growth of the ASM sector where indigenous people have the capacity to invest. However, the class formation of indigenous ASM players is being stunted by overbearing state intervention and regulation in the sector. The Zimbabwean ruling class has resorted to using state institutions and structures to appropriate surplus produce from the ASM players. This section discusses government-induced structural challenges facing the ASM sector. A 2015 report by PACT revealed the following costs that ASM miners incur to begin operating:

Table 6.2a: Cost of starting a gold mine in Zimbabwe

ITEM	COST
Required certifications	US$3,220
Necessary Equipment	US$12,300
TOTAL	**US$15, 520**

Table 6.2b: Cost of operating a milling plant in Zimbabwe

ITEM	COST
Authorization	US$12,300

Construction of a Mill	US$68,250
Connecting electricity	US$13,000
TOTAL	**US$93, 550**

Source: PACT (2016: 54)

These costs are exorbitant and beyond the reach of many in a country like Zimbabwe with a GDP per capita of just US$1200 (World Bank, 2018). Getting through the bureaucratic process to establish a gold mine takes close to 158 days while setting up a milling plant takes about 271 days (Pact, 2016). Such huge inefficiencies and capital requirements have kept many indigenous citizens outside of the formal sector of the mining industry. An interview with an official of the Zimbabwe Miners Federation (ZMF) revealed that lack of access to capital is one of the biggest challenges small miners have to face:

> Funding and access to capital is a problem. Banks do not trust the MMA certificate that miners hold as they feel it is not a title deed. In 2014 $100 million was unveiled for small scale miners but it never materialised. It was a loan from China trying to mechanise ASM but it didn't work. (Interview with Dosman, Mangisi, 23 December 2017)

Moreover, miners have to deal with other costs if they are operating formally. For example, Fidelity Printers Royalty (FPR) is the sole legal gold buyer in Zimbabwe. When miners sell their gold they are charged a royalty fee of 3.5% and FPR charges of 5% that include the cost of cash withdrawal and transportation costs for exporting the gold, thus the miner ends up getting 91.5% of the stated price (Pact, 2016). Further, in a meeting of ASM players held at the end of 2018, the ZMF president Henrietta Rushwaya lamented the payment method used by FPR. The government agent pays 70% US$ cash and 30% bank transfer yet the parallel market pays 100% cash (Sibanda, 2018). The money transferred through the banks, being in the form of bond notes does not have the same value as the US$, which is a further loss for the miners. The illegal market feeds off these cuts in profits to lure the gold miners with a better deal and price for their gold. The centralization of gold buying itself smacks of a ruling class attempt at appropriation.

Operating formally is a very expensive undertaking for the majority of small-scale miners who have to foot a huge tax bill and other charges during operations. In an additional interview another ZMF member complained that there is:

"No harmonization of the fiscal policy[58]. Rural District Councils (RDC) charge miners anything between $50 and $700 while the Environmental Management Agency does not distinguish between large-scale miners and ASM". (Interview with Gideon Moyo, 10 January, 2018)

Miners are charged a royalty of 3% for every gold sale, they remit income taxes to the Zimbabwe Revenue Authority (ZIMRA), a carbon tax and a quarterly Environmental Impact Assessment (EIA) fee of US$250. In addition, miners are also required to pay a yearly license fee of US$250 to the Ministry of Mines, also pay an agreed fee to the RDC as well as pay some money to the National Social Security Association (NSSA) on behalf of their employees. In an interview with one of the country's dailies the Zimbabwe Miners Federation (ZMF) Vice-President bemoaned the tough environment the miners have to operate in. He said the carbon permit costs US$500, explosives cost about US$2000 and the Environmental Management Agency (EMA) charges miners up to US$5000 annually. As a result, it becomes hard for miners to meet production targets (Nyoni, 2017). Related to this is the incompetency and corruption that has tarnished EMA's image. In May 2019 two EMA officials were suspended for soliciting a bribe from a mine manager in Shamva who failed to produce the mandatory EIA certificate for his mine (Sithole, 2019). EMA also seems to be failing to curb environmental destruction as a result of ASM activities in the country. According to a study conducted by the Zimbabwe Environmental Lawyers Association (ZELA) in 2019 in Runde Rural District, of the 171 mining sites investigated in the area, 135 showed negative environmental impact including open pits, land degradation and deforestation (ZELA, 2019: 16). Langa (2019) also notes that EMA has complained about the majority of small-scale miners failing to respect mining regulations hence leading to avoidable disasters.

Saddled with such exorbitant charges, the majority of small-scale miners are effectively shut out of the industry. Most miners prefer going the informal direction where they would not have to pay these costs. However informal operations suffer criminalization and victimization at the hands of the law enforcement agents. According to a 2015 report by Pact, artisanal miners have to pay fines of about US$200 to the police, US$500 to the Criminal Investigation Department (Minerals) (CID) and also have to bribe doctors should they get injured while mining (2016: 55). Thus, the government is not doing any good to the indigenization agenda if it chokes prospective indigenous mining entrepreneurs with expenses they cannot afford. Moreover, this

[58] Fiscal policy is the plethora of taxes and other charges miners have to pay to public institutions.

can also be viewed in the context of the class struggle. The government officials may be using this as a rent-seeking opportunity to extort more money from the small-scale miners, the most disadvantaged class in the mining sector.

The miners in the ASM sector are subjected to legal amnesia because the MMA – the country's principal mining law - does not have specific recognition of the ASM enterprises. In an interview, Dosman Mangisi, of ZMF complained that:

> "MMA does not have proper elaboration of ASM. Organisations like EMA, RDCs have a one-size-fits-all approach. They do not distinguish between LSM and ASM and thus small mines struggle to meet the requirements of these institutions". (23 December, 2017)

Excluded from the principal mining legislation, the ASM operators are stripped of any legal rights of its own hence its vulnerability to harassment by law enforcement officials or other rent-seeking government departments. ASM operators also face a legal nightmare as they have to contend with a long list of different laws administered by different ministries:

> The Explosives Act should be clear on what is expected of the ASM operators. Gold Trade Act should clarify issues around possession and declaration of gold so that people are not charged with contravening the law when they are selling it. We have problems with Environmental Management Act, Local Authority Act and the MMCZ Act which should be reformed. MMCZ should do more to promote mining and reach out to miners around the country. (Interview with ZMF official (henceforth I-12), 27 December 2017)

The Explosives Act (Chapter 10: 08) regulates the procurement, movement and usage of explosives overseen by the Ministry of Mines. Miners use explosives (locally known as mahora) to break rock so they can drill deeper. Miners need a licence from the government to buy and use explosives. However, Dembetembe (2018) notes that many small-scale miners have been priced out of the $2000 explosives licence and hence acquire explosives illegally. The Environmental Management Act is administered by the Ministry of Environment while the Local Authority Act falls under the Ministry of Housing and Local Government. Gold Trade Act falls under the Ministry of Finance. Other Acts miners have to deal with include the Rural District Councils Act (Ministry of Rural Development), the Zimbabwe National Water Authority Act (Ministry of Environment and Water Resources) and the Land Acquisition Act (Ministry of Lands). Thus, having to deal with such a huge number of government departments would be choking for any industry and it makes the governance of the mining sector a nightmare. This is possibly part of the reason why most miners prefer not to register at all as abiding by all these laws is an onerous and expensive task which only the LSM (with difficulty even then) can afford. The government will have to streamline all these laws and the tax heads to promote efficiency and mitigate unnecessary losses of revenue.

The indigenization and transformation of the mining sector is also dependant on the relations between the ASM and the LSM sectors. The latter is financially and technologically dominant and mostly foreign while the former suffer financial and technological limitations and almost wholly indigenous. One represents actual foreign capital, the other represents potential local capital. Buxton (2016) notes that while the LSM can bring better technologies and environmental management techniques, it can also push the ASM players into less lucrative areas. In return, the ASM can violate the property rights of the LSM operators and cause security problems. A good example is the case of the Marange Diamond fields where the British company ACR held the title to the claim. However, the discovery of the diamonds drew a large influx of ASM operators that the company could not control and the government was not willing to control. The relations of the two sectors have been tense in Zimbabwe but show some form of progress and cordiality of late. In an interview, I-12 had the following to say about the relations between the ASM and LSM sectors in Zimbabwe:

> We have a good relationship with the LSM. We struck a memorandum of understanding with the Chamber of Mines whereby ASM operators are allowed to mine some of the areas that large mines are not mining through TRIBUTE facilities. Some LSM like Falcon Gold, Metallon Gold, Freda Rebecca, Mimosa and all those are assisting with expertise and equipment……Millions of people depend on mining and therefore the local people need to have preferential treatment. We cannot allow a situation whereby some investor comes and pegs 1000 hectares for chrome mining and then leave them lying idle. Zimplats and ZIMASCO have released claims along the Great Dyke which they are not using. They are now being mined by ASM which has also improved productivity. (Interview with I-12 – 27 December 2017)

The major reason behind the government seizing 50% of Zimasco and ZimAlloys chrome fields was that they had no plan to use the land in the next 50 to 100 years. Therefore, instead of letting the land lie unused it was better to distribute it to the small-scale miners. In this case though, the LSM players had to be pushed by the government to cede some land to ASM operators. In 2011, Duration Gold, one of the biggest mining companies in the country committed to assist small-scale miners in Matabeleland North province represented by the Bubi

Small-scale Miners Association (BSSMA). Duration Gold pledged to donate a stamp mill, jack hammers, compressors and also inject technical expertise to help the ASM operators conduct more sustainable and effective mining. The chairman of the Duration Gold had the following to say about the new partnership: "The BSSMA is one such strategic partner because they have local membership and are committed to uplifting local people through an association formed and managed by local people".[59]

Helping to capitalize and build up local-owned mining enterprises is a positive step consistent with the goals of the indigenization programme. However, such gestures are still more of an exception rather than the rule. On being asked what the small-scale miners thought about the indigenization policy, the ZMF representatives were clear that they did not favour the equity acquisition model that was being pushed by the government: "the indigenization law is good, but what needs to be amended are the contents. In Botswana local people are given time to build their shares in mining investments. It cannot just be majority share ownership at once…I haven't heard of any ASM operator purchasing shares under the Indigenization policy." (Interview with I-13, a member of ZMF, 27 December, 2017).

