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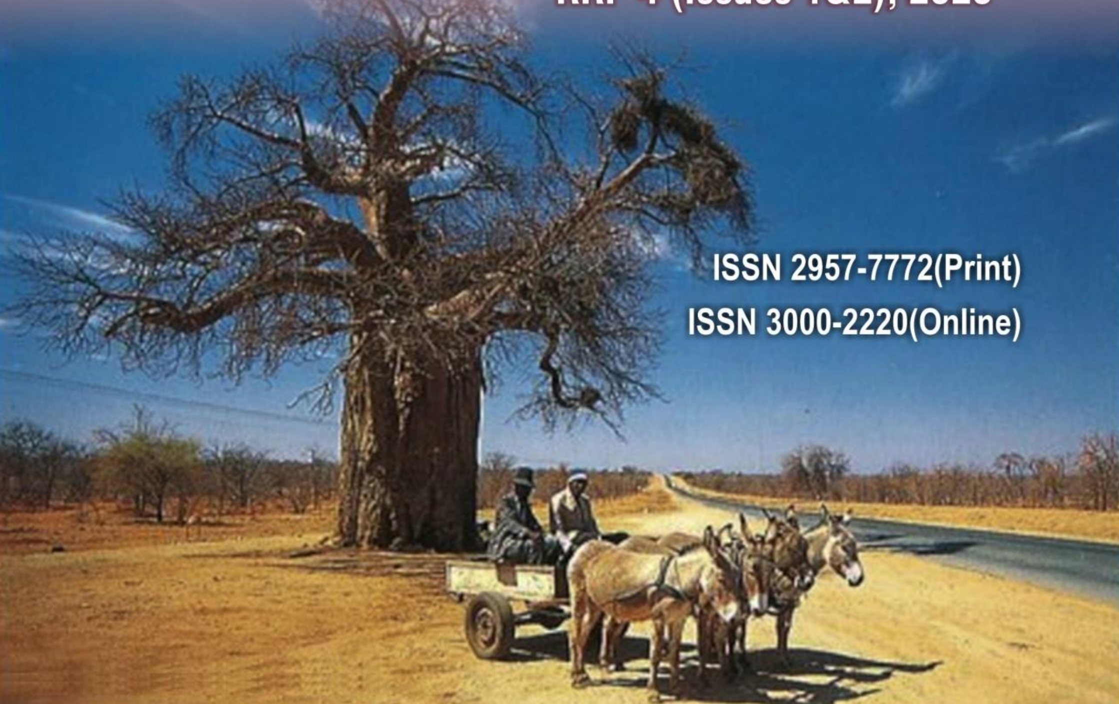
REVIEW OF
Rural Resilience Praxis

RRP 4 (Issues 1&2), 2025



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About the Journal

JOURNAL PURPOSE

The purpose of the *Review of Rural Resilience Praxis is* to provide a forum for disaster risk mitigation, adaptation and preparedness.

CONTRIBUTION AND READERSHIP

Sociologists, demographers, psychologists, development experts, planners, social workers, social engineers, economists, among others whose focus is that of rural resilience.

JOURNAL SPECIFICATIONS

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SCOPE AND FOCUS

As much as the urban territory is increasing by each day, the rural economy, especially in many developing countries, still retains a great proportion of the extractive and accommodation industry. Retaining some space as rural remains critical given the sectors role in providing ecosystem services to both wildlife and humanity. In this light, rural resilience as practice beckons for critical studies especially in the face of the ever-threatening extreme weather events and climate change that then impact on the livelihoods and lifestyles of the rural communities. Review of Rural Resilience Praxis (RRRP) comes in as a platform for critical engagement by scholars, practitioners and leaders as they seek to debate and proffer solutions of the rural sector and trying to champion the philosophy of the right to be rural. The issue of conviviality between the different constituencies of the sectors, compiled with the competing challenges of improving rural spaces while also making the conservation and preservation debates matter is the hallmark of this platform of criticality. The journal is produced bi-annually.

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Articles must be original contributions, not previously published and should not be under consideration for publishing elsewhere.

