[Zambia Social Science Journal](https://scholarship.law.cornell.edu/zssj)

Volume 9
Number 1 *2021/2022*

Article 3

2023

Elusive Empowerment: Emerald Mining in Ndola Rural under Kenneth Kaunda's One-Party State

Alexander Caramento
York University, alexcara@yorku.ca

Agatha Siwale-Mulenga
Southern African Institute for Policy and Research

Recommended Citation

Caramento, Alexander and Siwale-Mulenga, Agatha (2023) "Elusive Empowerment: Emerald Mining in Ndola Rural under Kenneth Kaunda's One-Party State," *Zambia Social Science Journal*: Vol. 9: No. 1, Article 3.
Available at: https://scholarship.law.cornell.edu/zssj/vol9/iss1/3

Elusive Empowerment: Emerald Mining in Ndola Rural under Kenneth Kaunda's One-Party State

Alexander Caramento and Agatha Siwale-Mulenga
York University, Canada and Southern African Institute for Policy and Research

One of the hallmarks of Kenneth Kaunda's tenure in office was the nationalisation of Zambia's large-scale copper mines. Yet after the Matero Reforms of 1969, which purported to empower Zambians through the public ownership and management of the country's largest export industry, President Kaunda and his colleagues curiously decided to partner with a foreign investor (Hagura Mining) in the 1980s to develop the emerald mining sector in Ndola Rural (now Lufwanyama), while Zambian artisanal and small-scale miners (ASM) were sidelined. Drawing upon archival documents, newspaper coverage, and a select number of interviews, this paper seeks to examine this apparent shift in mining governance under Kenneth Kaunda. Instead of facilitating financial access or establishing an equipment hire scheme for ASM, the Reserved Minerals Corporation – a subsidiary of Zambia Consolidated Copper Mines (ZCCM) –sought to restrict access to emerald deposits and preferred partnering with a foreign investor. These decisions were largely attributable to the "prevailing wisdom" at the time regarding mineral extraction (i.e. a preference for large-scale mining that can be more easily taxed and regulated) and the foreign exchange crunch of the 1980s. By prioritising large-scale production, Zambian policymakers undermined their own stated developmental goals that aimed at diversification and empowerment - both of which ASM would have facilitated - and entrenched an economic model that was dependent on foreign investment. Unfortunately, this model's failure continues to have reverberations for emerald mining in Lufwanyama today.

Key Words: Artisanal and Small-Scale Mining; Emerald Mining; Kenneth Kaunda; Ndola Rural; Lufwanyama; Zambia; Political Economy.

Introduction

> *Development that is restricted to only a small part of the economic sector, to only a few regions, to only large-scale production, and to only highly capital-intensive techniques is, in my view, no*

> *development at all .... Economic planning must learn to see virtues in rural development, of small industrialisation; it must realise the potential in utilizing human beings where they are and in reaching a self-sustained growth in all the regions and sectors of the economy* (Kaunda, 1968: 13).

These were the revolutionary words of Dr. Kenneth Kaunda in 1968 as he heralded the dawn of an economic transition that would consolidate Zambia's political independence, gained in 1964, with economic independence. The then president charted a stirring vision of inclusive development in which all Zambians would be empowered to participate in the economic prosperity of the country. To this end, a strategy of rural development, that sought to trigger productive activity in areas that had hitherto been neglected by the colonial administration, was pursued through largely Zambian-owned cooperatives. The number of cooperatives increased from approximately two hundred at independence to over nine hundred in 1968 (Kaunda, 1969: 23). Mining was one of the sectors where the economic empowerment of Zambians was called for. Permits for extraction of sand, stone, and other industrial minerals were to be restricted to Zambians, while further mining sector diversification away from copper was encouraged. There were also calls for promotion of labour-intensive economic activity that would enable broad participation in the economy rather than an undue focus on capital-intensive industrialisation that would exclude the participation of most Zambians who lacked capital, skills, and resources to embark on such investments (Kaunda, 1968).

In hindsight, the time was ripe for the rise of artisanal and small-scale mining (ASM). After all, ASM by definition entails labour-intensive mineral extraction, processing, and trade that typically involves the use of picks and shovels to extract alluvial minerals (G. Hilson et al., 2017). ASM is also often undertaken by those with limited education and skills and yet provides an important source of livelihoods, reducing poverty for many in rural areas (Baffour-Kyei et al., 2021; Yankson and Gough, 2019). All these elements would have predisposed the Kaunda government to support ASM. However, during Kaunda's presidency, ASM remained largely underdeveloped, seemingly in contradiction with Dr. Kaunda's stated aspirations. In light of this apparent lost opportunity to develop ASM, this paper poses the central research question: what was the Kaunda government's policy towards artisanal and small-scale emerald mining and what factors contributed to the underdevelopment of the sector during this time? Another key question posed is: to what extent have decisions made during the First and Second Republics with regards to artisanal and small-scale emerald mining shaped the subsequent development of the sector? To answer these questions, this paper examines the regulation of emerald mining in Ndola Rural District (present day Lufwanyama District) as an illustrative case study. Kaunda's government, despite pronouncements to the contrary, prioritised increased access to foreign exchange through heightened emerald production over rural development and the empowerment of ASM. Throughout the late 1970s and 1980s, Kaunda's government criminalised artisanal operators (and later sought to organise them into cooperatives); monopolised access to the most viable emerald deposits for a joint venture with a foreign investor; distributed licences for less viable sections of the Kafubu area to UNIP-aligned cooperatives and politically connected individuals; and either failed to make the necessary interventions, or made ill-timed interventions, to assist ASM operators (i.e. offer financing, geological services, plant hire, liberalised marketing arrangements, etc). The management of the emerald mining sector under Kaunda has arguably shaped the current governance of the sector and the continued failure to prioritise ASM and rural development.

This paper relies primarily on archival research from the pre-1991 era, including company reports and correspondence, speeches and policy pronouncements, official reports and legislation, and newspaper articles from the period. This data is then supplemented with a few key informant interviews, while current policy documents are used to briefly reflect on how historical antecedents have shaped current developments in the sector. The paper adopts a historical-institutionalist perspective in which the authors contend that "history matters" – thus by understanding Kaunda's legacy in this area, insights may be drawn to help us understand current dynamics in ASM emerald mining.

The paper is structured as follows: the first section contextualises the evolution of emerald mining in Zambia through a snapshot of Zambia's colonial legacy and a synthesis of Kaunda's approach to Zambian empowerment and development in general, and to small-scale mining in particular. The second section of the paper traces the rise of ASM emerald mining particularly during the early 1980s and the government's response to its emergence, followed by a third section on the policy innovations and pitfalls of the late 1980s. The final section bridges the experiences of the First and Second Republics to subsequent developments in the sector, linking the past to the present.

Section 1: Colonial Legacy meets a New Dawn - Pre-independence Zambia and the Aspirations of Kaunda's Government

When President Kaunda ascended to power in 1964, he inherited a colonial legacy of economic development that centred on copper extraction. From the 1930s onwards, Zambia's economic structure was carved into that of a copper mono-economy (Meyns, 1984). In order to maximise copper extraction, the colonial administration developed a dualistic economy in which a clear rural-urban divide pervaded. "Development" during this time – including mines, towns, factories and large-scale farms – was concentrated along the urbanised line of rail (Evans, 1984: 89). Conversely, the rural areas that lay outside this line of rail were starved of investment and served as labour reserves.

At independence in 1964, Kaunda sought to reverse these structural trends, and other policies of the colonial administration that did not serve Zambian interests. He was a strong believer in "Humanism" as a guiding philosophy for development. He argued for equitable development in which the state served the interests of all its people, and a classless society would prevail. The rural-urban divide cultivated under the colonial administration was therefore problematised and rural development was made a key priority. A Ministry of Rural Development was created and attempts were made to create self-sustaining growth in rural areas primarily through small-scale agriculture, but also by restricting permits for stone and sand mining to Zambians to encourage small- and medium-sized enterprise (SME) development. Rural development thus signalled an attempted departure from unbalanced development (focused on the line of rail) and a disproportionate focus on large-scale, capital-intensive production that failed to absorb the bulk of Zambia's unskilled labourers into the formal economy. Rural areas were recognised as being where the masses lived and so needing prioritisation (Kaunda, 1968; 1969).

