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Behind the Economic Figures: Large-scale Mining and Rural Poverty Reduction in Zambia, the Case of Kansanshi Copper Mine in Solwezi.

A thesis presented in partial fulfillment of the requirements for the Degree of Master of Philosophy in Development Studies at Massey University, Palmerston North, New Zealand.

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2008
ABSTRACT

Mining is promoted as a lead-economic sector in most mineral-rich countries. Depending on the contemporary global development ideology, the place of mining within the development industry has always been justified. Under the poverty reduction agenda, which took the centre-stage in the late 1990s and early 2000s, it has been argued in theory that investments, especially in large-scale mining would lead to poverty reduction in mining communities through opening up economic opportunities in which they can participate; increase their capabilities to participate in the local economies; enhance their security by reducing their vulnerability and exposure to risks; and empowering them to participate in issues that affect their lives.

Zambia as a mineral-rich country adapted the linkages between mining and poverty reduction and promoted the development of Kansanshi copper mine within the country’s macroeconomic policy framework of achieving sustained economic growth and poverty reduction. Because of the positive response of the mining sector to huge investments, the domestic economy has been recording positive growth rates in excess of 5 percent since the beginning of the 2000s, with other economic indicators such as inflation, currency appreciation, and balance of payments recording positive trends.

Applying the Sustainable Livelihoods Framework (SLF), this thesis explores the extent to which the development of Kansanshi copper mine in Solwezi has impacted on local people’s livelihoods in the context of the four linkages between mining and poverty reduction promulgated in theory. It comes out clearly in the thesis that the development of the mine has opened up economic opportunities that are in areas that do not allow the full participation of local people; the development of local people’s capabilities is either minimal or non-existent; mine development enhanced local people’s vulnerability and exposure to risks through displacement and seizure of productive systems; and disempowered them through the way mining and land rights were obtained from the government.

The thesis concludes on the note that since mining development cannot be stopped, there is need for governments to deliberately cater for local people who often struggle to fit within the transformed local economies through comprehensive implementation frameworks that promote interaction among parties involved and improved communication channels, skills training and provision of relevant resources such as agricultural inputs and microcredit facilities.
DEDICATIONS

This thesis is dedicated
to my beloved daughter Lushomo Namoonga Cheelo,
who was born when I was in the midst of my Masters’ studies.
Long live girl.
ACKNOWLEDGEMENTS

I owe gratitude to the people who contributed to the success of this piece of work in various ways and capacities.

Acknowledgements go to my supervisors Dr. Rochelle Stewart-Withers, Dr. Tanira Kingi, and Dr. Katherine McKinnon during the initial stage for the guidance rendered and patience exercised.

Many thanks also go to the people of Mushitala, Kyafukuma, Kabwela, and Kyafukuma who agreed to provide the valuable information that has made this thesis what it is. Respondents from various institutions consulted are also acknowledged, such as Mr. Felix Nkulukusa (Ministry of Finance and National Planning), Mr. Ndalama (Ministry of Mines and Minerals Development), Hon. Chipungu, MP (Minister, North Western Province), Hon. Ben Tetamashimba, MP (Area Member of Parliament, Solwezi Central), Mr. Ben Kapumo (Acting Solwezi District Commissioner), Mr. Rodney Machila (Provincial Labour Officer, North Western Province), Ms. Brenda Kapika (Environmental Officer, Kansanshi Mine), Ms. Kyapalushi Kapatamoyo (North Western Provincial Coordinator, Civil Society for Poverty Reduction), Mr. Mwepu (Acting Chief Kapijimpanga), Acting Sub-Chief Kibanda (Kyafukuma), Mr. Kabwita (Solwezi District Health Management Team), Mr. Kimfwa (Secretary for Mushitala Compensation Committee), and Headwoman Mushitala.

I would also like to thank the New Zealand Aid for International Development (NZAID) for the scholarship and making resources available for the study.