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A total number of words: 5000-7000 words and set in 12-point font size width with 1.5 line spacing.
Language: British/UK English
Title: must capture the gist and scope of the article
Names of authors: beginning with the first name and ending with the surname
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Socio-Economic Impact of the Chinese Foreign Direct Investment in Gold Mining: The Case of Shamva District, Zimbabwe

KEVIN TIRIVANHU GWATIDZO[1] AND EMMANUEL DUMBU[2]

Abstract

This article investigates the socio-economic impact of Chinese Foreign Direct Investment (FDI) in gold mining within Zimbabwe's Shamva District, exploring both its benefits and challenges. Employing a qualitative research paradigm and semi-structured interviews, the research highlights opportunities such as job creation, infrastructure development and technology transfer. This approach enables in-depth understanding of complex socio-economic phenomena, capturing nuanced and contextual insights. Fifty participants (50), including local miners, community leaders, government officials and Chinese mining representatives, were purposively selected to ensure a diverse and relevant sample. Key challenges identified include environmental degradation, economic disparities and social displacement, exposing the negative consequences of FDI. Findings reveal that while FDI contributes to some economic opportunities, it also causes significant environmental harm and social disruption. Issues such as community marginalisation and insufficient benefits distribution exacerbate these impacts. The study underscores the need for inclusive decision-making, robust governance frameworks and community engagement to mitigate adverse effects and ensure sustainable development. Recommendations focus on fostering transparency, accountability and community participation in FDI projects. By addressing these critical issues, the research provides valuable insights for policy-makers, stakeholders and communities, aiming to optimise FDI benefits, while achieving balanced, equitable development in Shamva District.

[1] Zimbabwe Open University, Harare, Zimbabwe
[2] Office of the Vice Chancellor and Supervisor, Reformed Church University, Masvingo, Zimbabwe

Keywords: *investment, economic disparity, community development, infrastructure, social displacement, rent seeking behaviour.*

INTRODUCTION

Foreign Direct Investment (FDI) is a critical driver of economic growth and development, highly sought after by both developed and developing nations. For developing countries, FDI represents an opportunity to address challenges such as political instability, high inflation, low industrialisation and corruption. Despite the abundance of natural resources in Sub-Saharan Africa, the region's economic growth has remained stunted, with the gap between resource wealth and economic size continuing to widen. This imbalance has negatively impacted socio-economic landscapes, with debates focusing on how resource rents influence financial development in these resource-rich yet underdeveloped countries. Southern Africa exemplifies this struggle, remaining impoverished due to a lack of value addition and beneficiation, relying primarily on exporting raw minerals.

The article investigates the socio-economic impact of Chinese FDI in Shamva District, Zimbabwe, a region rich in gold reserves. Auty (1993) and Collier (2007) highlight the "resource curse", where countries endowed with abundant resources, fail to translate wealth into economic development, instead, face corruption, conflict and poverty. Zimbabwe's relationship with China, dating back to independence in 1980, has been pivotal in shaping the nation's economy. Over the decades, Chinese investments have played a significant role in key sectors, including mining, infrastructure and manufacturing. Prominent examples include the US$500 million extension of the Kariba South Hydro-electric Power Station, the US$200 million Parliament building in Mt Hampden and the US$164 million expansion of Victoria Falls International Airport. In 2023, Chinese manufacturing investments reached US$186.9 million, highlighted by a steel plant established by Tsingshan Holding Group. The mining sector has seen notable investments, with Sinomine Resource Group, Zhejiang Huayou Cobalt and Chengxin Lithium Group collectively investing US$678 million in lithium projects since 2022. Tsingshan Holding Group also committed US$1 billion to a steel-manufacturing plant in Chivhu.

Shamva District, located in Mashonaland Central Province, faces unique socio-economic challenges. With a population of approximately 147 000, the district depends primarily on agriculture and gold mining. However, recent droughts have devastated agriculture, elevating gold mining as the dominant economic activity. The study evaluates whether Chinese FDI in gold mining has fostered sustainable socio-economic development in Shamva District, employing the Resource Curse Theory (RCT) to assess the balance between resource wealth and equitable development. Figure 1 is a conceptual framework showing the relationship between Chinese FDI in gold mining and its socio-economic impact.