The equity-based indigenization model that was pursued by the Robert Mugabe-led government was clearly elitist and beyond the reach of small-time players like those in the ASM sector (See Bloch, 2009; Musewe, 2015). It is clear that the indigenization policy was designed without the interests and the plight of the ASM sector in mind. The indigenization policy seems to have been underpinned by the ruling class desire for self-enrichment through the disempowerment of indigenous mining entrepreneurs. The intervention of state institutions in the mining sector has been used not to increase indigenous representation but to advance the interests of the ruling elite. State apparatus is used as an instrument to appropriate the produce of the poorly resourced but hardworking indigenous petty bourgeoisie of the mining sector. The best way to increase the representation of indigenous black Zimbabweans and grow local capital in the mining sector is to equip and capacitate through skills, technology and finance the indigenous small-scale entrepreneurs. The government of Zimbabwe could have easily played the mid-wife of a rising class of indigenous mining entrepreneurs by nurturing those

[59] 'Duration Gold launches project to assist small-scale miners', NewsDay, 12 May 2011.

that were already in the sector. Instead, the government has done everything to structurally and violently decimate a class with the most potential of contributing to the growth of a national indigenous class of mining entrepreneurs.

Evans (1995) detailed how dynamic states in Brazil, South Korea and India managed to indigenize their information technology sectors by skilfully playing the roles of regulation, custodial, demiurge and husbandry. However, the conditions for playing these roles effectively were a vibrant bureaucracy and embedded autonomy. The Zimbabwean state seems to have neither of these. The state is instead captured by the ruling elite and the coercive organizations like the military and the police who engage in plunder and primitive accumulation. It is a state that exhibits some characteristics of what Cox (1987) referred to as a 'protostate'. This is a state that exercises monopoly over the use of political force but lacks social consent or administration capacity for effective implementation of economic policy.

7.5 The working class, indigenization and the mining sector

The labour in the mining sector is one of the pivots of the transformation programme. The working class has a long and protracted history and indeed the story of the indigenization and transformation of Zimbabwe's mining sector would be amiss without paying attention to labour. As discussed in depth in chapter five, the working class bore the brunt of the vicious colonial system in the mining sector in Zimbabwe informed by racial discrimination. Indigenous peoples, only ever used as a source of cheap labour in the country's labour-intensive mines, could only participate in the mining sector as an over-exploited lumpen proletariat without enforceable rights. The ruling class and the foreign and settler bourgeoisie worked together to ensure the oppression and exploitation of the working class during the colonial era (See Bradbury and Worby, 1985). The bourgeoisie relied on the ruling class to guarantee supplies of cheap labour to which the latter dutifully obliged by unleashing state violence to force indigenous inhabitants to work the mines. Draconian pieces of legislation like the Industrial Conciliation Act (1934) were used to discriminate against black workers in the mines in terms of promotion and skills acquisition. The labour in foreign-owned mining companies is made up mostly of indigenous people. Therefore, any indigenization policy in the mining sector had to cater for the working class especially because they have endured a long history of oppression and marginalization both in pre and post-independence eras.

Awake to this, the Indigenization and Economic Empowerment General Regulations of 2010 section 14, provided for the establishment of Employee Share Ownership Trusts (ESOTs). The ESOTs are one of the components that count as credits for complying with the indigenization law in foreign-owned companies. Section 14 (1) stipulates that "an employee share ownership scheme or trust *may* be taken into consideration when assessing the extent to which a business has achieved the minimum indigenization and empowerment quota" (General Regulations, 2010). Thus, the government gave the targeted companies an option to indigenize their companies through the ceding of shares to their employees thus giving them a voice in the affairs of the company. According to the regulations, the ESOTs, to be considered for indigenization points, should hold at least five percent of the shares in a business (Ibid). The regulations further stipulate that indigenous Zimbabweans should comprise at least 75 percent of the ESOTs beneficiaries and managerial employees shall not make up more than 35 percent (Ibid, Section 14(2). Moreover, the ESOTs would be managed by a board of trustees where trustees with 51 percent voting rights are elected by non-managerial employees. Quite remarkably, section 14(4) of the regulations stipulates that "not less than fifty per centum of the employees benefitting in a qualifying scheme or trust must be either women or disabled persons or a combination of both women and disabled persons". This is a unique section that shows sensitivity to the diversity of the indigenous citizens.

Other components of the indigenization law are silent on the demographic balance of the indigenous beneficiaries thus making the indigenization schemes vulnerable to domination by a few powerful individuals (See Machinya, 2014). Crucially, section 14(5) states that the owner of a qualifying business "*wishing* to use the qualifying scheme or trust" should submit to the ministry Form IDG 04 accompanied by a Deed of Trust that certifies the ESOTs. Therein lies the weakness of the regulations in the sense that the establishment of the ESOT does not have an enforceable legal basis but just an option at the discretion of the companies targeted for indigenization. Thus, the issue of whether workers benefit from the indigenization of foreign-owned companies is left completely at the discretion of the company owners who, seeking to maximize profit, are most likely to be hostile and antagonistic to the interests of the working class. The Table 7.3 below shows a list of mining companies which submitted their IDG 04 forms to the ministry of indigenization. In an interview conducted in the course of this research, a mining trade union official had this to say about the workers' position concerning the indigenization policy:

> We do support indigenization. But we are looking at it from a different direction. We want our workers to be part of the indigenization process since they have the know-how and the skills. So if they are involved in the process they will be better players.
>
> It is like if you assist…there are some who are very keen in mining. If they are assisted to form their own mines, then they would be better players because they have got the knowledge, skills and safety aspects and so on. So we feel if they are given the opportunity or funds…actually mining is good in that you don't really need to give somebody cash as such all you need to do is to give them equipment and when they start making money they repay the loan. (Interview with Mr Mushayakarara, 20 January 2018)

From the excerpt of the interview above, it is surmised that the working class were fully on board and endorsed the indigenization policy. Although as expressed in the response, workers had a different vision on how they could be better emancipated and empowered by being assisted to start their own mines rather than being minority shareholders in big companies through the ESOTs. However, the ESOTs were going to be a small step which workers could use to generate the money they need through dividends to start their own mining ventures. The ESOTs, despite lacking a legal basis, would tilt the internecine power struggles between the working class and the bourgeoisie in the mining sector in favour of the former albeit not decisively. It was a significant step in the direction of the transformation and decolonization of the structure and the complexion of the mining industry in Zimbabwe.

Table 7.3: List of foreign-owned mining enterprises who submitted plans to establish ESOTs

Company	Province	Percentage
Asmoya Investments	Bulawayo	5%
Baragon Trading	Bulawayo	10%
Epigene Pvt Ltd	Bulawayo	10%
Farvic Con. Mines Pvt Ltd	Bulawayo	11%
Filibeg Enterprises Pvt Ltd	Bulawayo	5%
Fools Investments Pvt Ltd	Bulawayo	10%
Jumping Track Mining Company	Bulawayo	10%
Sentinel Energies	Bulawayo	26%
Sharity Invest	Bulawayo	26%
Appuyer Enterprises Pvt Ltd	Harare	5%
Currycomb Investments	Harare	10%

Galorem Resources	Harare	5%
Kilright Industries Pvt Ltd	Harare	10%
Mezziotin Investments	Harare	5%
Sandvik Mining	Harare	5%
Jinding Mining Zim Pvt Ltd.	Manicaland	10%
Murowa Diamonds	Manicaland	5%
Rolldice Mining Services	Mashonaland Central	10%
C.R.G Quarries	Mashonaland East	15%
Chegutu Gold Mine	Mashonaland West	5%
Denald Mining	Mashonaland West	5%
Longlife Minerals Pvt Ltd	Mashonaland West	6%
Multibay Investments	Mashonaland West	18%
Over&Above Profit Ent. Ltd	Mashonaland West	5%
Stern Test Investments Pvt Ltd	Mashonaland West	5%
Zimplats	Mashonaland West	5%
Ashbast Corporation	Masvingo	5%
Don-Tom Invest	Matabeleland North	26%
Blanket Mine Pvt Ltd	Matabeleland South	10%
Imani Mine	Matabeleland South	10%
Marbil Mining Syndicate	Matabeleland South	10%
River Ranch Ltd	Matabeleland South	6%
Trianic Investments	Matabeleland South	5%
Anglo American Corporation	Midlands	5%
Dondo Resources	Midlands	5%
Drewland Mining	Midlands	11%
Homestake Mining	Midlands	10%
Yitho Mining	Midlands	6%
Zol Mining Pvt Ltd	Midlands	10%
Adlecraft Investments		5%
Alcohoonec Investments		5%
ApexPetroleum		5%
Better Mining Pvt Ltd		2%
Beyond Measures Solutions		5%
Bindura Nickel Corporation		5%
Bronco Investments		5%
Bunday Technical Mining		5%
Chakata Resources		5%
Charter Explorations		5%
Dakota Mining		5%
Drilling Resources Zimbabwe		5%
Exmin Mine		10%
Freeborn Investments		5%
Genesis Top Quality Cleaners		5%
Gold Recovery		5%
Gransharp Enterprises		5%
Gypbox Mining		5%
Ifab Mining		11%
INDOZIM Gold Mines		5%
Jinwo Minerals Pvt Ltd		5%
Joubert Crashers		5%

Lifescape Mines Pvt Ltd		5%
Lonekop Mining Syndicate		5%
Mahomack Trading		5%
Massabi Coal		5%
Mbusera Investments		10%
Ming Chang Sino African Mining		5%
Mitchell Mineral Pvt Ltd		26%
Total Value Alloted to Employees		**US$ 302 071 218**

Source: New African, 2013.

According to the information on the table 7.3 workers in Zimbabwe's mining sector were meant to receive over US$300 million through the various ESOTs established by mining companies across the country. However up to the time of writing this research in 2018 only one mining company, Blanket Mine in Matabeleland South, had managed to successfully set up an operational ESOT where 10 per cent of the company's shares were transferred to the workers. Interviews with the trade union leaders and government officials confirmed that the setting up of ESOT schemes in the mining sector has largely happened on paper with literally nothing to show on the ground. In one interview, a mining trade union official had this to say about the indigenization policy vis-à-vis the working class:

> It is tricky as far as trade unions are concerned. It is good on paper and we have no problems with workers assuming ownership because it gives them more power. But because this thing is political your concerns are not addressed. Workers were not expected to buy shares but were entitled by virtue of being a worker. Politics was a problem. Its good on paper but practically nothing is happening. It was going to help workers a lot in negotiations. (Interview, with Mr Isaac Ndlovu, 19 September 2017)

In a separate interview, the president of the National Mineworkers Union of Zimbabwe bemoaned the lack of progress in the establishment of ESOTs in the mining sector:

> It is good but the problem is it is taking too long to get started. We don't seem to be moving. But it is a good idea. No ESOTs have been formed or are operational in the mining sector. No workers belong to any ESOTs. Workers don't own any shares in the mining companies. (Interview with Mr Mushayakarara 20 January 2018)

Disappointingly for the working class, eight years after the gazette of the 2010 General Regulations out of which the idea of ESOTs was born, only one mining company out of over

400 qualifying companies has managed to set up an ESOT. The dismal failure of the ESOTs in the mining sector is yet another defeat for the indigenous working-class people and is attributable to many factors. The mine workers leaders believe the problem is fundamentally political because the ruling class has not shown any political willingness to improve the plight of the working class in the mining industry thus leaving the workers without a voice:

> No nothing has changed. The problem is the nature of our politics. The guys are selfish. They keep the information to themselves. Anything that should benefit other people they take the benefits. So they end up…..indigenization is about them. It is not about everybody. Nobody wants to talk about ownership. They will make sure that they keep that information away from us. There is no transparency and accountability. Without any transparency and good governance then indigenization is as good as dead. Everything is secretive. (Interview with a mineworker representative (Interview with Mr Mushayakarara, 20 January 2018)

The interview responses suggest that the indigenization process has been hijacked and captured by a few powerful individuals in the country's political class. In the interview the respondent keeps saying 'they'. Asked to clarify who 'they' refers to, the respondent quipped "the so-called political heavyweights in government".[60] In another interview, a respondent cited conflict of interest as the major factor which has stalled progress with regards to the ESOTs in the mining sector.