Artisanal and small-scale mining fed into Kaunda's aforementioned visions of rural development and labour-intensive production. The Zambia Gemstone and Precious Metal Association, for instance, argued that the scattered deposits of gemstones across the country made it difficult for large-scale exploration to be undertaken, whereas small-scale extraction would be the most feasible approach. They further noted that small-scale mining had opened up remote areas of the country and would serve as a catalyst for rural development through stimulating entrepreneurship and trade among rural actors ("The Gemstone Industry in Zambia: Problems and Prospects", n.d.). However, as will be discussed below, state support to the sector lagged while foreign investors were the main beneficiaries.

With regards to President Kaunda's approach towards foreign investors, he was not opposed to them *per se*, but rather challenged the discriminatory policies anchored in racial prejudice of the colonial administration that had favoured foreign capital over Zambians. As he said in his Matero speech:

> *...we shall welcome foreign capital as in the past. We remain committed to this policy for we need foreign capital in considerable amounts. All we ask of our investors is the understanding that we welcome them as participants and not controllers, of our economic development process. Zambians, like Europeans, Americans, Scandinavians, Soviets or Chinese, in their respective countries, must be controllers of not only the political but the economic destiny of this country ...a responsible government cannot stand by and let its resources be exploited for the benefit of foreigners alone* (Kaunda, 1969: xx, 42).

Kaunda, therefore, challenged the mining companies for expatriating up to 80% of their profits and engaging in transfer mispricing as opposed to reinvesting locally and maximising mineral development through diversification. He further lamented the fact that foreign companies had been given special grant rights that allowed them to: (1) hold on to mining rights in perpetuity without payment of royalties to the state, and (2) to transfer them at will and to charge royalties on those rights. Meanwhile, the Zambian government was legally restricted from exercising meaningful control over the mines. The state was thus unable to stimulate increased and diversified mining investment, or revoke licenses of those companies who failed to develop their mineral rights due to limitations in the colonial legal code. He also observed how Zambian SMEs were constrained from accessing finance due to the fact that resident expatriates were prioritised (Kaunda, 1968, 1969).

Kaunda therefore embarked on a project of nationalisation of “major” industries. This move was underpinned by the belief that the state was best placed to offer equitable development and empowerment to Zambians and, that by holding a controlling stake in major foreign enterprises, the evils of profit expatriation and under-investment would be averted and resources channeled to developmental aims for the benefit of all. The government called upon large companies to “invite” the government to hold 51% in their enterprises through the state-owned Industrial Development Corporation (INDECO). By 1969, INDECO comprised 60 major and minor companies that were either fully or partially state owned. Beyond existing foreign owned enterprises, the government actively sought to attract foreign capital to Zambia. To this end, President Kaunda announced a set of incentives for foreign investors, including tax holidays and permission to remit profits. However, this was conditional upon the government receiving a 51% stake in these investments. Zambian citizens were also encouraged to become active economic participants, and to this end the government pledged to facilitate access to loans through limiting the access of foreign residents to credit-provisioning and ensuring Zambians were prioritised. Foreign nationals were also limited to operating their businesses in only ten urban centres, while Zambians were encouraged to enter into joint ventures with foreign residents and manage small-scale businesses (Kaunda, 1968).

In the specific case of mining, the *Mines and Minerals Act of 1970*, Section 5 (1) restricted individuals who were not Zambian citizens, or who had not been ordinarily resident in the country, from holding a mining right. Furthermore, only companies that had been incorporated in Zambia could hold a mining right. The *Mines and Minerals Act of 1976,* Section 6 (1) reiterated the restriction of mining rights to Zambians and companies incorporated under the Companies Act. President Kaunda also condemned what he called the "tribute system" in which small-scale miners, who were mostly Zambians, worked under the Special Mining Grants held by foreign mining companies. President Kaunda argued that "these unfortunate men slave away and sometimes are unable to make a living out of a small mine and yet they have to pay a percentage to the holders of the Special Grant who most of the time are not even residents of the country" (Kaunda, 1969: 34). He went on to state: "I admire these small-scale miners. I admire their self-denial, their hard work and their faith in the country. For this reason, I shall give THEM the right to apply for a mining lease and not the exploiters who have been sitting back and enjoying the fruits of other people's labour" (p. 34).

President Kaunda, therefore, signalled a desire to support small-scale miners; a desire that was underlined in the first and second national development plans. The First National Development Plan (FNDP), for instance, announced that through the Geological Survey Department, the government would "make use of the latest prospecting techniques to increase knowledge of Zambia's mineral resources of all kinds over the four-year period" of the plan, with the goal of discovering new minerals (FNDP, 1966). This was echoed in the Second National Development Plan where government went a step further to highlight the role of small-scale mines and gemstones, such as emeralds, in particular:

> *Government will promote development of small mines and mining diversification in general including labour intensive projects…. Exploration for other minerals aimed at further diversification of the mining industry will continue during the SNDP…. Non-metallic mines and quarries of amethyst, limestone and emerald will be expanded and additional resources of industrial minerals will be exploited* (SNDP, 1972).

However, the 1977 Mining Act did not explicitly highlight ASM operators as being entitled to special mining rights beyond the restriction of rights to Zambians. Rather, the Minister of Mines was prohibited from granting a mining license for building and industrial minerals unless the applicant demonstrated that "the intended capital expenditure on plant, equipment, and industrial buildings will be in excess of thirty thousand Kwacha" (Section 62). Similarly, Article 19 indicates that an applicant for a prospecting licence who lacks adequate financial resources, technical competence, and expertise to carry out prospecting should be denied a licence. Such requirements would have effectively limited the participation of ASM operators who lacked capital and expertise. Moreover, the reality that unfolded, as demonstrated below, challenged the initial earnestness of Kaunda's commitment to ASM.

On the whole, Kaunda's broader approach to Zambian development seems to have been three pronged. On the one hand, he believed that the state played a critical role in ensuring equitable development for all the Zambian people. To that end, the state was to be the primary owner of large enterprises, and principal employer, while all the citizens were employees of the state. Kaunda, however, also acknowledged Zambia's need for, and dependence on, large-scale foreign capital for development – from independence in 1964 to 1969 when nationalisation was pronounced, the copper mines had reached a production level of 769,000 and directly employed 62,000 people, establishing the importance of large-scale foreign investment (Sikamo, Mwanza, and Mweemba, 2016). However, Kaunda's UNIP government did not trust the mines to support the government's economic agenda unless their avarice was tempered by state control (Libby and Woakes, 1980). Thus, the state was seen as a vital player in the economy through joint-ventures or full ownership of large-scale enterprises. On the other hand, Kaunda believed in the participation of all Zambians in the developmental process. This was, however, to take place through joint ventures with foreigners, small-scale enterprises, or cooperatives.

Applied to the ASM emerald sector, it is possible to see this three-pronged approach in the section that follows: on one hand, ASM was encouraged via cooperatives or private ownership, but on the other hand anything that was seen as holding potential to be a large-scale venture was taken over by the state, which then sought to engage foreign investors for the effective development of the gemstone sector. The Reserved Mineral Corporation Limited (RMC) was, for instance, established as "the investment arm of the Government in the gemstone industry" and was the sole authorised marketing agency for emeralds in Zambia, consistent with the dominant role of the state in industry at the time. The RMC, in a joint venture with a foreign investor, formed Kagem Mining Limited in the early 1980s. The section below explores the rise of emerald ASM in greater detail.

Section 2: The Rise of Emerald ASM meets a State Response (1977-1984)

Emeralds were first discovered in the Kafubu area of Ndola Rural District (i.e. the Miku deposit) in 1928, by geologists working for the Rhodesia Congo Border Concession Company. Emeralds from the Kafubu area were initially thought to be of limited commercial value and hence exploration was minimal and production was quite low. MINDECO Small Mines (MSM), a division of the state-owned Mineral Development Corporation (MINDECO), acquired the mining rights for the Miku deposit in 1971 and produced emeralds on a limited scale (Zwaan et al., 2005). By the mid-1970s, unlicenced artisanal emerald mining and black-market smuggling had become rampant across the Kafubu area. Legally sanctioned mining was minimal. From 1970 to 1979, only six prospecting licences and four mining licences had been granted within the Kafubu area (*Report of the Commission of Inquiry,* 1979). Only two firms had acquired mining licences by 1979: the state-owned MSM possessed three mining licences (for the Miku, Fwaya Fwaya and Fibolele deposits) and Nkuralu Gem Prospecting Company Ltd., co-owned by politician Harry Nkumbula and Asian businessman B.D. Rao, possessed a mining licence for the Kamakanga deposit.