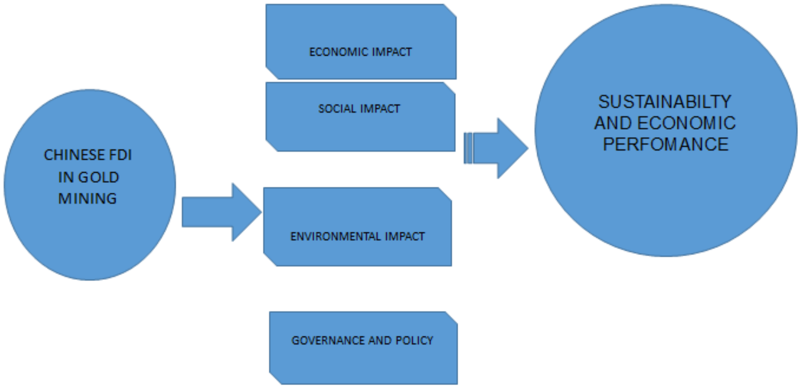

Figure 1: *Conceptual Framework* **(**Authors, 2025)

This framework (Figure 1) outlines the relationship between Chinese FDI in gold mining and its socio-economic impact on local communities, considering factors like economic growth, social development, environmental sustainability and governance. Sustainable development and economic performance are influenced by FDI through economic, social, environmental and governance impacts (Sekeran and Bougie, 2013). The conceptual framework links FDI (independent variable) to economic performance (dependent variable), providing a descriptive representation of the study's theory. The study considers several theories to examine the socio-economic impact of FDI, including the Dependency Theory (Frank, 1966) and World Systems Theory (Wallerstein, 1974). For the study, the Resource Curse Theory (Auty, 1993) is closely examined. It postulates that countries with abundant natural resources, like gold, are prone to social, economic and governance challenges.

THEORETICAL UNDERPINNINGS

The study engages the RCT, also known as the Paradox of Plenty, which describes the phenomenon where resource-rich countries often fail to fully benefit from their natural resource wealth (Torvik, 2002). Instead of driving economic and social development, the discovery of mineral resources often leads to adverse effects. Resource-rich countries struggle to leverage their wealth for public welfare and development, often have governance issues and experience conflicts and economic instability. The adverse outcomes include lower economic growth, increased income inequality, human rights violations and poverty. Natural resources create opportunities for corruption, where individuals or groups capture economic surplus for personal gain known as rent-seeking behaviour (Khan *et al.*, 2022). This behaviour essentially involves seeking to increase one's share of existing wealth without creating new wealth.

The RCT offers a compelling framework for understanding the socio-economic impact of Chinese FDI in Shamva District. This theory observes how regions rich in natural resources, such as Shamva's gold deposits, may experience slower economic development due to overdependence on resource extraction, mismanagement of revenues, or limited diversification (Auty, 1993). Using this theory, the study explores whether Chinese FDI in Shamva amplifies dependency and inequity or contributes to sustainable socio-economic development.

Institutions have a big role to play as weak institutions exacerbate negative effects, while strong institutions and effective management can mitigate the resource curse (NGRI, 2015). Governance is seen in Norway's success in managing its oil revenues, while Venezuela's failure is the direct opposite, highlighting the importance of good governance (Ross, 2012). To counter over-reliance on a single economic activity, economic diversification becomes key with emphasis on the need for careful and sustainable use of resource rents to avoid the resource curse (Bekun *et al.*, 2019). Ghana has positive outcomes from large-scale gold mining, while there are mixed economic statuses for other top gold-producing nations (Chuhan-Pole *et al.*, 2015). The theory emphasises the importance of governance, institutional capacity-building and sustainable management of resources to ensure that natural resource wealth contributes positively to national development (Acemoglu and Robinson 2012).

LITERATURE REVIEW

The abundance of gold reserves and other valuable minerals has led to a substantial increase in Chinese FDI in Zimbabwe over the past two decades. This literature review examines the socio-economic impacts of Chinese FDI in Zimbabwe's gold mining sector, paying particular attention to Shamva District, one of the country's most gold-rich regions. The review focuses on how Chinese investments affect local livelihoods and drive economic transformation within mining communities. To develop this review, relevant literature was sourced from databases such as Google Scholar, JSTOR, academic books and government reports. Key search terms were identified and used during the screening and selection process. The findings were then synthesised and documented, ensuring that the exploration aligns with the study's objectives to assess both the positive and negative socio-economic effects of Chinese FDI in the mining sector.