> "The problem is that some of the employers serve in government in high ranking offices. They are the ones who administer the law and make the law which puts the workers at a great disadvantage". (Interview with Mr Isaac Ndlovu, 19 September 2017)

This suggests that the ESOTs is not just a matter between the employers and the employees but the ruling class who also overlap with the bourgeoisie also has a vested interest as well. Individuals with close connections to high ranking government officials and NIEFF had acquired or were looking to acquire shares from mining companies. It is unlikely that the government officials, themselves actual or aspiring bourgeoisie, could support ceding power to the employees. Indeed, it was logically in the interests of the government and the ruling class to keep the working class powerless so they could extract more rents from the mine owners. A high-ranking government official in the department of indigenization had the following to say responding to questions of why ESOTs have failed in the mining sector:

[60] Interview with NMWUZ President, Harare Zimbabwe, January 2018.

> There is a struggle within a struggle. Zanu-PF is not a homogenous entity which has created problems for the implementation of the policy. Elitism is hampering the policy. You find someone is a politician, businessman and a Minister at the same time. That is why ESOTs have not been successful. Politicians do not want workers to have more power. (Interview with I-2, 21 January 2018, Harare Zimbabwe)

This response, for someone who is responsible for administering and implementing the Indigenization is very telling. The "struggle within a struggle" implies that the ruling party, Zanu-PF, which is the champion of the indigenization policy is not pulling in the same direction. Without unity and harmony, government departments may find it impossible to coordinate their efforts to achieve desired outcomes. The official also directly attributed the lack of ESOT success in the mining sector to the conflict of interest that has compromised the integrity and sincerity of politicians who are supposed to supervise the implementation of the indigenization policy. The politicians' appetite to accumulate more wealth means they see the ESOTs in a zero-sum framework whereby the gain of the workers becomes their loss as stakeholders in the mining sector. The working class is fighting a two-front struggle – one against mine-owners and one against the ruling class who both seek to maximize their accumulation at its expense.

Further, the government has been dragging its feet in realigning the country's laws to the new constitution that was passed in 2013 which granted the mineworkers a right to strike. Under the current Labour Relations Act, mineworkers do not have the right to strike thus undermining their bargaining position. "Strikes are not allowed and the Labour Act makes it difficult to strike. Although the new constitution allows strikes, the Labour Act has not been aligned to the constitution".[61] The most probable explanation for the ruling class' failure to act swiftly to realign the Labour Act with the constitution is that keeping the working class disempowered serves its interests too. The state's foothold in the mining sector is growing and being an employer, it would understandably wish to maintain a docile and disempowered workforce. The 2015 Supreme Court of Zimbabwe judgement (Nyamande & Another v ZUVA Petroleum (PVO Ltd (SC 281/14) [2015]), in which the court unanimously upheld the right of the employer to terminate an employee's contract upon notice and absent any default or misconduct, showed how much the Labour Act is biased towards the employer. Hence, the

[61] Interview with NMWUZ official (I-13), 24 September 2017, Bulawayo Zimbabwe.

failure to reform the Labour Act to give mine workers the right to strike greatly undermines their bargaining position and leaves them at the mercy of their employers who are empowered to issue a notice of termination for any reason.

Another factor undermining the working class in the mining sector is the lack of unity and harmony amongst the workers themselves. The workers are fragmented into many unions pulling in different directions thus giving the employers an opportunity to play them one against the other. The Associated Mineworkers Union of Zimbabwe (AMWUZ), the National Mineworkers Union of Zimbabwe (NMWUZ), the Zimbabwe Diamond Workers Union of Zimbabwe (ZDWUZ), the National Union of Mines, Quarrying, Iron and Steel, and the recently registered Progressive Mining and Allied Industries Workers Union of Zimbabwe are some of the unions vying to defend the interests of the working class in the mining sector. While admitting that the existence of many trade unions “causes a lot of confusion” a leader of one of the largest unions (NMWUZ) attributed the proliferation of unions to the constitutional guarantee for freedom of association under which people enjoy the right to belong to or form a union of their choice. He further accused the largest union – AMWUZ – of being captured by the employers and refusing to work with other unions in the interests of the workers:

> The guys in AMWUZ were compromised and we realized that once a union is compromised by the employers then it is no longer representing the workers. The employers have got a lot of money. They can actually buy you a car in order to make sure that you are ineffective. When you meet them instead of representing workers you just represent yourself then you get a car and move out. So basically, the workers are sort of disadvantaged. (Interview with Isaac Ndlovu, 23 September 2017)

It appears that the largest union with a membership of about 30000 workers does not have the workers’ interests at heart. Bribed with luxurious gifts, the union leaders are not inclined to change the status quo since they are personally benefitting from it. Due to the current economic challenges in Zimbabwe, union leaders are given to accept material benefits from the employers at the expense of defending workers’ interests.

The apparent capture of union leaders may also cause divisions and disunity within the labour movement itself:

> Unfortunately, we don't participate in the salary negotiations. We are not in the National Employment Council (NEC)[62] our NEC is voluntary. We have got two types of NECs. We have got the statutory one which comes into being through the ministry of labour. Ours is a voluntary one which is what the ministry of labour encourages. But in our NEC, the AMWUZ, instead of trying to sort of giving us space, accommodating us, they are monopolizing the NEC, we try to talk to them to say gentlemen let's put our differences aside when we come to negotiate for the worker because that's one thing we have in common. Let's work together and forget our differences. But they could not understand. (Interview with Mr Mushayakarara, 20 January 2018 Harare Zimbabwe)

Without a unified voice against capital or to lobby the government, it would be difficult for the working class in Zimbabwe's mining sector to benefit from the indigenization policy that is meant to empower them. Fragmentation of the labour movement in this manner implies that somehow the labour movement is not yet, to borrow from Marx (1848)'s words, "class in itself and for itself". In other words, the failure to establish common rallying points to press against the bourgeoisie class means the labour movement is relegated to the margins of political relevance where their interests are unlikely to be taken seriously. There is no overemphasizing how a weak labour movement comprising mostly indigenous Zimbabweans as defined in the indigenization law sets back the agenda of transformation and decolonization in the mining sector. The table 7.4 below shows the number of job losses suffered by the working class since 2007 when the indigenization bill was signed into law.

Table 6.4: Mining sector job losses in Zimbabwe between 2007-2018

Company	Year	Number of job losses	Reason
Freda Gold Mine	2008	25	Fired for striking
Renco Gold Mine	2008	200	Fired for striking
Anjin Investments	2012	1500	Fired for striking
Hwange Colliery	2013	Union bosses	Fired for striking
Freda Rebecca Gold	2013	25	Fired for striking
Dalny Mine	2013	13	Fired for striking
Mbada Diamonds	2015	240	Fired for striking
Vubachikwe	2017	200	Fried for striking
Bindura Nickel Corporation	2015	350	Restructuring exercise
Anjin Investments	2014	950	Retrenchment
Jinan	2014	30	Retrenchment
Zimasco	2014	1000	Retrenchment
Rio Zim	2012	120	Retrenchment
Zimplats	2014	15	Retrenchment
Hwange Colliery	2017	1000	Retrenchment
Mimosa	2013	100	Voluntary Retrenchment
Freda Rebecca	2007	181	Lay off

[62] A statutory body established under section 56 of the Labour Act which brings together employees and employers of different industries to negotiate the terms and conditions of work.

Tuli Coal	2014	-	Retrenchment
TOTAL		**5949**	

Compiled by the author from various reports: Dube, G., 'Chinese Diamond Mining Giant Anjin Fires 1,500 Zimbabwean Workers', VOA News, 3 August 2012; Freda Gold Mine fires 25 workers for going on strike', The Chronicle, 29 October 2013; 'Turk Mine workers' pay strike enters 24th day', Business Daily, 15 December 2017; 'Masses job losses in Marange', The Zimbabwean, 15 April 2015; 'Hwange Colliery to retrench workers', Sunday News, 5 March 2017; 'Firms fire 1000 workers on Thursday', Bulawayo 24, 24 July 2015.

Thus, a total of 5949 workers have lost their jobs in the mining sector right in the midst of the indigenization law which was meant to empower them. Even more staggering is that despite section 104[63] of the Labour Act explicitly protecting the rights of the workers to strike, 2203 workers lost their jobs for striking during the said period. This undermines the right of the workers to take collective action to protect their interests. In most cases employers accuse workers of failing to follow the laid down procedures in the Labour Act before instituting a strike action. For example, in Tuli Mine in Matabeleland North province more than 700 workers resorted to strike action in 2017 protesting 6-month long non-payment of salaries. However, the management was quick to label the strike illegal. "They were supposed to have given notice to management and advise the Ministry of Labour and police of their intention…in this case, the workers failed to follow the laid down procedures making their action illegal at law", the management was quoted as saying.[64]

In 2012 one of the companies mining diamonds in Marange fired 1500 of its workers citing engagement in a strike that the High Court ruled illegal where workers were demanding a pay increment.[65] In 2013, workers in Freda Gold Mine in the Matabeleland South province went on strike which the management declared illegal leading to the firing of 25 workers. The management said the workers had been fired after defying the company orders to return to work.[66] The Labour Act does not help by making preconditions to strike action extremely tedious and cumbersome. Section 104 (1) stipulates that the workers need to give two weeks' written notice to the employer, employment council and the relevant trade union before embarking on a strike. The act also demands that there be evidence of an effort to conciliate

[63] Section 104 (1) of the Labour Act states that all employees, workers committees and trade unions shall have the right to resort to collective job action to resolve disputes of interest.
[64] 'Turk Mine workers' pay strike enters 24th day', Business Daily, 15 December 2017.
[65] Dube, G., 'Chinese Diamond Mining Giant Anjin Fires 1,500 Zimbabwean Workers', VOA News, 3 August 2012.
[66] 'Freda Gold Mine fires 25 workers for going on strike', The Chronicle, 29 October 2013.

the dispute through possession of certificate of no settlement prior to engaging in a strike. Moreover section 104(4) further states that workers cannot engage in a strike if a dispute concerns matters of right or if the parties to the dispute have agreed to refer the matter to arbitration. Such preconditions make it difficult for workers to exercise their constitutional right to strike.