The government began to take a keen interest in the country's emerald deposits in large part due to the Zambian state's ongoing fiscal crisis in the late 1970s. If the mining and sale of emeralds were effectively managed, foreign exchange from the sector could potentially aid efforts to combat the country's persistent balance of payments deficits. "Illegal" artisanal miners were mining without licences, avoiding having to pay various fees and area charges to the Ministry of Mines, and were in turn selling their stones to unlicenced dealers and smugglers who were circumventing the payment of various taxes when selling emeralds in international markets. As a result, it was estimated that Zambia was losing between K50 million and K100 million each year from the illegal mining and smuggling of emeralds. In response to learning these figures, Dr. Kaunda deplored the loss of the money "especially considering that our economy has been suffering and losing money so much" (*Times of Zambia*, 18 August, 1979).

In an effort to assert control over emerald mining in the Kafubu area, President Kaunda implemented a series of measures in the late 1970s. He enacted Statutory Instrument (SI) no. 194 of 1977, which established the Ndola Rural Emerald Restricted Area (NRERA) as a "protected area" under the Protected

Places and Areas Act, Cap. 107 of the Laws of Zambia. This SI sought to restrict access to emerald deposits by criminalising the presence of "illegal" artisanal miners in the NRERA. In other words, SI no. 194 of 1977 served to restrict access to lands formerly under communal tenure (under the custodianship of Chiefs Nkana, Mushili, and Lumpuma) and reinforce the illegality of artisanal miners operating in the Kafubu area. These artisanal miners were henceforth now not only unlicenced, but also trespassing. President Kaunda also enacted SI 29 of 1979 (under Section 56 of *the Mines and Minerals Act of 1976*) ordering the cessation of emerald production, and SI 30 of 1979, requiring all uncut emeralds to be placed in the custody of the chief mining engineer. Yet since most emerald mining at that the time was performed illegally and emeralds sold on the black market, these measures were largely ineffectual and only served to punish the two licenced mining operators, MSM and Nkuralu. Harry Nkumbula, co-owner of Nkuralu, complained that these SIs, instead of curbing illegal mining, had in fact done the opposite; they enabled illegal miners access to licenced mines and drew the attention of foreign smugglers to the area (*Times of Zambia*, 19 August 1979). Both these SIs were done in preparation for a substantive probe of emerald mining in the rural Copperbelt. Soon after their enactment, President Kaunda appointed a Commission of Inquiry into the Emerald Industry led by Justice William Bruce-Lyle in February 1979 (*Times of Zambia*, 2 February 1979).

The Commission of Inquiry uncovered a number of important findings about emerald mining in Ndola Rural. It noted that, despite their unsanctioned status and rudimentary geological knowledge, illegal miners employing the pick-and-shovel method had achieved higher production rates than the state-owned MSM (*Report of the Commission of Inquiry*, 1979: 54) and had performed the bulk of the prospecting in the NRERA. With respect to the latter:

> *The Commission was informed by many experts that illegal miners had played a large part in prospecting emeralds. Apparently, illegal miners have gained considerable knowledge in identifying areas where emeralds are found. In fact, geologists who appeared before the Commission said they were led by illegal miners to most of the emerald deposits that have been discovered so far* (*Report of the Commission of Inquiry*, 1979: 12-3).

Contrarily, the Commission learnt that MSM was beset by several failings. The state-owned firm was poorly managed, largely attributable to the frequent turnover of senior personnel, which made "continuity in both planning and operations difficult" (*Report of the Commission of Inquiry*, 1979: 26-7). MSM's operations in the Kafubu area were also undermined by the constant interference of, and lack of coordination with, the Ministry of Mines and its holding company MINDECO. And finally, MSM was undercapitalised and did not possess the requisite funds to fully exploit its emerald deposits (*Report of the Commission of Inquiry*, 1979: 27-8).

The Commission also found there were numerous difficulties related to policing access to the NRERA and countering illegal mining and black-market smuggling. Police forces were encumbered by insufficient manpower and equipment (e.g. access to vehicles, firearms, etc.), inadequate security infrastructure, a plurality of authorities empowered to issue entry permits[1], and interagency conflicts over jurisdictional authority (*Report of the Commission of Inquiry*, 1979: 34-54). These problems were exacerbated by the complicity of some police officers in illegal mining activities (*Report of the Commission of Inquiry*, 1979: 43-45) and the alleged involvement of senior party and government officials in emerald smuggling. On the later point, the Commission's Report indicated that the alleged culprits included three members of UNIP's Central Committee, a member of the Cabinet, and a former Cabinet Minister, and "noted with dismay' that none of these officials came forward to provide evidence to the Commission (*Report of the Commission of Inquiry*, 1979: 49-51). The emerald smugglers themselves were reportedly West Africans (Senegalese and Malians) who had mostly married and settled in rural Copperbelt townships, permitting them to "mix freely with the local population", hence complicating efforts to arrest and deport them (*Report of the Commission of Inquiry*, 1979: 77). These challenges severely curtailed the effectiveness of security measures and operations to counter illegal emerald mining and smuggling.

Aside from ramping up policing of the NRERA to deter illegal mining, and the stricter enforcement of immigration laws to curb emerald smuggling, the Commission of Inquiry made several recommendations on how best to organise the emerald mining industry moving forward. These recommendations included:

- offering a general amnesty to those possessing emeralds illegally;
- the formation of a Buying Agency (wholly government-owned body) to purchase emeralds from licensed producers, provide technical assistance, distribute implements, hire out heavy machinery, and market emeralds abroad.
- the formation of a lapidary for cutting and polishing emeralds in Zambia (considered a long-term objective that required considerable capital, expertise and sizeable emerald stockpiles);
- and the organisation of the NRERA into two regions. The first region, with the

largest deposits, would be reserved for state or private companies, preferably wholly Zambian-owned, with the requisite expertise and capitalisation. The second zone would be reserved for 1000 artisanal miners, governed by an association that would issue permits and arbitrate disputes (*Report of the Commission of Inquiry*, 1979: 102-5).

The last recommendation, it was argued, would minimise illegal mining by licensing most of the illegal miners and minimise security costs as artisanal miners would ensure the security of their own individual plots.

The government accepted some of the Commission's proposals and rejected others. A two-month amnesty (20 May - 20 July 1980) was initiated to purchase illegally mined emeralds. The Reserved Minerals Corporation (RMC) was initially established in 1980 to serve as a state-owned buying and marketing agency for precious stones. The company was first tasked with facilitating the purchase of emeralds during the amnesty, negotiating a K1 million overdraft facility from Standard Chartered Bank ("RMC Annual Report for the Period Ending on 31 March 1981"). However, contrary to press reports at the time (*Times of Zambia*, 6 June 1980), the amnesty faired quite poorly; only K44,699 worth of emeralds were purchased ("RMC Annual Report for the Period Ending on 31 March 1981").

Following the amnesty purchases, emerald mining was also added to RMC's portfolio. Instead of reorganising and capitalising MSM, as recommended by the Commission of Inquiry, RMC became a buyer, marketer, *and producer* of emeralds. MSM's mining licenses were transferred over to the new state-owned emerald mining company, and RMC was granted a prospecting license (PL 180) for an area covering over 1200 km^2 and encompassing most of the known emerald deposits in the NRERA ("RMC Annual Report for the Period Ending on 31 March 1982"). RMC effectively monopolised licensed access to known emerald deposits and no portion of the NRERA was allotted to artisanal miners, again counter to the Commission of Inquiry's recommendations. Artisanal miners, who were responsible for most of the prospecting in the NRERA in the 1970s and who had proven more productive than licensed operators such as MSM and Nkuralu, continued to be criminalised. As Siwale and Siwale (2017) suggest, "A picture emerges that the government used the excuse of bringing order into the sector to displace informal miners from the most lucrative, mineral-rich areas, with the aim of seizing control of those locations" (196).

Despite the formation of RMC and efforts to assert more control over the NRERA, the security situation continued to deteriorate in the early 1980s. The illegal mining and smuggling of emeralds continued largely unchecked, with the active involvement of members of the Zambia Police Service ("RMC Managing Director's Report", 7 September 1981; "RMC Managing Director's Report", 7

December 1981). In discussions hosted by the Secretary to the Cabinet on the deteriorating security situation in Ndola Rural, a number of proposals were put forward to address these issues, including the deportation of illegal aliens who were suspected of smuggling emeralds, and the resettlement of villages located within the confines of the NRERA to curb illegal mining ("RMC Managing Director's Report", 7 September 1981). Yet these government-sponsored proposals, aside from being punitive and ineffective[2], failed to address the root cause of the insecurity; the criminalisation of artisanal miners. Practical solutions offered by the RMC's Board of Directors that would have effectively decriminalised illegal mining and curtailed the smuggling of emeralds from Zambia were rebuffed by government:

> *It had been suggested [by the Board] that side by side with its own operations, the Company [RMC] should consider purchasing emeralds from illegal miners as this would go a long way in reducing the outflow of emeralds out of the country and consequent loss of foreign exchange. But the directors felt that since this proposal had already been rejected by the Government, there was no point in pursuing it further* ("RMC Board Meeting" 14 September 1981).