Recent studies note that Chinese FDI has markedly expanded in developing countries blessed with abundant natural resources. Mining districts are particularly attractive destinations for these investments because they promise significant economic opportunities. For instance, Moyo (2013) argues that increased FDI in mining can stimulate local economies by injecting capital, generating employment and enhancing infrastructure. Matenga (2017) supports this view by emphasising that Chinese investments often bring not only financial resources, but also technical expertise and managerial know-how to host countries. Chimhowu (2019) further elaborates that Chinese FDI can promote economic growth through job creation, infrastructure development and technology transfer. Emerging evidence suggests that increased Chinese investment has led to higher tax revenues, royalties and other fiscal contributions, which, if managed transparently, can be reinvested in essential public services such as education, healthcare and local infrastructure. The multiplier effect, as explained by Kaplinsky and Morris

(2016), implies that the influx of Chinese capital creates ripple effects in local supply chains and service industries, thereby benefiting a wider array of stakeholders beyond the mining sector.

However, while the potential benefits of Chinese FDI are significant, the literature also highlights its multifaceted impacts. It is clear from the reviewed studies that although Chinese investments bolster economic activity, they simultaneously contribute to a range of socio-economic challenges. In many cases, the influx of money and technology is unevenly distributed, leading to discrepancies between anticipated benefits and the actual experiences of local communities. Several studies have reported that while some community members enjoy increased employment opportunities and improved local infrastructure, others face adverse consequences, including environmental degradation and widening economic disparities. The literature emphasises that responsible and transparent FDI practices are crucial to mitigating these negative externalities while amplifying the positive effects.

A major concern in the literature is the impact of poor mining waste management and disposal. Gold mining, despite being a backbone of economic development, comes with serious environmental and health challenges. Zimbabwe's Environmental Management Act (Chapter 20:27) mandates that mining companies conduct comprehensive Environmental Impact Assessments (EIAs) before starting any projects. This legislative framework is designed to prevent pollution and degradation. Mining waste typically includes tailings, waste rock and hazardous chemicals such as cyanide and heavy metals. When these substances are not properly managed, they can leach into soil and water systems, leading to contamination of drinking water supplies and local food sources. For example, soil contamination significantly reduces agricultural productivity, while water contamination endangers aquatic ecosystems and public health. A report in the *Zimbabwe Independent* (January 31, 2025) observes how several heads of cattle died after drinking water contaminated by cyanide waste from a local mine, underscoring the real-world impacts of environmental mismanagement. Thus, effective mine waste management is not only critical for environmental sustainability, but also for ensuring that economic gains from FDI do not come at the cost of public health and long-term community resilience.

Corruption and illicit financial flows (IFFs) further complicate the socio-economic outcomes of Chinese FDI in the mining sector. The literature shows that corruption is rampant in resource-rich economies, often manifesting as bribery, embezzlement and nepotism. This behaviour diverts resources meant for public welfare into private coffers, leaving local communities deprived of critical investments in infrastructure and social services. Duri (2018) notes that corruption in mining often translates to misallocated funds which could have been used to improve community facilities and public healthcare. Additionally, IFFs, defined as money illegally transferred out of the country, deprive national governments of revenue essential for sustainable development. UNCTAD (2020) highlights that activities such as tax evasion and money laundering are common in the mining industry. In Zimbabwe, for instance, controversies such as the issuance of a controversial gold mining permit to a high-profile individual have fuelled public suspicions regarding corruption and misuse of mining revenues. Furthermore, investigative reports like the Al Jazeera *Gold Mafia* exposé reveal how under-reporting of profits and inflated expenses are used by companies to avoid tax liabilities, thereby exacerbating fiscal deficits at both local and national levels. The literature consistently calls for enhanced transparency and better regulatory oversight to mitigate the adverse effects of corruption and IFFs, stressing their importance for sustainable socio-economic development.

Limited economic diversification is another challenge reinforced in the literature. Many mining districts, such as Shamva, are heavily dependent on gold mining for economic sustenance. While the mining sector provides immediate financial benefits such as jobs and government revenue, over-reliance on a single industry creates long-term vulnerabilities. Chuhan-Pole *et al.* (2015) explain that limited diversification means that communities remain at the mercy of volatile commodity prices, which can lead to economic instability. Stamp (2015) further argues that unsustainable mining practices are often a consequence of a narrow economic base, where short-term gains overshadow investments in long-term development and alternative sectors. This reliance on mining not only threatens environmental sustainability—through over-extraction and degradation—but also hampers socio-economic resilience. CRDZIM (2015) underscores the importance of diversifying local economies by supporting sectors such as agriculture, tourism and small-scale manufacturing. Diversification would not only stabilise income streams, but also promote a healthier balance between industrial growth and community development. By broadening the economic base, mining districts can better prepare for economic fluctuations and secure long-term prosperity for their residents.