Apart from being criminalized as a result of strike action, workers in the mining sector have also been victims of retrenchment, a process in which companies are forced to lay off workers usually as a result of declining production. In January 2015 450 workers at Mbada Diamonds in Marange were retrenched without being given their financial packages as required by the law.[67] Anjin Investments another of the diamond companies in Marange retrenched 950 workers, Hwange Colliery and Zimasco retrenched 1000 workers respectively in some of the largest retrenchment moves in the mining sector. Section 12C of the Labour Act provides for the conditions under which employers can retrench workers. Section 12C (9) shows that the final decision on whether or not retrenchment can be effected lies with the Minister of Mines. This enables the government to protect the workers in cases of unwarranted and unprocedural retrenchments. Section 12C (11) of the Act makes successful retrenchment conditional upon it being a measure of last resort and the company having shown effort to mitigate the consequences of retrenchment as far as possible. The 2015 Supreme Court judgement (Nyamande & Another v ZUVA Petroleum (PVO Ltd (SC 281/14) [2015]) allowed employers to terminate employment contracts on notice. This further weakened the workers' bargaining position and possibly explains the massive job losses in the mining sector. Justifying the move to retrench 1000 of its employees in 2017, the Hwange Colliery cited limited working capital, old equipment and an unfavourable economic climate which necessitated the move to reduce the number of employees.[68] This has been a trend in most of retrenchment cases that workers become the sacrificial lamb whenever a company is facing an uncertain economic situation.

Four decades after independence, it is clear that the working class in Zimbabwe's mining sector has been ensnared and asphyxiated between a rock and hard place. Sandwiched between the competing and hostile interests of the ruling class and the bourgeoisie, the working class has

[67] 'Masses job losses in Marange', The Zimbabwean, 15 April 2015.
[68] 'Hwange Colliery to retrench workers', Sunday News, 5 March 2017.

been paralysed by political inertia. That said, any chance the working class could be the engine of transformation and indigenization in one of Zimbabwe's most important economic sectors is non-existent at this point. Nothing much has changed for the working class in mining since the demise of colonialism. What exists is rather a government ever willing to use force and coercion to get the workers into line[69], a constitution that makes a mockery of their rights and an obstinate bourgeoisie class only interested in exploiting them. Partly to blame for the working class woes is also the lack of organization on its part. Lack of unity as evidenced by a proliferation of trade unions in the mining sector and the lack of incorporation of employees in the informal sector makes it difficult for the labour movement to gather any political clout.

6.6 Community Share Ownership Trusts (CSOTs): The other side of the coin

6.6.1 Historical background and rationale

One of lasting legacies of the colonial regime is that the architecture of its mineral economy survived and thrived on a multitude of contradictions which would later turn out to be the seeds of its undoing. One of the glaring contradictions is the parasitic relationship between the big mining enterprises and the peasant communities in which the former flourished on the pauperisation of the latter. The production of mineral wealth was corporatized yet the appropriation and distribution of rewards was always a one-sided affair underpinned by a violent infrastructure

, which rendered the entire system a giant exercise in primitive accumulation. Indigenous rural communities in whose areas mineral wealth continues to be extracted by the MNCs have been a vital component of the structure of the mining sector in Zimbabwe ever since it was established at the inception of colonialism. Indeed, they are one of the cardinal pillars of the mining industry. It is on these communities' ancestral lands that mining operations go on and the communities left to cope with the negative externalities which threatened their very livelihoods and survival. The rural peasant communities also served as reservoirs of cheap labour which the mines relied on during colonialism. The communities used their own resources to shoulder the great cost of producing and reproducing the labour that was exploited by the colonial government in the mining enterprises without getting any compensation.

[69] See 'Protesting wives beaten by the police', The Zimbabwean, 11 October 2013.

Apart from incurring the costs of the reproduction of labour, indigenous rural communities have also suffered the devastating environmental, economic and social effects of mining operations in their areas (See Dziro, 2014). As it were, peasant communities were an integral part of the Rhodesian mining economy exploited by the state bourgeoisie and foreign capitalists. Despite possessing such immense mineral wealth, rural communities have had little to show for it except crippling underdevelopment. One can argue that the underdevelopment of rural peasant communities and the booming mineral economy in Rhodesia were two sides of the same coin. The communities helped reproduce and sustain a wealth production system which ironically left them poorer. Thus, using primary and secondary data and relying on class as the principal lens of analysis, this section takes stock of and problematizes the transformative potential and record of Zimbabwe's Community Share Ownership Trusts (CSOTs) within the context of the indigenization policy in the mining sector.

Central to the production relations that determined the class structure of Zimbabwe's mining sector in the past was the criteria of ownership and property rights over the natural resources. The Mines and Minerals Act ascribed ownership of all land and its minerals to the State. Property rights and entitlement to the natural resources, on the other hand, were secured through capital investment. These somewhat arbitrary criteria for ownership and property rights meant that communities of indigenous inhabitants were little more than coincidental geographical animations juxtaposed to naturally occurring mineral resources. Thus, they had no grounds whatsoever – moral, political or economic – for entitlement to the natural resources – at least according to the dictates of the colonial regime. Even as they were converted to glorified factories of cheap labour which placed them at the centre of the relations of production in the minerals sector, they still were not accorded any ownership of or entitlement to mineral wealth thus produced. Lacking access to capital and being victims of political disenfranchisement, which effectively rendered them stateless, the colonized peoples were turned into mere accessories in the production of mineral wealth to the benefit of international capital and the white-settler colonialists.

Zimbabwe's indigenization policy advances a new philosophy of entitlement that seeks to rid the mining sector of its colonial legacy and by so doing create a basis for the transformation of the relations of production. According to the policy, by virtue of their descent or indigeneity, indigenous people are the legitimate owners of the natural resources that occur in their ancestral lands. Even though the Mines and Minerals Act still pronounces the State as the owner of lands, as holders of political and economic rights, the indigenous people are entitled to enjoy the wealth produced from natural resources. In line with the new philosophy, a 2015 report produced by the National Indigenization and Economic Empowerment Board (NIEEB) argued that "by virtue of being the owners of resources which are extracted by the mining and quarrying companies, communities are transformed from passive stakeholders to significant stakeholders" (2015: 3). Explaining the logic behind the CSOT initiative the Chief Executive of the Gwanda CSOT had this to say:

> The mining companies are exploiting the resources that are underground which they don't plant like someone planting a crop. The natural resources belong to the people of that particular district. Therefore, residents of that district should own 10% of that company.
>
> They cannot sell the shares but they should donate them to the community. They don't sell to the community. The community is simply saying you were very lucky because we did not claim our 10% long back. The community is simply saying give us our 10%. The company does not resist because they know the mineral is not even theirs.[70]

The indigenous-centric philosophy, thriving on the support of the political establishment of the day, prepared grounds for the creation of the CSOT platforms earmarked to enhance the participation of the indigenous peasant communities in the exploitation of the mineral resources occurring in their lands. Not that they did not participate before – indeed they were a vital part of the mining system. The new legal and policy regime enabled indigenous people to participate as stakeholders with the ability to influence decisions on the production and distribution of mineral wealth. Section 14(B) (2) of the Indigenization and Economic Empowerment General Regulations (2010) as amended in 2011 states that a CSOT "*may* be taken into consideration when assessing the extent to which a business has achieved or exceeded the minimum indigenization quota". In a way, the legality of the property rights enjoyed by foreign-owned mining companies became conditional on the acknowledgement of the property rights of the indigenous communities. Foreign-owned mining enterprises were to cede 10% of shares in their companies to the CSOTs established in the rural districts in which they operated. Thus, a

[70] Interview with Mr Nkala, CEO of Gwanda CSOT (22 September, 2017)

new framework for the relations of production and the obtaining balance of class dynamics in the mining sector was laid down.

6.6.2 Up-close and critical: Empowerment Mechanisms?

But how have CSOTs fared as instruments of the indigenization policy? Reports from the NIEEB, the national institution responsible for monitoring compliance with the indigenization programme, were consulted for information on the implementation and performance of the CSOTs. According to the NIEEB report, 61 trusts had been registered in every district in the country and only 14 or less than 25% were fully functional (NIEEB, 2015: 4). If every Rural District Council (RDC)[71] has a CSOT, it means that 67% of Zimbabwe's population that resides in the rural areas stands to benefit from the indigenization of the mining sector. The report further states that "an amount of US$38 260 000.00 seed capital had been deposited as at 30 June 2014, into CSOTs and a significant $ 14 604 344.89 had been spent during the past two years" (2015: 4). This was also confirmed by the then Deputy Minister of Indigenization Mathias Tongofa who was quoted by the Zimbabwean daily, *The Herald*, as saying that "of the US$134 million dollars that had pledged by the targeted companies towards CSOTs, only US$38 million had been paid. Of that amount $14 million had been channeled towards development projects while $23 million remained banked" (Zinyuke, 2017). The table below shows a list of CSOTs that have received money from mining companies.