Grappling with this insecurity, coupled with limited access to capital and expertise, severely hampered RMC's operations. By the end of the first fiscal year (31 March 1981 – 31 March 1982), emerald production was a paltry 4,419 grams and the company suffered a loss of K770,137 ("RMC Annual Report for the Period Ending on 31 March 1982").

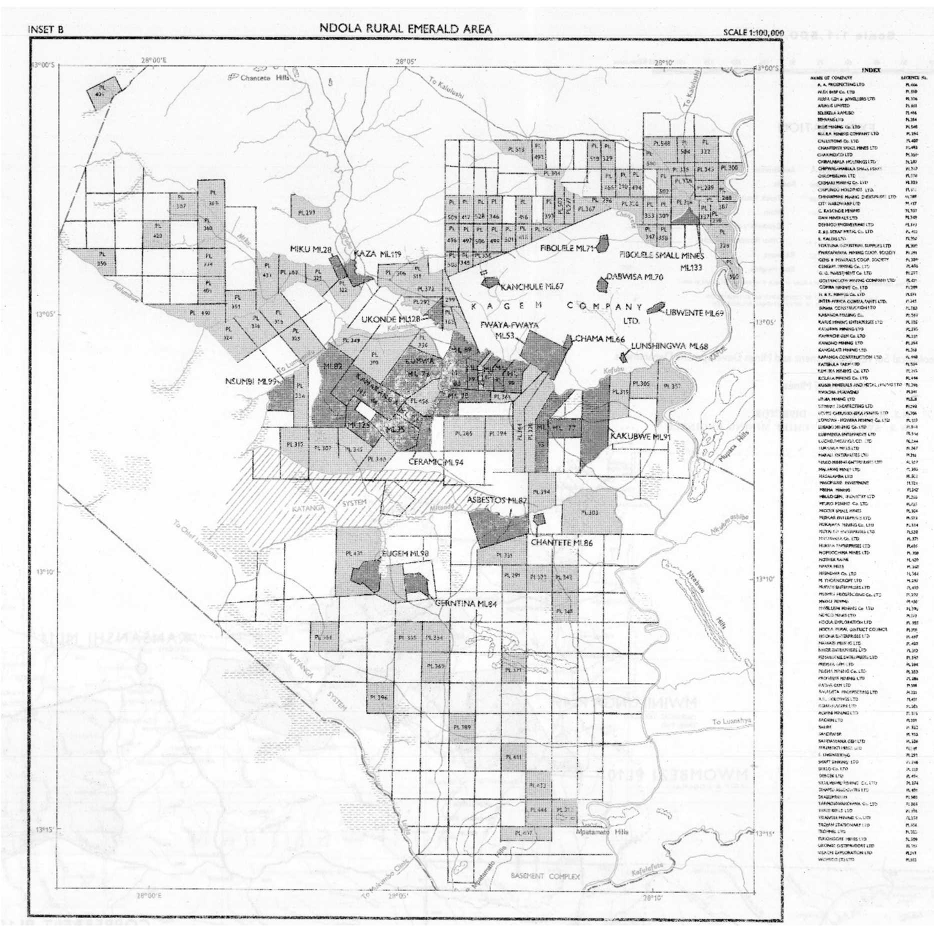
Kaunda's Cabinet put forward a politically expedient solution to the problem, while the RMC Board of Directors favoured a more technocratic option. In a memorandum to the Cabinet, the Minister of Mines complained that while he thought RMC should continue serving as a buying agency, "[t]he involvement of this organisation into production will not only lead to disastrous drain of public funds, but will additionally encourage the growth of illegal mining" (Cabinet Memorandum by the Honorable Minister of Mines, 1982). His proposed alternative was that emerald mining in the NRERA "should be handed over to either District Councils or Cooperatives of local people resident in the area" (Cabinet Memorandum by the Honorable Minister of Mines, 1982). Indeed, even prior to the issuance of this memorandum, the government had pressed RMC to allow a UNIP-aligned cooperative to mine for emeralds *within* the company's license area, much to the dismay of the company's Board of

Directors ("RMC Board Meeting", 14 September 1981). This solution offered a select number of artisanal miners access to NRERA, but only as members of UNIP-aligned cooperatives. The subsequent allocation of mining licences in the NRERA to locally-run cooperatives and small-scale mining companies, following extensive petitioning, largely functioned as a patronage exercise. Indeed, many of the small-scale mining operators were former or current UNIP politicians (e.g. Andrew Kashita, Mary Chisala, Bob Litana, etc.). As a result, the number of mining and prospecting licences awarded in the NRERA increased exponentially over the course of a decade; from 4 mining licences and 2 prospecting licences in 1978 to 32 mining licences and 112 prospecting licences in 1988 (see Figure 1). The licences awarded, however, were for plots with questionable prospects and limited viability (Siwale and Siwale, 2017: 196). Their allocation was *politically* motivated, "to satisfy as many people as they could" (Interview with Mr. Ngwira, 24 October 2018). Whether these ventures were successful or not mattered little. Moreover, upon the awarding of these licences, many of the cooperatives and small-scale miners were not offered any form of financial or technical assistance from the state, contrary to commitments made in the Cabinet Memorandum (Interview with Mr. Musonda, 13 June 2016).

The RMC's Board of Directors, as early as 1981, began courting foreign investors for a potential joint venture. They believed foreign investment would offer an additional source of capital, provide a convenient way of acquiring expertise, and enable RMC to share the risks involved in prospecting ("RMC Board Meeting", 24 July 1981). The RMC Board of Directors sought to bolster production and profitability to justify its continued existence. Interestingly, the difficult security situation in NRERA delayed the establishment of a joint venture, as potential foreign investors expressed concerns over the continued access of illegal miners to licensed areas and the uncooperative stance adopted by local police forces ("RMC Managing Director's Report", 7 December 1981). It was not until 1984 that RMC finalised a joint venture with Hagura Mining, a company that was registered in Britain and jointly owned by Israeli and Indian nationals. B.D. Rao, co-owner of Nkuralu Gem Prospecting Company, was also listed as a director of, and presumably possessed a stake in, Hagura Mining. The joint venture was incorporated as Kagem Mining, with RMC holding 55% ownership and Hagura Mining 45% ownership.

Despite the Minister's stated opposition to the involvement of RMC in mining emeralds, the company was permitted to continue its operations and to establish Kagem Mining together with a foreign investor. The most viable emerald deposits were exploited by Kagem, while the UNIP Central Committee proceeded to offer prospecting and mining licences with questionable prospects to party-affiliated cooperatives and politically connected individuals. The awarding of these questionable licences without any modicum of technical or financial assistance served as a political exercise, simply satisfying demands for access to the NRERA, as opposed to offering genuine empowerment. Ultimately, the Zambian government was more concerned with securing foreign exchange from the sale of Kagem's mine production than empowering Zambian ASM.

Figure 1: Prospecting, Exploration and Mining License Areas in the Republic of Zambia (1988)

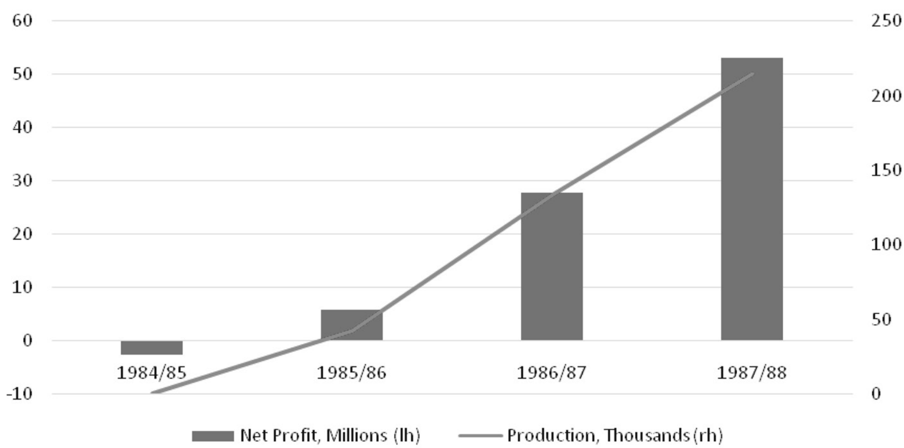


Source: Geological Survey Department and Mines Development Department, Ministry of Mines

Section 3: Policy Innovations and Pitfalls (1984-1991)

Despite initial setbacks due to the delayed issuances of import licences for machinery and the delayed granting of mining licences, Kagem's production levels and profitability rose quickly (see Figure 2). Yet there was a significant level of discord and distrust between the joint venture partners, RMC and Hagura Mining. Hagura felt that RMC's sales agent fee for the auctioning of Kagem's emeralds (set at 10%) was exorbitant, that they did not possess adequate access to information on Kagem's operations, and that they did not exercise sufficient influence over managerial appointments ("KAGEM Board Meeting", 25 March 1986; "Record of Meeting held between the Chairman and Hagura Directors", 21 November 1986).