Finally, special thanks go my wife Maimbo Leadah Muntanga Cheelo and my lovely daughter Lushomo Namoonga Cheelo who offered support in various ways and gave me space to prioritize academic work over certain family activities.
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# GLOSSARY OF TERMS AND ACRONYMS

<table>
<thead>
<tr>
<th>Term</th>
<th>Description</th>
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<tbody>
<tr>
<td>Munkoyo</td>
<td>Local brew</td>
</tr>
<tr>
<td>Ba Israeli</td>
<td>Villages identifying with a religious sect call “The Israelites”</td>
</tr>
<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>AFRODAD</td>
<td>African Forum and Network on Debt and Development</td>
</tr>
<tr>
<td>AIDS</td>
<td>Acquired Immuno Deficiency Syndrome</td>
</tr>
<tr>
<td>CEDLA</td>
<td>Centre for Latin American Research and Documentation</td>
</tr>
<tr>
<td>CHAMP</td>
<td>Comprehensive HIV/AIDS Management Programme</td>
</tr>
<tr>
<td>CPIA</td>
<td>Country Policy and Institutional Assessment</td>
</tr>
<tr>
<td>CSPIR</td>
<td>Civil Society for Poverty Reduction</td>
</tr>
<tr>
<td>DC</td>
<td>District Commissioner</td>
</tr>
<tr>
<td>DDH</td>
<td>District Director of Health</td>
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<tr>
<td>DFID</td>
<td>Department for International Development</td>
</tr>
<tr>
<td>DFS</td>
<td>Defensive Feasibility Studies</td>
</tr>
<tr>
<td>DRC</td>
<td>Democratic Republic of Congo</td>
</tr>
<tr>
<td>ECZ</td>
<td>Environmental Council of Zambia</td>
</tr>
<tr>
<td>EDRC</td>
<td>Economic Development Research Centre</td>
</tr>
<tr>
<td>ERIP</td>
<td>Economic Recovery and Investment Project</td>
</tr>
<tr>
<td>ERP</td>
<td>Economic Recovery programme</td>
</tr>
<tr>
<td>ESA</td>
<td>Economic and Structural Adjustment</td>
</tr>
<tr>
<td>ESAC</td>
<td>Economic and Structural Adjustment Credit</td>
</tr>
<tr>
<td>ESAF</td>
<td>Enhanced Structural Adjustment Facility</td>
</tr>
<tr>
<td>FGD</td>
<td>Focused Group Discussion</td>
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<tr>
<td>FQM</td>
<td>First Quantum Minerals Limited</td>
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<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GNP</td>
<td>Gross National Product</td>
</tr>
<tr>
<td>GRZ</td>
<td>Government Republic of Zambia</td>
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<tr>
<td>HDI</td>
<td>Human Development Index</td>
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<tr>
<td>HIPC</td>
<td>Heavily Indebted Poor Countries</td>
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<tr>
<td>Acronym</td>
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<tr>
<td>SAPRIN</td>
<td>Structural Adjustment Participatory Review International Network</td>
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<td>SDHMT</td>
<td>Solwezi District Health Management Team</td>
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<tr>
<td>SLF</td>
<td>Sustainable Livelihoods Framework</td>
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<tr>
<td>SMC</td>
<td>Solwezi Municipal Council</td>
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<tr>
<td>STDs</td>
<td>Sexually Transmitted Diseases</td>
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<tr>
<td>TBAs</td>
<td>Traditional Birth Attendants</td>
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<tr>
<td>TNCs</td>
<td>Transnational Corporations</td>
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<tr>
<td>UNCTAD</td>
<td>United Nations Conference on Trade and Development</td>
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<tr>
<td>UNDP</td>
<td>United Nations Development Programme</td>
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<tr>
<td>UNIP</td>
<td>United National Independence Party</td>
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<tr>
<td>UK</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
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<tr>
<td>USS</td>
<td>United States of America Dollar</td>
</tr>
<tr>
<td>USSR</td>
<td>Union of Soviet Socialist Republics</td>
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<tr>
<td>VAT</td>
<td>Value Added Tax</td>
</tr>
<tr>
<td>WDR</td>
<td>World Development Report</td>
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<tr>
<td>ZAMSIF</td>
<td>Zambia Social Investment Fund</td>
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<td>ZCCM</td>
<td>Zambia Consolidated Copper Mines</td>
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<tr>
<td>ZCCM-IH</td>
<td>Zambia Consolidated Copper Mines – Investment Holdings</td>
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<td>ZDES</td>
<td>Zambia Demographic Education Survey</td>
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<tr>
<td>ZDHS</td>
<td>Zambia Demographic Health Survey</td>
</tr>
<tr>
<td>ZIMCO</td>
<td>Zambia Industries and Mining Corporation</td>
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<tr>
<td>ZMK</td>
<td>Zambian Kwacha</td>
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<tr>
<td>ZNS</td>
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