Table 6.5: Community Share Ownership Schemes established around the country

Community	Province	Company	Pledge US$	Received	Shareholding
Chegutu Mhondoro Zvimba	Mash West Mash West Mash West	Zimplats Zimplats Zimplats	10.000.000	4.966.000	None
Marange-Zimunya	Manicaland	Marange Anjin Mbada	50.000.000		None
Zvishavane	Midlands	Mimosa Murowa	10.000.000 500.000	3.000.000 300.000	None
Shurugwi	Midlands	Unki Mine	10.000.000	10.000.000	None

[71] The community is defined as the people resident within a specific RDC in accordance with the Rural District Councils Act (Chapter 29:13)

Gwanda	Mat South	PPC Banket Jessie Mine	2.000.000 5.000.000 250.000	1.000.000 3.000.000 250.000	**10% - Blanket Mine** **5% - PPC**
Umguza	Mat South	PPC	1.000.000	1.000.000	**5% - PPC**
Hwange	Mat North	Hwange Coll. Makomo Res. Chibondo South Mining Hwange Coal Gasification	600.000 600.000 600.000 600.000 500.000		None
Bubi	Mat North	Duration Gold Casymn Mine	1.000.000 1.000.000		None
Lupane	Mat North	China of Africa Sunlight	1.000.000 1.000.000		None
Uzumba	Mash East	Lafarge	1.000.000	331.000	None
Goromonzi	Mash East	Lafarge	1.000.000		None
Mabvuku	Mash East	Lafarge	1.000.000	300.000	None
Bikita	Masvingo	Bikita Minerals	500.000		None
Chivi	Masvingo	Murowa Diamonds	500.000	1.200.000	None
Masvingo	Masvingo	Renco Lenox Mine	1.000.000 100. 000		None
Bindura	Mash Central	Freda Rebecca	10.000.000	1. 122.751	None

Source: Zanu-PF Election Manifesto (2013)

Table 6.5 above displays a list of 18 CSOTs that had been established across the country by 2013. 9 of the CSOTs had received all or part of the money that had been pledged by mining companies as per the directives of the indigenization policy. It is however not clear, with the exception of the Gwanda and Umguza CSOTs, whether the other Trusts had received any shares in the sponsoring companies as stipulated by the indigenization policy regulations (General Regulations, 2010). Only 2 of the 16 operational CSOTs are shareholders in mining companies operating in their districts. The Gwanda CSOT has also received shares from Blanket Mine and Pretoria Portland Cement (PPC). The Trust holds 10% shares in Blanket Mine and in PPC holds 5% shares. The other 5% is held by Umguza CSOT which is also sponsored by PPC. These are the only known cases of successful share transfer under the CSOT scheme in the country in which a rural district managed to secure shareholding in a mining company. An interview with an official at the Ministry of Indigenization confirmed that the big platinum mines never transferred shares possibly because they had the backing of some political leaders[72]. This undermines the indigenization and empowerment objectives since without shares in the mining companies, communities cannot control or have a voice in production and investment decisions over mineral wealth. Their relationship to the means of production remains the same as they cannot claim any ownership.

Other CSOTs were just receiving donations for social development projects not shares. Of the US$38 million that has been paid out, about US$30 million has gone to only 5 CSOTs. The Zvishavane CSOT received US$10 million from Mimosa, Mhondoro-Ngezi received US$2 million from Zimplats, Gwanda got US$6.8 million from PPC, Gaths Mine and Blanket Mine, and Tongogara CSOT received $10 million from Anglo-American Platinum – owned Unki[73]. Umguza CSOT in Matabeleland North province received US$1 million from Pretoria Portland Cement (PPC). The distribution of the community trust funds is highly uneven, leading to a few districts enjoying the benefits of the indigenization policy. Only 6 mining companies out of the more than 400 that submitted indigenization plans have to date made 79% of the payments to established CSOTs across the country. Thus, even with donations, a diluted form of empowerment, the mining companies were not forthcoming as only a few of them made the donations. Msipa (2015) pointed out that most businesses were not cooperating and complying with the indigenization requirements in the 1990s when it was first promulgated. This was still largely the case almost two decades later despite the presence of an indigenization law.

In an interview, an official from the NIEEB working in the compliance department confirmed that "the diamond companies pledged several millions of dollars but they did not fulfil the pledges. There were some issues around that".[74] Five diamond mining companies in Marange: Anjin Investments, Mbada Diamonds, Jinan, Diamond Mining Company (DMC) and Marange Resources made pledges in 2012, in a ceremony attended by then President Robert Mugabe, to contribute US$10 million each towards the Marange-Zimunya CSOT. However, two years after the launch no funds had been disbursed to the designated CSOT.[75] If they could be dishonest to the President of the country himself one wonders how they could obey the orders of a minister. This gives credence to numerous scholars who argued that the indigenization

[72] Interview with Mr Lucky Kandemiiri an NIEEB Compliance official (20 January 2018, Harare).
[73] Ibid
[74] Interview with respondent I-2, (21 January 2018, Harare).
[75] 'Parly probes Marange Community Trust', Daily News, 12 February 2014.

programme would be hijacked by elite corruption (Mupfema, 1998; Raftopoulous, 2003; Musewe, 2016; Magaisa, 2015). In 2014 a director in Anjin Investments, one of the diamond mining companies that had made pledges was quoted as saying: "The Zimunya-Marange Community Share Ownership Trust has not approached us, but we have been approached by (Cde) Mushohwe[76]. Mushohwe has even given us the bank account in which to deposit our pledge" (Mandizha, 2014). This statement indicates that the CSOTs were captured by the elite politicians (Christopher Mushowe was the governor of Manicaland province at the time).

The statement claims that the company did make the payments it pledged to an account that was supplied by Mushowe without the knowledge of the CSOT officials. Such actions undermine the legitimacy of the indigenization policy as a drive to empower local people and confirm lingering suspicions that the policy is only meant to benefit the elite. Hence, Magaisa (2015)'s argument that whilst there was nothing wrong with the idea of empowering indigenous Zimbabweans, corruption was the biggest obstacle to genuine indigenization. Of significance about the diamond companies is that the state, represented by the Zimbabwe Mining Development Corporation (ZMDC) held 50% shareholding in each company. Thus, even the state itself could not implement the terms of the indigenization policy in mining enterprises where it exercised significant influence. This points to a lack of political will and commitment on the part of the ruling class to the empowerment of the vulnerable indigenous people in the rural areas. It vindicates Fanon (1961)'s criticism of the black ruling class for failing to execute the revolution of the masses to its conclusion. Once black rulers get into power, they care not about national interests, but self-aggrandizement (Ibid).

In another interview, an official at the Ministry of Indigenization conceded that in Matabeleland North Province the CSOT schemes had been let down by mining companies who were reluctant to commit their funds towards the trusts:

> "But in Matabeleland North we have just two districts with (operational) CSOTs. In other districts like Hwange where there is Hwange Colliery and other companies, nothing has been done. There is nothing we can do about it because they (mining companies) are being protected by the political heavyweights in the

[76] Christopher Mushowe is a senior Zanu-PF politician who at the time was serving as the governor of Manicaland Province which hosted the diamond mining companies.

> government. There are sacred cows in the indigenization policy" (Interview, with I-15 (a former regional director of indigenization and now a Cabinet Minister), 17 December 2017, Bulawayo Zimbabwe.

The response made by this particular respondent suggests, along the lines of the comments made by the Anjin Investments director in Marange, that the mining companies were in bed with people who were supposed to oversee their conduct. The mining companies were apparently paying politicians to get exemptions from honouring their obligations to the CSOTs in their districts. Thus, the ruling class and the bourgeoisie who own the mining enterprises were colluding to deny the communities their benefits.

However, another respondent working for the Gwanda CSOT had a different take on why there was a lacklustre response by the companies towards funding CSOTs in their areas of operation:

> About the companies that haven't complied, we are engaging the government to change the legal instrument that was used to make these companies comply, it has some loop holes so there is still need for the legislature to revisit the legal instrument so that it will be able to enforce the sections of the indigenization act with respect to the issue of these companies complying with the law. The current legal instrument does not compel the companies to comply, it is just a statement. There are some loopholes to ensure these companies don't comply and there is no remedy to that. (Interview with a board member of the GCSOT (I-16), 18 September 2017, Gwanda Zimbabwe)

The amendment of the 2010 General Regulations in 2011 introduced the concept of CSOTs as part of the indigenization framework. However, section 14 (2) of the regulations states that "A community share ownership scheme or trust that complies with this section *may* be taken into consideration when assessing the extent to which a business has achieved or exceeded the minimum indigenisation and empowerment quota". The use of the word *may*, suggests that the CSOTs are not compulsory but rather are part of the options which companies can use to achieve the indigenization quota. Nothing in the law compels companies to fund the CSOTs. Murombo (2013) also bemoaned the lack of legal basis for community participation in mining arguing that "the Zimbabwe situation is aggravated by the absence of any enforceable community rights, compounded by a severe limitation of access to justice and judicial redress for local communities". Community empowerment was added as an afterthought to the indigenization framework and was further marginalized by the lack of a sound and justiciable legal basis. Thus communities will find it difficult to protect themselves in the class struggle in the mining sector without legal protection. It is imperative that the communities leverage their voting power to lobby policy makers in government to take the situation of communities in mining areas seriously.

6.6.3 Hitting two birds with one stone: A ruling class in crisis

The indigenization policy, especially the CSOT clause, was drafted to resolve one of the most severe contradictions of the post-colonial economy through an effort to redistribute wealth from the haves to the have-nots. It was meant to transform the power dynamics in the relations of production that had underpinned Zimbabwe's mining sector for over a century in which the rural peasant communities had incessantly and systematically suffered exploitation by the mining MNCs located in the countryside. The transfer of shares to Trusts representing the rural peasant communities – as envisaged by the indigenization policy – would mean the indigenous peasants stand in a new relationship to the means of production in the mining sector. However, despite so much promise and rhetoric, the CSOTs have suffered a stillbirth as no redistribution of wealth has taken place almost a decade after the policy was adopted. As a matter of fact, the policy has been effectively abandoned by Robert Mugabe's successor Emmerson Mnangagwa who argued that indigenization was driving away much needed investment (Musewe, 2016).

A closer scrutiny reveals that indigenization was a response to internal and external crises. The adoption of the CSOT initiative took place in a political context in which the ruling party Zanu-PF had lost so much political power that they were forced into a power-sharing arrangement with the opposition Movement for Democratic Change (MDC) in 2009. Zanu-PF no longer had the majority seats in parliament and had won the presidency under questionable circumstances which undermined its very legitimacy in the 2008 election season (See Bourne, 2011; Chikuhwa, 2013). It was clear that the former liberation movement could not hope to regain its political dominance without the support of the rural masses who had been loyal to the party since independence in 1980. The rural peasant communities represent 67% - more than two thirds- of the total population in Zimbabwe (World Bank, 2018). Awake to this reality, Zanu-PF immediately emphasized indigenization and economic empowerment as its core message in preparation for the 2013 elections. It positioned itself as the champion of economic emancipation and egalitarian principles through which the indigenous people could secure economic power. As Mufema (1998) argued, the indigenization programme was essentially a ruling class project intended to drum up political support which may be the main reason why it did not resonate in any substantial way with the rural masses.