Figure 2: KAGEM Net Profits (Kwacha) and Emerald Production (grams), 1984-1988



Source: Kagem and RMC Annual Reports and Board Meeting Minutes, 1984-1988

Much of this mutual distrust stemmed from the deteriorating security situation at KAGEM. Instead of illegal miners accessing KAGEM's concession, however, the emerald thefts were being perpetrated by the mine's employees. KAGEM's deputy head of security and chief geologist, in connivance with several other employees, were allegedly stealing emeralds and smuggling them to international markets ("Security at Kagem Memorandum," 16 January 1987). It was subsequently noted in a KAGEM salary review that if employees were provided higher salaries and better conditions of service (i.e. living quarters, medical facilities, etc.) in line with those offered to Zambia Consolidated Copper Mines (ZCCM) employees, emerald thefts would inevitably decrease ("Kagem Salary Review," 31 January 1989). Instead, Zambia Police initiated "Operation Stone" to curtail thefts at the KAGEM concession throughout the later half of 1987 (Correspondence between KAGEM General Manager and Senior Assistant Commissioner of Police, Copperbelt Province, 31 July 1987 - 9 September 1987).

Another smuggling ring that included Zambian customs officials was uncovered following an event dubbed "Gems-Gate," wherein over 2000 kg of precious stones (including emerald, amethyst, garnet and aquamarine) were almost smuggled out of Zambia to West Germany, but were intercepted by authorities at Lusaka International Airport. Most of the suspects (25 of 32) detained by Zambian authorities in relation to "Gems-Gate" were reportedly foreigners, likely West African nationals (*Times of Zambia*, 18 February 1987). Hence, the Zambian media proceeded to demonise the renewed presence of West African emerald smugglers in Ndola Rural (*Times of Zambia*, 23 April 1987; 4 June 1987) and President Kaunda chastised Zambian artisanal and small-scale miners for selling emeralds to them (*Times of Zambia*, 14 February 1987). Yet blaming the persistence of emerald smuggling on the continued presence of West Africans in Ndola Rural masked the actual reasons for its continuation: the involvement of UNIP politicians (see below) and the RMC's marketing monopoly. Small-scale emerald miners, represented by the Emerald Miners' Association of Zambia (EMAZ) and the Zambia Gemstone and Precious Metals Association (ZGPMA), complained throughout the late 1980s about the monopolistic marketing arrangements of emeralds under RMC. As the sole legally recognised agent for the purchase and sale of emeralds, RMC negotiated the price of emeralds sold at international auctions and charged a 10% sales commission. These organisations sought to scrap this arrangement, so their members could sell their emeralds directly at international auctions, negotiating their own sale prices and avoiding the RMC's costly commission (*Times of Zambia*, 19 October 1986; "The Gemstone Industry in Zambia: Problems and Prospects", n.d.). More crucially, due to the tight liquidity positions under which cooperatives and small-scale miners operated, they were unable to sustain their operations unless they received prompt cash payments for their emeralds. Hence, cooperatives and small-scale miners tended to prefer selling their emeralds to local dealers who could provide cash payment on the spot, as opposed to waiting for payment from RMC.

By 1987, Zambia's external debt totalled US$6.6 billion, equivalent to 315% of the country's Gross Domestic Product (Rakner, 2003: 56). Following Kaunda's "divorce" with the International Monetary Fund in May of that year (soon replaced by the ill-fated *National Economic Recovery Programme*), some commentators noted the heightened importance of emerald exports as a potential source of desperately needed foreign exchange (*Times of Zambia*, 4 June 1987). Soon thereafter, then Minister of Mines Pickson Chitambala expressed his hope that emeralds and other gemstones could become another vital source of foreign exchange, in addition to copper (*Times of Zambia*, 9 September 1987). In sharp contrast to copper production, which had steadily declined since the mid-1970s, sanctioned emerald production had successively increased since the formation of Kagem (see Figure 2). Interestingly, despite the foreign exchange shortage, and perhaps with the intention of incentivising increased emerald production, RMC decided, in late 1987, to appease Hagura by increasing the remittable portion of dividends to overseas shareholders by increasing Kagem's capitalisation from K100,000 to K20 million ("KAGEM Board Meeting," 7 December 1987).

It was in this context, that the Zambian government began implementing a series of innovations to bolster the emerald mining sector, including measures to assist ASM. One of these measures included the establishment of a revolving fund to facilitate advances on emerald purchases. In 1987, RMC acquired an interest-free loan of K3 million from the Bank of Zambia to operate a revolving fund to offer financing for small-scale miners and cooperatives. The revolving fund paid advances for emeralds sold to RMC, up to 50% of their expected market value. These advances served to discourage small-scale miners and cooperatives from selling stones to black market dealers, by provided them with the necessary cash liquidity upfront (*Times of Zambia*, 9 September 1987). The fund was heavily utilised; by 31 March 1988, over K1.8 million had been paid out to small-scale miners and cooperatives for outright purchases or as advances against emerald production submitted to the company ("RMC Annual Report and Accounts for the Financial Year Ended 31 March 1988").

RMC also entered a joint venture with a Brazilian investor, ERB Overseas, to establish a lapidary in Ndola – Zambia Emerald Industries Limited (ZEIL) – in 1987 (eight years after the Commission of Inquiry report made its recommendations). According to the RMC's internal documents, "the establishment of the lapidary is one way by which the country can increase, several fold, the value of its gemstones and thereby alleviate the severe shortage of foreign exchange in the economy" (F. Kaunda to J. Mtonga, "Establishment of a Gemstone Lapidary in Zambia," 27 March 1987). Unfortunately, ZEIL encountered several difficulties that hampered its operations. The lapidary required a sizeable volume of raw emeralds for cutting and polishing. ZEIL was initially entitled to 51% of Kagem's production, by virtue of RMC's majority shareholding. In late 1988, ZEIL sought to acquire access to all of Kagem's emerald production by pushing the Zambian government to ban the export of all rough, uncut emeralds. This effort to acquire the entirety of Kagem's production, of course, was challenged by Hagura who countered that such an action would contravene the 1984 joint venture agreement (E.A. Kashita to Minister of Mines B. Fumbelo, "Alleged Ban of Exports of Uncut or Rough Precious or Semi-Precious Stones", 11 December 1989). A series of conflicts also emerged between the minority shareholder ERB Overseas, represented by ZEIL's Managing Director Eric Engel, and the Ministry of Mines. Officials expressed concerns over ZEIL's failure to communicate and justify to the Ministry, its production volumes, training strategies, and security procedures. Indeed, the Minister of Mines, in correspondence with RMC Chairman Francis Kaunda, expressed his doubts about ZEIL's feasibility and the reliability of the Brazilian minority shareholder (P.S. Chitambala to F. Kaunda "Emerald Cutting Industry", 17 April 1987). The joint venture was ultimately short-lived, with ERB Overseas divesting from ZEIL in 1989, leaving the company K84 million in debt ("ZEIL Board Meeting" 14 June 1990).

