



UvA-DARE (Digital Academic Repository)

Foreign direct investment and poverty alleviation in Tanzania: a case of Bulyanhulu and Geita Gold Mines Limited in Kahama and Geita districts

Nyankweli, E.M.

Publication date
2012

[Link to publication](#)

Citation for published version (APA):

Nyankweli, E. M. (2012). *Foreign direct investment and poverty alleviation in Tanzania: a case of Bulyanhulu and Geita Gold Mines Limited in Kahama and Geita districts*.

General rights

It is not permitted to download or to forward/distribute the text or part of it without the consent of the author(s) and/or copyright holder(s), other than for strictly personal, individual use, unless the work is under an open content license (like Creative Commons).

Disclaimer/Complaints regulations

If you believe that digital publication of certain material infringes any of your rights or (privacy) interests, please let the Library know, stating your reasons. In case of a legitimate complaint, the Library will make the material inaccessible and/or remove it from the website. Please Ask the Library: <https://uba.uva.nl/en/contact>, or a letter to: Library of the University of Amsterdam, Secretariat, Singel 425, 1012 WP Amsterdam, The Netherlands. You will be contacted as soon as possible.

Contents

List of tables	iv
List of figures	v
List of photos	vi
List of maps	vi
List of boxes	vii
List of abbreviations	vii
Acknowledgements	xi
1 Setting	1
Background	1
Development of Tanzania's mining sector and changes in economic policy	2
Socio-economic issues	7
Demographic characteristics	8
Lake Victoria Greenstone Belt and selection of the area	9
Bulyanhulu Gold Mines Limited (BGML)	11
Geita Gold Mines Limited (GGML)	12
Structure of thesis	13
2 FDI, poverty, corporate social responsibility and changing livelihoods	15
Foreign direct investment (FDI)	15
The concept of poverty	16
Corporate social responsibility (CSR)	19
CSR and poverty alleviation strategies	25
Theoretical links between FDI and poverty	26
3 Research methodology	29
Overview	29
Livelihood analytical framework	29

Research design, sampling and operationalisation	34
Research questions and operationalisation	37
Data sources and collection	41
Data analysis	46
Summary	61
4 The Mining Code and FDI performance in Tanzania	63
The evolution of Tanzania’s Mining Code	63
Comparison of the 1979 and 1998 Mining Acts	67
Compensation for persons vacated from their land due to mine development	75
Various overlapping laws and acts that govern compensation	77
Tax regimes in Tanzania	77
FDI performance prior to the reforms	81
FDI performance after the reforms	82
Distribution of FDI in Tanzania’s economy	84
Sectoral distribution of FDI in Tanzania	84
Summary	85
5 Socio-economic impacts of mining industries on local neighbourhoods	87
Overview	87
Economic impacts	88
Social impacts	94
Summary	100
6 Environmental and health impacts of mining operations on local neighbourhoods	101
Overview	101
Degradation of land and vegetations	102
Water pollution	104
Chemical pollution	104
Dewatering effects	108
Air and noise pollution	108
Airborne particulate matter	109
Noise and vibration pollution	110
Health impact	111
Summary	118

7 CSR in Tanzania’s mining industry	121
Overview	121
CSR policies in the mining industry	122
Community development practice as a CSR approach to mining	124
Socio-political context of community development	125
BGML’s CSR initiatives	128
GGML’s CSR initiatives	139
Small-scale mining	145
Large-scale mining’s expenditures for community development	150
Summary	152
8 Conclusion and policy recommendations	153
Overview	153
The contribution of the gold mining sector in Tanzania	154
Effects of gold mining on livelihood in the LVGB	158
Corporate social responsibility and local economic development	165
General conclusion	167
Policy recommendations	175
Further research	177
References	179
Summary	195
Samenvatting	201
Muhtasari	209
Annex	217