These are the communities that together constitute one of the most exploited classes in the mining sector as they are forced to shoulder a great deal of negative externalities that emanate from the mining operations in their geographical areas. However, they constitute a class in itself, they are not yet a class for itself to put it in Marx (1848)'s terms. They have been the objects and not the subjects of state power that protects and maintains an economic system that relentlessly exploits them. The ruling class and the bourgeoisie class accumulate wealth at the great expense of the rural peasants. Hence the CSOTs initiative had no organic relationship with the rural peasant masses. It was not their baby – but was fathered by the ruling class to purchase legitimacy and regain political hegemony. It was an idea designed not to liquidate the prevailing relations of production in the mining sector and place the rural peasant community in a stronger position in the matrix of mineral wealth production and distribution. It smacked rather, of a ploy or manoeuvre by the ruling class to strengthen its own bargaining position in its relationship with the transnational capitalists running the targeted mining enterprises and other sectors of the economy. Zimbabwe had been isolated and slapped with economic and political sanctions by the West (especially Europe and the United States) due to the government's violation of property and human rights (See Youde, 2007). An excerpt from Zanu-PF's 2013 election manifesto shows how the party was emphasizing sovereignty nationalism in selling indigenization to the voters:

> Today the aspiration for sovereignty among Zimbabweans is expressing itself through the resurgence of resource nationalism among the youth, women, professionals, workers, farmers and business leaders who are spearheading the Indigenisation and People's Empowerment policy to ensure that Zimbabweans exercise sovereignty over their God-given natural and economic resources. In essence, the goal for sovereignty is defined by autonomy with respect to national and foreign affairs. (Zanu-PF election manifesto, 2013: 18)

The excerpt above has the undertone of defiance against western economic sanctions. In this context, it is reasonable to assume that the CSOTs and other mechanisms of indigenization were a mere strategy by the ruling class to retaliate against western isolation. The ruling class hoped to hit two birds with one stone – using the indigenization policy (threat) to regain domestic legitimacy on the one hand and strengthen its bargaining position with foreign capital on the other. Thus, while there is a multitude of factors whose weight effectively ruled out the take-off of the transformation drive, perhaps the most credible explanation is that the ruling class never had any plan for transformation in any case.

6.8 Conclusion

This chapter examined the manner in which the indigenization programme has unfolded in Zimbabwe's mining sector, with specific focus on three diverse and variously located groups in the country's mineral economy. The artisanal and small-scale miners, the working class and the rural peasants have historically occupied different but more or less similarly disadvantaged roles in the class structure of the mining sector in which they have been objects of exploitation. There is a prevailing class conflict in Zimbabwe's mining sector in which the indigenous petty bourgeoisie, labour and rural peasants are the victims of various forms of appropriation. The indigenization policy was intended to alter these relations of production in the mining sector which would see an equitable redistribution of the burdens and benefits of the production of mineral wealth. However, after more than two decades of its existence, the indigenization policy has not yielded the desired transformation. As the Zimbabwean experience demonstrates, class conflict alone is not sufficient basis for a significant transformation of the relations of production. The superior organization of the ruling class which controls the levers of state power and the international capital continues to prevail over the relative disorganization and the immobilization of the disadvantaged indigenous classes in Zimbabwe's mining sector. The oppressed indigenous groups do not possess sufficient resources to convert the class conflict into a political conflict which would enable them to effectively push for a change in class relations. They are immobilized by a neo-colonial-comprador state whose repressive and coercive machinery has been relied on to maintain and protect the status quo in which indigenous people continue to be exploited. It increasingly seems the indigenization policy was intended as a tactical move in the dynamics of the alliance between the international capitalist and the local ruling class rather than change the status quo in favour of the exploited and marginalized indigenous groups.

CHAPTER 7

Summary of Findings, Further Research Areas, and Conclusions

7.1 Introduction

The chief goal of the indigenization policy, which had the former liberation movement Zanu-PF as its foremost champion, was a deliberate and conscious reconfiguration of Zimbabwe's national economy to enable the emancipation of the previously disadvantaged indigenous peoples. However, while the policy was clear on paper, its implementation had to contend with the hard realities of class politics, international order and the parameters of state power which significantly affected both the process and the outcome. Politicization, corruption, abuse of state power, lack of local capital were among some of the factors derailing the indigenization of the mining sector. The task of this chapter is to bring the study to a conclusion by way of summarizing the important findings and formulating a final analysis of some sort. The first part of the chapter will be a recap of some of the most important themes or findings to emerge related to the objectives of the study. The sections under the summary of findings will dwell on the outcomes of the indigenization policy as regards the positions of the various groups who are major stakeholders of the policy as it pertains to the country's mining sector. It will also give a brief appraisal of the factors that may have played an important role in shaping the process and the outcome of the indigenization policy. The second part of the chapter will try to identify areas for further research based on the experience of undertaking this study and also on some of its limitations and findings.

7.2 Summary of findings

7.2.1 The enduring power of foreign capital and the scarcity of local capital

The chief aim of the indigenization and economic empowerment policy was to replace foreign capital with local capital through a redistribution of ownership and control of mining enterprises in favour of the indigenous people. However, more than two decades since the launch of the policy little headway has been made in changing the ownership of the large-scale mining companies. Getting rid of foreign capital has proved insurmountable as local capitalists and entrepreneurs have been disappointingly scarce. Chapter 6 demonstrated how the government of Zimbabwe has failed to promote the entry of local players into the LSM sector which remains oligopolized by foreign players. Since 1995 when the indigenization policy was officially adopted, the government has made several attempts to facilitate indigenous share-ownership in the big platinum mines without success. Several foreign-owned entities in the various sub-sectors of the mining industry (platinum, gold, diamond, chrome and asbestos) were obliged to cede at least 51% of their shares to top indigenous people. Several consortia comprising indigenous businesspeople were formed to prepare bids for the takeover of the indigenous stakes. None of the consortia succeeded in raising the capital needed to fund the transfer of shares. Even the only successful indigenous consortium, Fremiro Investments, which got shares in Blanket Mine, got them through vendor financing and not any capital of their own. Manyame consortium was initially successful in raising part of the money needed to get a 30% stake in the gold-producing giant, Metallon, but lost the shares after a few years having failed to raise the rest of the money. As such, as the table 8.1 below shows, the local capital market in Zimbabwe proved too small to make indigenization of big mining companies a reality (See also Saunders, 2008).

Table 7.1: Outcomes of attempts to take over equity in foreign-owned mining companies by indigenous people

Name of indigenous consortium	Year	Targeted mining company	Outcome
National Investment Trust	2003	Zimplats	Failed – lack of capital
Needgate Mining	2003	Zimplats	Failed – lack of capital
Barbican Bank Holdings	2004	Zimplats	Failed – lack of capital
Nkululeko Rusununguko Mining Consortium	2005	Zimplats	Failed – lack of capital
Zindico	2012	Mwana Africa Holdings	Failed – company restructuring

Suncraft	2012	Freda Rebecca	Successful – however in danger of shares being diluted
Nyika Investment	1997	Zimasco	Initially successful – but later failed
Benscore Investment	2005	ZimAlloys	Successful – however sold company to Indian investors due to harsh economy.
Fremiro Investment	2011	Blanket Mine	Initially successful but bought out in 2018
Manyame Consortium	2003	Metallon Gold	Initially successful but bought out in 2005
Stanmarker	2003	Metallon Gold	Failed
Rio Zim	2014	RioZim	Bought out by foreigners

Source: compiled by the author

Overall, the colonial legacy of foreign domination still grips the large-scale mining industry in Zimbabwe. In cases where the ownership has changed – and there are several – it has been from one foreign investor to another or from an indigenous consortium to a foreign investor. The origins of the foreign owners vary but China and South Africa are the most dominant which is itself a reflection of changes in Zimbabwean ruling class' transnational alliances. Other foreign investors come from India, Canada, Australia and the United States.

7.2.2 Nationalization: De-facto transformation strategy

Despite the fact that much of Zimbabwe's industrial mining sector remains in the grip of foreign capital, there have been changes in the structure of the sector in the post-independence era that also reflect the balance of class forces. Since independence in 1980 the state has moved to expand its footprint and participation in the mining sector through its investment vehicle the ZMDC which was established two years after independence. The Zanu-PF-led government established the Minerals Marketing Corporation of Zimbabwe (MMCZ) through which the government appropriated the responsibility of buying and selling all minerals produced in the country. This was a sharp departure from the policy of the colonial state which, since the 1930s, had steadfastly maintained a watchman role towards one of the country's most prized economic sectors (See Hollaway, 1997). The government seemed to prefer nationalization as the strategy of transformation. Whereas indigenization facilitates the transfer of equity to indigenous citizens, nationalization entails the sale or transfer of equity to the state. In Zimbabwe, the state has since independence acquired far more mining concerns in the large-scale sector than private indigenous people. If there has been any transformation in the mining sector, it has certainly been in the direction of state ownership. The table below shows the extent of the state ownership of mining assets in Zimbabwe's large-scale mining sector.

Table 7.2: State ownership in the mining sector

Mining enterprise	Sector	Equity held
African Associated Mines Pvt. Ltd. (Seized by the state in 2004)	Asbestos	100%
Zim Alloys (state took over 50% of land claims in 2017)	Chrome	100%
Zimasco (state took over 50% of land claims in 2017)	Chrome	100%
Hwange Colliery Company	Coal	37%
Jena Mine	Gold	100%
Sabi Mine	Gold	100%
Graphite Zimbabwe	Graphite	-
Zimbabwe Consolidated Diamond Company (ZCDC)	Diamond	50%
Minerals Marketing Corporation of Zimbabwe	Responsible for the export of all mineral produce	100%

Source: compiled by author from various sources

The state literally owns or controls 50% of the diamond industry, the chrome industry and controls through judicial management the biggest asbestos mine in Zimbabwe. Until recently the state had owned 16% of Blanket Mine through the NIEEF under an empowerment deal.

Wilson (1990) explained why states choose to pursue nationalization rather than indigenization:

> A poorly performing market may call forth state intervention when, for example, entrepreneurial supply is low and local businessmen lack the resources to break into certain national markets. Markets most likely to be controlled and owned by foreigners are those with high barriers to entry, complex technologies, higher capital costs, and the need to operate on a large scale to be efficient. In most LDCs, only governments can mobilize the requisite domestic resources to operate these industries (such as mining or heavy manufacturing), and they are most likely to be nationalized. (Wilson 1990: 403)

Because of the lack of indigenous citizens with adequate capital and technology, it seems the logical thing to do for the state was to gain a foothold in the industry itself thus exerting some measure of domestic influence on a sector that has become the backbone of the economy. However while nationalization can be informed by logic as argued by Wilson above, it can also stem from ideological convictions and self-serving class interests. This is especially so considering that the state in Zimbabwe does not have the capital nor the expertise to run successful mining enterprises.