Finally, ZCCM Small Mines Unit, at the behest of RMC, established a plant hire scheme for small-scale miners in November 1989. The intention of the scheme was to provide small-scale miners with access to the machinery and capital equipment necessary to bolster their emerald mining operations. EMAZ, however, complained that the K4000/hour cost and 25% deposit requirement made it prohibitive for many small-scale miners, and requested that plant hire be provided on credit. In response to EMAZ, ZCCM Small Mines Unit countered that the K4000/hour charge was the break-even price and that anything below that price would require heavy subsidisation. Furthermore, the financial outlay for credit provisioning would be too large, and the risk involved in emerald mining precludes the possibility for long repayment terms (Correspondence between EMAZ and J. Matale "Plant Hire Scheme", 3 January - 4 February 1990). This dispute between EMAZ and the ZCCM Small Mines Unit underlined the ill-timing of these policy innovations. Arguably, these measures would likely have been more impactful if they were implemented outside the confines of an economic crisis, whereby increased funding (e.g. the provision of credit) could have been made available.

Four patterns emerge from the governance of the emerald mining sector in the 1980s. Firstly, as the 1979 Commission of Inquiry made clear, artisanal miners were responsible for most of the prospecting and were more productive than licensed mines until the early 1980s. Yet the state proceeded to criminalise them by creating the NRERA, assigning licenses for deposits they had discovered to RMC (which were subsequently transferred to KAGEM Mining), and prevented them from selling their emeralds through sanctioned channels. The only way artisanal miners were permitted to legally participate in the emerald mining sector was either through participation in UNIP-aligned cooperatives, or as employees of licensed mines. These actions were undertaken to ensure access to foreign exchange for a government confronting persistent balance of payments deficits. In other words, rural empowerment was sacrificed at the altar of macroeconomic stability. Secondly, rhetoric about empowering District Councils and locally-based cooperatives to mine emeralds was not matched by reality. The government may have granted a flurry of questionable mining and prospecting licences in the NRERA to cooperatives and politically connected individuals, but the most lucrative emerald deposits were reserved for KAGEM Mining. The preference for large-scale mining, through cooperation with a foreign investor, was considered the best means to improve production and secure requisite foreign exchange. Thirdly, we can deduce from the findings of the *Report of the Commission of Inquiry* (1979) that the failure of the Kaunda administration to effectively curb emerald smuggling was largely attributable to the involvement of UNIP politicians and civil servants in the practice. Politically powerful and connected individuals directly benefitted from a situation whereby emeralds left the country through informal (i.e. tax-evading) channels. Lastly, improvements to the emerald mining sector, which would have effectively advanced Kaunda's objective of economic diversification, were left largely by the wayside until their implementation became a matter of necessity. Arguably, the most ambitious policy innovations in the emerald mining sector occurred during the confines of the NERP (1987-89). Yet, at the same time, the effectiveness of these policies was hampered by financial constraints caused by the debt crisis.

Section 4: Persistent Policy Deficiencies to the Present Day?

A key question that this paper sought to explore in light of Kaunda's legacy is whether historical choices have had a lasting impact on the development of Zambia's ASM emerald sector. The answer seems overwhelmingly in the affirmative, with evidence of persistent policy-related deficiencies to the present day, despite efforts to restructure the economy. Key parallels largely relate to, on the one hand, the persistence of Zambia's dependence on large-scale copper mining and the sidelining of ASM, and on the other hand, the faltering and sporadic support offered to ASM, often as part of rushed efforts to support economic diversification during times of economic crisis.

Copper Dominance and Failed Diversification

As noted in Section 2, Kaunda inherited from the colonial administration an economy based solely on copper. From the outset, the Kaunda government had emphasised the need to break out of the country's copper dependence. As was noted earlier, the first and second national development plans, as well as the Mulungushi and Matero Reforms, all expressed a determination to diversify the economy away from copper and towards minerals such as gemstones (Kaunda, 1968, 1969). The *Outline of the Government's Industrial Policy* declared: "the basic principle of government policy is to support…the development and diversification of the economy" (Ministry of Commerce and Industry, 1966).

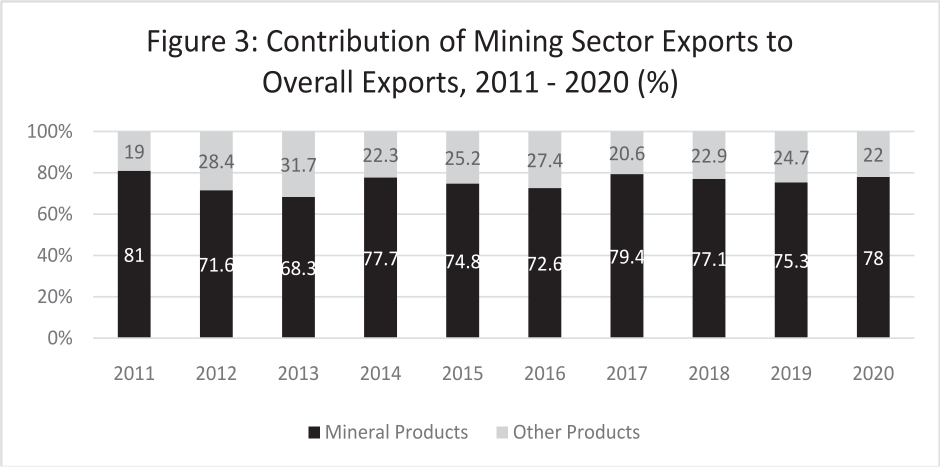
As was highlighted in the previous section on policy innovations, there were some important measures undertaken in the emerald sector specifically, ranging from creation of ZEIL to cut and polish rough emeralds, to providing ASM with purchase advances (to alleviate tight liquidity), and access to machinery through equipment hire schemes. However, the timing of these innovations tended to be during times of crisis when adequate financing to execute plans was limited. This ill-timing can be significantly linked to the performance of the copper sector. In times of copper booms, the need to diversify the economy waned and only revived when the state was desperate for additional revenues. Remarking on this trend at a macro level, Shafer (1994) writes "Having failed to restructure when it was flush, Zambia now faced the task stone broke" (p.86) – referring to the government's desperate reform efforts during the late 1990s when copper prices had plummeted and the debt crisis was at its height. Ultimately, the restructuring efforts across the country failed resulting in the demise of President Kaunda and the ushering in of the Movement for Multiparty Democracy (MMD) under President Fredrick Chiluba.

The Chiluba government passionately embraced the International Monetary Fund's (IMF) Structural Adjustment Programmes (SAPs) and, between 1997 and 2000, ZCCM was parceled into smaller units that were sold to foreign investors. Liberalisation under the SAPs entailed offering several concessions to these incoming investors (Lungu and Fraser, 2007). The late 1990s thus won the approval of the IMF/World Bank and wider donor community and harked back to the country's colonial experience of private sector-led, large-scale mining. Although donors have held on to the notion that large-scale mining is a "growth-pole" that will trigger development in other sectors of the economy, this was not the case in Zambia, nor has it yielded local benefits in other parts of SSA (Caramento, 2020). In Ghana, for instance, a rise in foreign investment indeed revitalised the otherwise ailing mining sector in the 1990s, but retrenchments from privatisations drove thousands into poverty, while large-scale mining interests displaced ASM mining communities, yielding limited benefits for local communities (Hilson, 2004; Hilson, 2019; Yankson and Gough, 2019).