The state ownership of mines may have been part of the ruling party's Marxist-Leninist ideological beliefs that the state as the custodian of the public interest should be at the centre of the economic system (Compagnon and Raftopolous, 2003). Moreover, nationalization dovetails nicely with Zanu-PF's anti-imperialism stance which has placed them at loggerheads with the west since the turn of the twenty-first century:

> Nationalization in Africa is most frequently of an anti-imperialistic nature. Its most common goal is to eliminate or at least weaken the positions of foreign companies and to undermine the front of imperialistic monopolies. (Aleksandrovskaia and Matsen: 1976)

This obtaining reality is a reflection, of a local politics characterized by the absence of a private indigenous bourgeoisie and an immobilized and asphyxiated working and peasant classes who despite being a demographic reality, do not yet constitute an objective political reality. Thus the political elite that control the government are left to dictate policy direction.

7.2.3 The state bourgeoisie-security sector complex: The ruling bloc

Like any other modern nation, Zimbabwe has a ruling bloc or alliance which retains the control of the state apparatus. In Zimbabwe, the dominant bloc comprises the ruling party elite and the security elite, especially in the military. Hence, the transformation process of the mining sector should be analyzed within the context of the nature and ideology of the obtaining ruling bloc. The formation of the dominant alliance in Zimbabwe dates back to the days of the liberation struggle prosecuted by the nationalists against the colonial government during the 1960s to 1970s. The nationalist-military alliance has held sway over the trajectory of independent Zimbabwe. In 2001 then Commander of ZDF General Vitalis Zvinavashe openly stated in front of the television that the army was not going to salute anyone without a liberation struggle background even if they won the elections (McGreal, 2001; Tendi, 2013). This statement seemed to have been directed at Morgan Tsvangirai the leader of the opposition MDC who did not have any liberation struggle credentials.

This study has shown how this alliance has been manifest in the course of the implementation of the indigenization policy in the mining sector. The comprador-military bloc has used its access to the state apparatus to influence the redistribution of mineral wealth in its favour. Numerous examples abound to support this notion. During the fight for the 15% stake in Zimplats which was reserved for indigenous players, Nkululeko Rusununguko Mining Consortium (NRMC) – a company owned by the Zimbabwean army, was handpicked by the then Minister of Mines Amos Midzi as the winner of the bid to take up the stake in the platinum giant. Former Army General Solomon Mujuru, used his military background to get 27% shares in Zimasco which is the biggest chrome mining company in the country as part of an empowerment deal. At the height of the economic crisis in 2006 the government deployed the police and the military to dispossess small-scale miners around the country who were operating illegally under Operation Chikorokoza Chapera (End Illegal mining). In Kwekwe, an area which hosts significant numbers of ASM operators studies have found that the police work with top Zanu-PF politicians to exploit the artisanal miners.

Further, during the formalization of diamond mining in Marange in 2011, the security sector in Zimbabwe was one of the major beneficiaries. In a number of joint ventures formed to conduct diamond mining, the three arms of the security sector formed partnerships with the state miner ZMDC. For example, Anjin and Jinan which were some of the companies granted the biggest claims in the diamond fields had the Zimbabwe Defence Industries (ZDI) which is a subsidiary of the Zimbabwe Defence Forces (ZDF) as a partner. Another company, Kusena, was a partnership between the ZMDC and the Central Intelligence Organization. Gye Nyame was another joint venture in which the police were unprocedurally granted a 20% stake without the agreement of the other investors who were partners in that company. In Mbada Diamonds, the biggest company with the largest concession in the fields, a former Air Marshal Robert Mhlanga was appointed the Chief Executive Officer. According to the Global Witness Report (2017) Mhlanga owned 25% stake in Mbada diamonds. Further, Lovemore Kurotwi, the nephew of the late former army general Vitalis Zvinavashe was the local partner in Canadile Resources which was a joint venture between the state-owned Marange Resources and the Core Mining Resources. The militarization, and not the indigenization, of the diamond sector seems to have taken root.

7.2.4 The rural peasants, mineworkers, and artisans: Sold a dummy?

The Community Share Ownership Trusts (CSOTs) established under section 14B of the 2010 General Regulations of the indigenization policy were vehicles through which peasant communities in Rural District Councils (RDCs) that host mining companies were to be granted 10% ownership of the companies. Thus from their historical role as reservoirs and reproducers of cheap labour, peasant communities were set to become part owners of the mining companies that exploited mineral resources within their ancestral lands. It was a progressive step that would have empowered the peasant communities who for a long time had also suffered devastating environmental, social and economic effects as a result of mining activities. However, at the time of writing, of the 61 registered CSOTs across the country, only 16 were functional and operating. Of the 16 that were operational only the Gwanda CSOT in Matabeleland South province received shares from Blanket Mine operating within the Gwanda RDC. The other Trusts had received donations to carry out community development projects. The CSOT scheme turned out to be a disappointing failure as it did nothing to change the relations of production between the peasant communities and the big capital operating mining enterprises in their areas.

Another mechanism of transformation introduced by the indigenization policy were the Employee Share Ownership Trusts (ESOTs) which were intended to give workers at least 5% share ownership in the foreign owned mining companies they worked for. Out of a total of 400 ESOTs registered by mining companies, there is only one in Blanket Mine that actually received shares from their company (NIEEF, 2015). Like the CSOTs, the ESOTs were also a huge failure as no transfer of shares to workers took place. Many reasons have been cited for the lack of success in the ESOTs one of which is the conflict of interest concerning some government officials who were supposed to implement the policy. Some of the government officials have shares or are board members in the mining companies where workers were to be given shares. Moreover, the ESOT clause was a policy strategy that was not backed by any law, hence it was not enforceable. Companies could choose not to comply with policy directives without facing any legal punishment and could get away with just a small fine.

The government's lack of proactive and positive approach to the ASM sector as shown in the study, is a major setback to the indigenization policy. Millions of indigenous people are already engaging in mining but suffer insurmountable structural obstacles that keep them outside mainstream mining. The poor indigenous citizens do not have the proper funding to capitalize their operations and maximize their production as they are forced to rely on rudimentary and inefficient tools to mine for gold and other minerals like chrome (See Moyo, 2014). Although the government has promised to make funding available for the ASM players, nothing has materialized thus far. The indigenization of the mining sector will not be successful if the government continues to ignore and neglect the ASM sector which holds millions of potential mining entrepreneurs. It is understandable that the government may not be able to fund the indigenous takeover of large mines because of their high capital requirements. However, it is inconceivable how a government that has professed its support for indigenous representation in the mining sector is neglecting and even suppressing a potential and promising class of petty indigenous mine owners.

7.2.5 The world capitalist system: Enabling repatriation and not indigenization of capital

In fundamental ways, Zimbabwe's attempted transformation of its mining sector brought home the reality of the world-capitalist system and how the country's position constrained its options and ultimately determined the course of the policy. Zimbabwe's indigenization policy was a push-back against the world capitalist system dominated by transnational companies originating in the West. The system is made up of center, semi-periphery and periphery countries bound by relations of domination and exploitation to facilitate the exchange of goods through the world market (Gunder-Frank, 1973; Amin, 1981; Wallerstein, 1974). According to Wallerstein the world-system is "a social system with boundaries, structures, rules of legitimation and coherence…it possesses the characteristics of an organism and the dynamics of its development are largely internal" (1974: 347). The world capitalist system is centuries-old project of capitalist industrial countries in the global north whose beginning can be traced to the sixteenth century (See Moyo and Yeros, 2011). As discussed in chapter 5, Zimbabwe was conscripted into the system as a peripheral territory in the 1890s upon the advent of colonialism which was itself a phase in the evolution and expansion of the world capitalist system.

It was the colonial government that opened up the country's mining sector to the western multinationals whose mission was accumulation of capital through the exploitation of labour (See Phimister, 1976). The Western multinational corporations' oligopoly in Zimbabwe's mining sector was only an instance of what is a widespread reality in the third world where MNCs exploit natural resources for capital accumulation. This division of labour persists at present as statistics show that the African continent has a lion's share of global mineral exports. According to African Trade Statistics (2017) from 2010 to 2016 mineral products and other raw materials have accounted for more than 50% of Africa's exports value of around $400 billion annually. Perhaps nowhere is Zimbabwe's position and role in the world-system more clearly revealed than it is in the mining sector. Mineral exports already constitute more than 50% of Zimbabwe's total export value. Because the exploitation of mineral resources is done to service the industrial centers of the core countries, MNCs rarely reinvest their capital in the country. All profits are repatriated to their country of origin. Thus, capital formation and industrialization based on the mineral resources is practically impossible.

Even as the origin of the companies change from the West to that of emerging markets like South Africa, China and India amongst others, their conduct is still consistent with the laws of the world capitalist system. Accumulation of capital is their primary objective. The ruling class is happy to hand over the country's mineral resources to companies from these countries for personal kickbacks and not national development. Foreign companies still exploit the country's mineral resources for capital accumulation. As a peripheral country, it is no surprise that Zimbabwe chronically lacked the capital needed to take over the large scale mining enterprises and run them profitably as envisioned by the indigenization policy. Even amongst the politically connected who secured government support in the various indigenization deals signed with mining companies, the lack of capital proved to be their ultimate undoing. As a result of its structural location in the world-capitalist system, Zimbabwe did not have indigenous people with adequate capital to take over mining enterprises hence the failure of the indigenization policy.

7.3 Areas for further research

7.3.1 Subjectivist approach to statecraft in Zimbabwe

This research was centred on the nature and operations of the state in Zimbabwe viz the indigenization policy in the mining sector. One of the emerging trends was how subjective statecraft is in Zimbabwe. To understand the decisions made by the state, it is helpful to look at the decision makers themselves. That is, it is important to understand the background of the official responsible for making the decision. The study has shown that the ruling party which controls the state is not a homogenous entity where members have the same interests. Different ministers have different interests and characters which shape their views on certain policies. The subjectivity of the members of the ruling party is an important factor that determines how they understand and implement the policies of the party.

7.3.2 The plight of mineworkers

The history of labour in Zimbabwe's mining sector is well-documented (van Onseleu, 1973; Phimister, 1976; Bradbury and Worby, 1985; Dansereu, 2000). However, there is a dearth of current research on the conditions of the mineworkers of Zimbabwe especially in the post-2000 period. Workers in Zimbabwe are caught between a repressive state and exploitative mine owners who leverage the high unemployment rate in the country to keep wages down. The strategies and the agency of mineworkers in their relations with their employers and the government is an interesting aspect of indigenization and the mining sector that warrants further exploration.

7.3.3 The relationship between bureaucrats and their political principals

Another interesting area of focus for further research would be the relationship between the bureaucrats and the political leaders. It is difficult to draw definite conclusions on whether the bureaucracy is simply an instrument for implementing policies proposed by politicians or it has power and agency of its own. In the course of the study I noticed in two offices occupied by bureaucrats there was a sticker which read ‘Never outshine your master’. I asked one of the respondents what the meaning of the statement was, they said that it is a rule in government to never outshine the minister in charge. This implies that the bureaucrats are simply there to execute the orders of their political principals. However, things are not always what they seem. The dynamics of the relationship (power relations) between the bureaucrats and the political executive are important in understanding policy implementation.