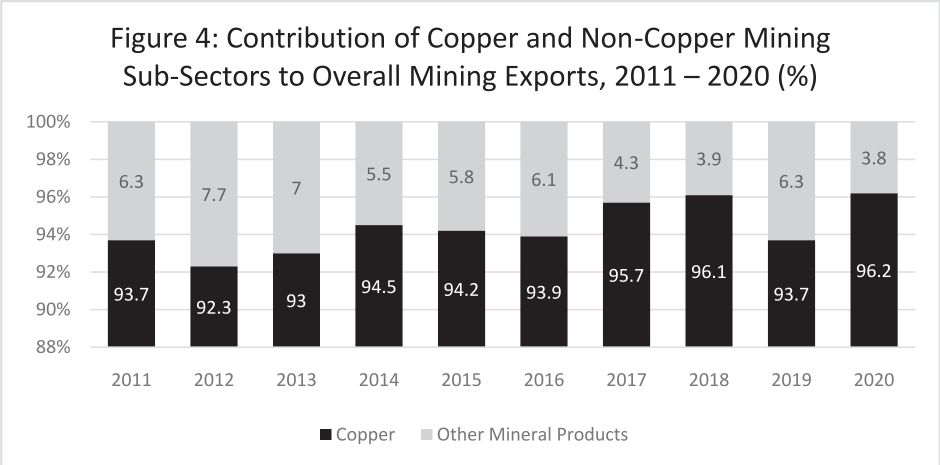
As was the case during the 1980s, a combination of policy pitfalls and innovations are observable across the 2000s. Similar to the 1980s, innovative ideas and attempts at economic restructuring were launched from a place of economic crisis. In the late 1990s, the Zambian government approached the European Union for a loan from their special facility SYSMIN. This was on the basis that Zambia's export earnings had precipitously declined between 1993 and 1997 and that diversification into small-scale gemstone mining had potential to bolster the economy. In September 2000, the Mining Sector Diversification Programme (MSDP) was approved by the European Commission with funding amounting to €30 million in favour of the diversification agenda (Müller, Chitah and Simemba, 2008). As part of the MSDP, the European Investment Bank (EIB) established a credit scheme for ASM operators with loan financing of €16.5 million, responding to ASM's critical need for capital. However, the scheme was doomed to fail due to the onerous conditions that failed to grasp the poverty-driven nature of the activity. ASM operators who are mostly poor and not highly educated were required to present bankable documents with technical studies if they were to access funding. Interest rates for the loans were also high and needed to be repaid in Euros. In the end, ASM operators were unable to access the funding, with only a few medium-scale mine owners accessing the funds (Siwale and Siwale, 2017). Using the case of Zambia's emerald sector, the paper analyzes the initial wave of ASM formalisation that took place in the country in the 1980s, and finds that contrary to harnessing benefits for operators, formalisation was used as a tool by the state to gain control of the sector and to displace operators to areas with low economic viability. The paper further finds that currently, a lack of state support and a policy framework skewed in favour of large-scale copper mining has worsened the outcomes of ASM operators in Zambia's emerald sector. As formalisation is such an ambitious undertaking, the process requires not only strong political will but also robust implementing institutions, a point that is particularly crucial in sub-Saharan Africa, where the agencies spearheading formalisation efforts are often weak and limited in capacity. The World Bank, through its Support to Economic Expansion and Diversification (SEED) Project, similarly provided support to the sector, including infrastructure support and assistance in developing an online cadastre system for Zambia (Siwale and Siwale, 2017). However, once the copper prices rebounded, interest in economic diversification once again waned.

In the late 2000s, the Ministry of Mines and the Citizens Economic Empowerment Commission (CEEC) once again attempted to offer support to ASM on the heels of a global recession. Loans of USD $5,000 or less were offered to miners by both bodies, but these loans were not enough to stimulate production and seemed to have been offered to simply satisfy political demands, rather than provide strategic support (Siwale and Siwale, 2017). Yet despite these varied initiatives implemented throughout the Third Republic, artisanal and small-scale emerald miners languished. A recent site visit to small-scale emerald mines in Lufwanyama District by a Parliamentary Committee tasked with examining the possibilities for mining diversification found that many of the challenges confronted by ASM operators in the 1980s continue to persist: ASM operators continue to lack access to adequate finance, capital equipment, and reliable geological data (Committee on National Economy, Trade and Labour Matters, 2022: 30-1). Conversely, KAGEM, which is now jointly owned by the UK-based multinational, Gemfields (75% ownership) and ZCCM-Investment Holdings (25%), currently boasts being the world's largest single producer of emeralds (https://www.gemfieldsgroup.com/assets/kagem-mining-limited-emerald-mines/).

Currently, Zambia is still struggling to recover from a deep recession. In 2021, real GDP contracted by 4.9% following the adverse impacts of COVID-19, but even before the pandemic, the economy faced significant challenges from "high inflation, widening fiscal deficits, unsustainable debt levels, low international reserves, to tight liquidity conditions" (https://www.afdb.org/en/countries-southern-africa-zambia/zambia-economic-outlook). It is therefore, no surprise that the Seventh National Development Plan (2017-21), prioritised diversification once again, with "a diversified and export oriented mining sector" identified as one of its principal targets, with "emphasis [being]… placed on enhancing the capacities of small-scale miners to increase production" (Ministry of National Development Planning, 2017: 64). The 2022 Budget speech similarly pronounced "the government will promote diversification and value addition, not only to copper, but also to gemstones, manganese and other high value minerals like gold" (Musokotwane, 2021: 16). However, despite these pronouncements and attempts at restructuring, there is a clear pattern of significant copper dependence in the last decade, and accompanying vulnerability to the fluctuations of copper prices on the international markets (see Figures 3 and 4).



Source: Committee on National Economy, Trade and Labour Matters, 2022: 11



Source: Committee on National Economy, Trade and Labour Matters, 2022: 11

Large-Scale Mining Bias and the Perils of Formalisation

Trends in the Zambian economy thus seem to support the existence of a "large-scale mining (LSM) bias" in which governments in sub-Saharan Africa offer disproportionate support to, and gear mining policy towards, LSM as the preferred avenue to achieving broad-based growth (Hilson, 2019). Michael Shafer (1994) further argues that countries with highly capital-intensive leading sectors, in which state capacity has been honed to taxing large-scale industries, find it difficult to break out of such dependency. Zambia has, for instance, failed to develop general purpose mechanisms for taxing dispersed ASM operators, hence large-scale mining became that which is easiest to tax and rely upon for revenues (Hilson, 2020).

As noted in the preceding section, a key concern of the Kaunda government with regards to emerald mining in the 1970s and early '80s was containing the rise of illegal mining activities in Ndola Rural. A frequent refrain in newspaper articles from the '80s was that Zambia was losing millions of dollars to the illegal mining and smuggling of emeralds. However, most artisanal miners were classified as "illegal" and thus, policies towards them became punitive. To curb illegal mining the NRERA was created to keep illegal miners out, while the government partnered with a foreign investor to establish an LSM operation. Yet the challenges with illegal mining and smuggling continued for some time, as government repeatedly ignored recommendations to facilitate the regulated access of artisanal miners into the NRERA (as recommended by the 1979 Commission of Inquiry); purchase "illegally" mined emeralds beyond the initial amnesty (as recommended by the RMC Board of Directors); or dismantle the RMC's monopoly over emerald marketing (as recommended by small-scale mining associations).

Although illegal mining has declined over the last two decades, largely due to the depletion of alluvial emeralds that were easily accessible with picks and shovels, challenges remain with regards to state capacity to effectively monitor and support "legal" ASM. The institutional weaknesses of the Regional Mining Bureaus (RMBs) offer an illustrative example. RMBs are designed to serve as extension offices for the Ministry of Mines, providing technical support to artisanal and small-scale miners, as well as monitoring and evaluating their operations. A recent study of ASM in Zambia (Oxfam and ZEITI, 2019: 23-4) found that these RMBs were underfunded and possessed limited technical capacities. Moreover, the Office of the Auditor General (2019: 46-7) determined that the RMBs were severely understaffed, with only 24 of 60 positions filled.

The operational prospects of small-scale emerald miners were also undermined by the problematic formalisation of the NRERA undertaken in the 1980s. The UNIP Central Committee and the RMC's Board of Directors ensured that geologically surveyed deposits with the most potential were assigned to KAGEM, while ASM operators were awarded unverified mining plots with limited potential. Moreover, the subdivision of these unverified plots, to placate numerous demands for political patronage, made them unviable (Siwale and Siwale, 2017: 196). In 2013, an inter-ministerial taskforce was organised by the

Ministry of Mines to investigate the viability of the 408 small-scale gemstone plots located in the NRERA. This taskforce found that less than 30 of the 408 demarcated small-scale emerald mining plots were actually viable and recommended that they should be amalgamated into ten sizeable plots in order to attract investment for larger-scale operations (Chadukwa, 2018: 47-8). While the taskforce's recommendations have yet to be implemented, the implications of its findings were clear: formalisation of the NRERA in the 1980s was an effort to assert state control over the emerald mining sector and disempower ASM operators, both legal and illegal. Moreover, instead of assisting the minority of legal ASM operators that were in possession of viable small-scale gemstone licences, the Zambian government's preferred option was to amalgamate the plots to attract large-scale (presumably foreign) mining investors!

Conclusion

It is evident from the preceding analysis that the Kaunda government's stated intention, as captured in the Matero and Mulungushi Reforms as well as various National Development Plans, was to facilitate rural development through support to economic diversification that embraced ASM. However, Kaunda's government prioritised large-scale foreign investment that was more easily monitored and taxed, instead of ASM which was seen as largely illegal and difficult to regulate. In the emerald sector, this was evident in the manner in which the government centralised control over the Kafubu emerald area and awarded the best deposits to a joint venture between the state and a foreign investor, while ASM operators were assigned marginal deposits with limited economic potential.

The decisions of the Kaunda government carries over to present day dynamics in the sector, as copper continues to be the mainstay of the economy, as an avenue for achieving diversification and securing higher revenues, while ASM only gets onto the agenda during times of economic distress. While there have been some attempts to support the ASM sector, this has typically involved ill-timed or ill-designed initiatives that have not yielded much needed support. If the sector is to experience genuine transformation, it is critical that focused attention be given to the sector and necessary resources be assigned to the development of ASM. Without focused state and donor support that allows access to finance, capital equipment, and geological services, the government will continue to pronounce that it supports ASM for diversification but achieve little in actuality.

Endnotes

[1] "[W]hile it is easy to round up these foreigners and deport them, experience has shown that it is not easy to ensure that they do not re-enter the country" ("RMC Managing Director's Report' 7 September 1981).

[2] Under SI no. 194 of 1977, the list of authorities who could issue permits for access to the NREA included: the Permanent Secretary for the Copperbelt Province; the District Secretaries of Kalulushi, Kitwe, Luanshya and Ndola Rural (Lufwanyama); and the Mine Managers of licensed companies operating in the area (*Report of the Commission of Inquiry*, 1979: 38).

References

Baffour-Kyei, Vasco, Amos Mensah, Victor Owusu, and Godwin Horlu. 2021. "Artisanal Small-Scale Mining and Livelihood Assets in Rural Southern Ghana." *Resources Policy* 71.

Chadukwa, Choolwe. 2018. "Overview of ASM in Zambia." In: *Artisanal and Small Scale Mining Handbook for Zambia*, ed. John Tychsen. Copenhagen: Geological Survey of Denmark and Greenland.

Committee on National Economy, Trade and Labour Matters. 2022. *Report of the Committee on National Economy, Trade and Labour Matters for the First Session of the Thirteenth National Assembly*. Lusaka: National Assembly of Zambia.

Caramento, Alexander. 2020. "Cultivating Backward Linkages to Zambia's Copper Mines: Debating the Design of, and Obstacles to, Local Content." *The Extractive Industries and Society* 7, 2: 310-320.

Evans, David. 1984. "The State and the Peasant Farming Sector: Small Scale Agricultural Production in Economic Development." In: *Beyond Political Independence: Zambia's Development Predicament in the 1980s*, ed. Klaas Woldring and Chibwe Chibaye. Berlin: De Gruyter Mouton.

Fraser, Alastair and John Lungu. 2007. *For Whom the Windfalls? Winners and Losers in the Privatisation of Zambia's Copper Mines*. Lusaka: CSTNZ & CCJDP.

Hilson, Gavin. 2004. "Structural Adjustment in Ghana: Assessing the Impacts of Mining-Sector Reform." *Africa Today* 51, 2: 53-77.

Hilson, Gavin. 2019. "Why is there a large-scale mining 'bias' in sub-Saharan Africa?" *Land Use Policy* 81: 852-861.

Kaunda, Kenneth. 1968. *Zambia's Economic Revolution: Address by His Excellency the President at Mulungushi, 19 April 1968.* Lusaka: Zambia Information Services.

Kaunda, Kenneth. 1969. *Towards Complete Independence: Address by His Excellency the President at UNIP National Council, held at Matero Hall, Lusaka, 11 August 1969*. Lusaka: Zambia Information Services.

Libby, Ronald and Michael Woakes. 1980. "Nationalization and the Displacement of Development Policy in Zambia." *African Studies Review* 23, 1: 33-50.

Meyns, Peter. 1984. "The Political Economy of Zambia." In: *Beyond Political Independence: Zambia's Development Predicament in the 1980s*, ed. Klaas Woldring and Chibwe Chibaye. Berlin: De Gruyter Mouton.

Ministry of Commerce and Industry. 1966. *Outline of the Government's Industrial Policy*. Lusaka: Government of the Republic of Zambia.

Ministry of National Development Planning. 2017. *Seventh National Development Plan, 2017-2021*. Lusaka: Government of the Republic of Zambia.

Müller, M., P. Chitah, and M. Simemba. 2008. "European Union Mining Sector Diversification Programme: 8 ACP ZA 036 Final Evaluation - Draft Final Report."

Musokotwane, Situmbeko. 2021. *2022 Budget Address* (delivered on 29 October 2021). Lusaka: National Assembly of Zambia.

Rakner, Lise. 2003. *Political and Economic Liberalisation in Zambia 1991-2001*. Uppsala: Nordic Africa Institute.

Report of the Commission of Inquiry into Emerald Mining Industry. 1979. Lusaka: Government Printers.

Office of the Auditor General. 2019. *Report of the Auditor General on the Accounts of the Republic for the Financial Year ended 31st December 2019*. Lusaka: Government of the Republic of Zambia.

Oxfam and ZEITI. 2019. *An Overview of Artisanal and Small-Scale Mining in Zambia*. Lusaka: Oxfam and the Zambia Extractive Industries Transparency Initiative.

Shafer, D. Michael. 1994. *Winners and Losers: How Sectors Shape the Developmental Prospects of States*. Ithaca: Cornell University Press.

Sikamo, J., A. Mwanza and C. Mweemba. 2016. "Copper Mining in Zambia - History and Future." *Journal of The Southern African Institute of Mining and Metallurgy* 116: 1-6.

Siwale, Agatha and Twivwe Siwale. 2017. "Has the promise of formalizing artisanal and small-scale mining (ASM) failed? The case of Zambia." *The Extractive Industries and Society* 4, 1: 191-201.

Yankson, Paul and Katherine Gough. 2019. "Gold in Ghana: The effects of changes in large-scale mining on artisanal and small-scale mining (ASM)." *The Extractive Industries and Society* 6, 1: 120-128.

Zwaan, J.C. et al. 2005. "Emeralds from the Kafubu Area, Zambia." *Gems & Gemology* 41, 2: 116–148.

Archival Material

Cabinet Memorandum by the Honourable Minister of Mines. 1982. National Archives of Zambia. File: CO 2/3/012/9738.

Correspondence between KAGEM General Manager and Senior Assistant Commissioner of Police, Copperbelt Province. 31 July 1987 – 9 September 1987. ZCCM Archives. File: 7/12/3B.

Correspondence between EMAZ and J. Matale. 'Plant Hire Scheme', 3 January 1990 - 4 February 1990. ZCCM Archives. File: 7/2/2G.

E.A. Kashita to Minister of Mines B. Fumbelo. 'Alleged Ban of Exports of Uncut or Rough Precious or Semi-Precious Stones.' 11 December 1989. ZCCM Archives. File: 7/12/3B.

F. Kaunda to J. Mtonga. 'Establishment of a Gemstone Lapidary in Zambia.' 27 March 1987. ZCCM Archives. File: 7.2.2F.

'KAGEM Board Meeting.' 25 March 1986. ZCCM Archives. File: 1/6/2B.

'KAGEM Board Meeting.' 7 December 1987. ZCCM Archives. File: 7/12/2F.

'KAGEM Salary Review.' 31 January 1989. ZCCM Archives. File: 7/12/3B.

P.S. Chitambala to F. Kaunda, 'Emerald Cutting Industry.' ZCCM Archives. File: 7.2.2F.

'Record of Meeting held between Chairman and Hagura Directors.' 21 November 1986. ZCCM Archives. File: 1/6/2B.

'RMC Annual Report for the Period Ending on 31 March 1981.' ZCCM Archives. File: T6/2E.

'RMC Annual Report for the Period Ending on 31 March 1981.' ZCCM Archives. File: T6/2E.

'RMC Annual Report and Accounts for the Financial Year Ended 31 March 1988.' National Archives of Zambia. File: ZIMCO 1/2/383.

'RMC Board Meeting.' 24 July 1981. ZCCM Archives. File: 12/3/3A.

'RMC Board Meeting.' 14 September 1981. ZCCM Archives. File: 12/3/3A.

'RMC Managing Director's Report.' 7 September 1981. ZCCM Archives. File: 12/3/3A.

'RMC Managing Director's Report.' 7 December 1981. ZCCM Archives. File: 12/3/3A.

'Security at KAGEM Memorandum.' 16 Janaury 1987. ZCCM Archives. File: 7/12/3B.
'The Gemstone Industry in Zambia: Problems and Prospects.' Zambia Gemstone and Precious Metals Association. No Date. ZCCM Archives. File: 7/12/2F.
'ZEIL Board Meeting.' 14 June 1990. ZCCM Archives. File: 7/2/2G.

Key Informant Interviews

Mr. Musonda, conducted on 13 June 2016, in Chingola.
Mr. Ngwira, conducted on 24 October 2018, in Kalulushi.