7.3.4 The working conditions of the ASM operators

The importance of the ASM sector to Zimbabwe’s mining industry has long been acknowledged (Phimister, 1980; Hollaway, 1997; Mawowa, 2013). The sector has contributed billions of dollars in revenue to the country in the post-independence era. A number of studies have been conducted on Zimbabwe’s ASM sector in different areas across the country including Gwanda (Mabhena, 2012), Kwekwe (Mawowa, 2013) and Kadoma (Pact, 2015). These studies have produced great and illuminating insights into the plight of this sub-sector of the mining industry in Zimbabwe. However, more studies, especially of an ethnographic nature, need to be conducted to understand the day-to-day lives of the ASM operators in the country. I think such an in-depth approach would yield better ideas on the interventions that need to be made to promote and empower the ASM sector.

7.4 General Conclusion

This study set out to explore Zimbabwe’s post-independence efforts to redistribute its mineral wealth from the MNCs to local indigenous people. The indigenization policy in Zimbabwe was an important process not only to Zimbabwe but to other countries whose economies are still dominated by a few foreign corporations. However, the study showed that the course of the indigenization programme in Zimbabwe has been influenced by the evolution of the country’s politics and the state of its external relations. Indigenization in the mining sector has been a dismal failure. A weak state dominated by the Zanu-PF-military alliance has proved incapable of implementing the indigenization policy. The indigenization programme, initially meant to serve as a nation-building project, has been largely politicized to serve the interests of a few at the expense of the many. The state relies on coercion and violence to protect its accumulation channels. The class relations in the mining sector have not changed much. The peasant communities in rural areas still shoulder the negative social, economic and environmental effects of mining operations. The peasant communities are tied in an exploitative relationship with the MNCs where they do not have a share in the means and rewards of production. The working class, which is largely indigenous remains oppressed by both the state and the big capital for whom they work. Only one employee trust out of the hundreds that were established to support workers was awarded shares in a mining company. The relations of production have not changed at all. Moreover, foreign capital still dominates the large-scale mining sector. Potential indigenous entrepreneurs who made attempts to take over the large mines failed because of lack of capital. The Zimbabwean state has also failed to emancipate artisanal and small-scale miners. The ASM sector, which is populated mostly by indigenous people, has been criminalized and victimized by state sponsored violence. The government has succeeded in suppressing an emerging class of small indigenous mining entrepreneurs who possess a lot of potential to increase the representation of indigenous people in the mining sector.

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APPENDICES

UNIVERSITY OF KWAZULU-NATAL
INYUVESI YAKWAZULU-NATALI

4 July 2017

Mr Sizo Nkala 210550713
School of Social Sciences
Pietermaritzburg Campus

Dear Mr Nkala

Protocol Reference Number: HSS/2095/016D
Project Title: Decolonization, class struggles and economic empowerment in post-colonial states: An appraisal of Zimbabwe's post-independence indigenisation project in the mining sector

Full Approval – Expedited Application

In response to your application received 2 December 2016, the Humanities & Social Sciences Research Ethics Committee has considered the abovementioned application and the protocol has been granted **FULL APPROVAL**.

Any alteration/s to the approved research protocol i.e. Questionnaire/Interview Schedule, Informed Consent Form, Title of the Project, Location of the Study, Research Approach and Methods must be reviewed and approved through the amendment /modification prior to its implementation. In case you have further queries, please quote the above reference number.

PLEASE NOTE: Research data should be securely stored in the discipline/department for a period of 5 years.

The ethical clearance certificate is only valid for a period of 3 years from the date of issue. Thereafter Recertification must be applied for on an annual basis.

I take this opportunity of wishing you everything of the best with your study.

Yours faithfully

....

Dr Shenuka Singh (Chair)
Humanities & Social Scinces Research Ethics Committee

/pm

cc Supervisor: Dr Khondlo Mtshali
cc. Academic Leader Research: Professor Maheshvari Naidu
cc. School Administrator: Ms Nancy Mudau

Humanities & Social Sciences Research Ethics Committee
Dr Shenuka Singh (Chair)
Westville Campus, Govan Mbeki Building
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Website: www.ukzn.ac.za

We aspire for a socially and economically empowered Gwanda community

BOX 39
Gwanda
Tel: 0284 24405 Cell: 0772 942 609
Email: gcsot@yahoo.com

22 June 2017

Mr Sizo Nkala
University of KwaZulu-Natal, Howard College Campus
Durban, South Africa

Dear Sir

RE: PERMISSION TO CARRY OUT A RESEARCH

Your letter requesting to conduct a research study refers.

Your request to conduct a research study on GCSOT in fulfilment of the requirements of the PhD (Political Science) Studies programme has been granted. You are however requested to adhere to the ethical issues governing data collection and more so to be patient with our staff and communities. You are also required to avail a copy of the final report for our information and guidance.

We hope that you will find you research interesting and worthwhile for your studies.

Wishing you success.

Yours Faithfully

Mr C Nkala (CHIEF EXECUTIVE OFFICER)
For GWANDA COMMUNITY SHARE OWNERSHIP TRUST

GWANDA COMMUNITY SHARE OWNERSHIP TRUST
23 JUN 2017
P.O. BOX 39 GWANDA

Official communications not to be addressed to individuals

Basch Street/10th Avenue
Bulawayo

Telephone: 263-9-65381-3, 61703

ZIMBABWE

In your reply, please quote the reference:

MINISTRY OF MINES & MINING DEVELOPMENT
OFFICE OF THE PROVINCIAL MINING DIRECTOR
MAT NORTH
P.O. Box 386
Bulawayo
Zimbabwe

01 June 2017

TO WHOM IT MAY CONCERN

Mr Sizo Nkala (210550713) is a student enrolled in the Doctoral program in Political Science at the University of KwaZulu - Natal's School of Social Science.

May you give him the assistance that he needs from your Mine by availing the information that he requires.

MIN. OF MINES & MINING DEV.
PROVINCIAL MINING DIRECTOR
MATABELELAND NORTH
01 JUN 2017
P.O. BOX 386, BULAWAYO
ZIMBABWE

J Moyo
PROVINCIAL MINING DIRECTOR- MAT NORTH
For/SECRETARY FOR MINES AND MINING DEVELOPMENT

Dear Participant

INFORMED CONSENT LETTER

My name is Sizo Nkala (210550713). I am a PhD (Political Science) candidate studying at the University of KwaZulu-Natal, Pietermaritzburg campus, South Africa. The title of my research is: **Decolonization, class struggles and economic empowerment in post-colonial states: An appraisal of Zimbabwe's post-independence indigenisation project in the mining sector.**
This research analyzes the implications that the indigenisation and economic empowerment may have on the lives of ordinary people and the socio-economic development of the country. It seeks to explore ways in which poor communities may benefit from the policy. I am interested in your response to some questions that I have regarding some aspects of the policy.

Please note that:

- The information that you provide will be used for scholarly research only.
- Your participation is entirely voluntary. You have a choice to participate, not to participate or stop participating in this research. You will not be penalized for taking such action.
- Your views in this interview will be presented anonymously. Neither your name nor identity will be disclosed in any form in the study.
- The interview will take about 20-30 minutes.
- Would you like this interview to be recorded on audio? Please tick to indicate your preference: **Yes _ No**
- The interview can be recorded using either a mobile phone or a digital voice recorder. Which device would you prefer?
- The record as well as other items associated with the interview will be held in a password-protected file accessible only to myself and my supervisor. After a period of 5 years, in line with the rules of the university, it will be disposed by shredding and burning.
- If you agree to participate please sign the declaration attached to this statement (a separate sheet will be provided for signatures)

I can be contacted at: School of Social Sciences, University of KwaZulu-Natal, Howard College Campus, Durban.
Email: sizoski2@gmail.com   Cell: +27 78 817 8538

My supervisor is Dr. Khondlo Mtshali who is based at the School of Social Sciences, Pietermaritzburg campus of the University of KwaZulu-Natal.
Contact details: email: mtshalik@ukzn.ac.za, Phone number: +27 33 260 5892

The Humanities and Social Sciences Research Ethics Committee contact details are as follows: Ms Phumelele Ximba, University of KwaZulu-Natal, Research Office, Email ximbap@ukzn.ac.za, Phone number +27312603587

Thank you for your contribution to this research.

DECLARATION

I………………………………………………………….hereby confirm that I understand the contents of this document and the nature of the research project, and I consent to participating in the research project.

I understand that I am at liberty to withdraw from the project at any time, should I so desire.

SIGNATURE OF PARTICIPANT DATE

……………………………………… ………………………………….

Interview Questions

Questions for government officials

What is your understanding of the indigenisation policy?

What are some of the efforts the government is making to promote local players in the mining industry?

What are some of the challenges has the government faced in implementing the indigenisation policy in the mining sector?

How does the government monitor compliance with indigenisation by the large mining enterprises?

Do you think the indigenisation policy has been a success in the mining sector?

How so you think the policy can be improved?

Questions for the small-scale mining sector players

How do you define ASM?

What challenges does the ASM sector face?

How can you describe your relations with the government?

How have you participated in the indigenisation policy?

Do you think the indigenisation policy is good for the ASM sector?

What is the role of your organization in advancing the interests of the ASM in Zimbabwe?

What policy recommendations, to the government, that can improve the plight of the ASM sector?

Questions for the mine workers representatives

How can you describe the plight of the workers in the mining industry?

What is the workers' view of the indigenization policy?

To what extent did you participate in the formulation of the indigenisation policy?

What has been the impact of the policy on the mineworkers thus far?

How do you think workers can be empowered in the mining sector?

Questions for academics and experts

In a few words can you tell us what you understand by indigenisation and empowerment?

How do you think Zimbabwe's historical experience of colonialism is reflected shaped the indigenisation policy?

Based on your understanding of indigenisation, do you think the current model of indigenisation as pursued by the government is the correct one?

Has Zimbabwe's post-independence indigenisation project managed to achieve its objectives of an inclusive economy and social justice for the previously disadvantaged?

Questions for large-scale mining sector representatives

What is your view of the indigenisation policy?

To what extent have your members complied with the requirements of the policy?

What is the impact of the indigenisation policy on the productivity of the mining sector?

What is your organization doing to promote the participation of indigenous people in the mining sector?

In your view, what can be done to improve the policy? In what way do you think the policy could be changed so that it's a win-win for the parties involved?