Overall, the literature reveals a complex picture: while Chinese FDI in Zimbabwe's gold mining sector has the potential to boost economic growth, create jobs and foster technology transfer, it also brings significant challenges. Environmental mismanagement, corruption, IFFs and limited economic diversification hinder the realisation of these potential benefits. To harness the full positive impact of Chinese FDI, the literature suggests that robust governance frameworks, transparent fiscal policies and strategies for economic diversification, must be implemented. Such measures can ensure that wealth generated by natural resources contributes equitably to sustainable community development in regions like Shamva District. Botswana is a good example of a successful economic diversification strategy. As a diamond economy with 80% of its exports coming from diamonds, 34.2% of its GDP and 50% of its revenues from that economic activity alone, Botswana appears to be heavily reliant on one mining activity. However, the country has made serious diversification strides into manufacturing, jewellery and tourism. Their Financial Assistance Programme (FAP) has incentives for new business establishments with subsidies of up to P1000 per job created, up to 80% subsidy on unskilled labour wages in the first two years, scaling down to 20% in the fifth and final year of assistance. Taxation for companies has been pegged at 25%, while those in the manufacturing sector are charged 15%. Income tax for individuals has been put on 25% as well (UNCTAD, 2000). Clearly, this shows that Botswana is aware of the potential damage their overreliance on diamond mining has on their economy and the many initiatives that they have embarked on are in the right direction.

Oman has successfully diversified its economy by focusing on non-oil sectors. Their key strategies include development of tourism infrastructure and promoting the country as a tourist destination and industrial diversification through developing industries such as petrochemicals, fisheries and logistics, to reduce dependence on oil. Human capital development has been utilised by investing in education and training programmes to build a skilled workforce (Lashitew *et al.*, 2020).

RESEARCH DESIGN AND METHODOLOGY

This study is grounded in an interpretivist philosophy, which frames the research by emphasising complexity, multiple interpretations and a deep understanding of socio-economic phenomena (Mason, 2002; Creswell, 2014). A qualitative research approach is adopted to explore the nuanced impacts of Chinese FDI in Shamva District's gold mining sector through participants' views and experiences (Rossman and Marshall, 2010). Unlike quantitative methods, qualitative analysis relies on non-numerical data and employs techniques such as thematic analysis (Bryman, 2012). A case study design, specifically an intrinsic design, is chosen to closely examine the unique socio-economic context of Shamva District. This approach allows the incorporation of diverse data sources—interviews, documents and reports—to provide a comprehensive exploration of the phenomena over time (Creswell, 2009). To mitigate subjectivity and enhance rigor, data triangulation is incorporated by using multiple methods and sources. The target population comprised Shamva residents, including employees of mining firms, contractors and local business owners aged 18 to 55. A purposive sampling strategy, specifically maximum variation sampling, was used to select 50 participants, ensuring diverse perspectives (Kothari, 2004; Yin, 2014). In-depth semi-structured interviews were conducted using a structured guide, refined through pilot testing, ensuring clarity and effectiveness (Kvale, 2007; DeJonckheere and Vaughn, 2018). Data were analysed using rigorous thematic analysis—starting with open coding and followed by axial and selective coding—to identify recurring themes related to the socio-economic impacts of Chinese FDI. Despite limitations such as potential sampling bias and resource intensity, this methodology directly addresses the research questions by elucidating the complexities inherent in mining sector impacts.

Findings

The presence of FDI in the mining sector is expected to create a positive socio-economic revamp with evidence seen in an upgrade of the social makeover. Issues to do with job creation were highlighted during the research.

However, some participants indicated that the quality of the jobs created remained menial.

> There is a serious mismatch of skills such that the jobs that are meaningful remain inaccessible by us the locals and in most instances, the Chinese prefer their fellow expatriate workers over locals.

Clearly, there is a realisation that within the Chinese FDI framework, there has been no creation of enough space for skills transfer. However, due to the secretive nature of the Chinese gold mining FDI, data on the number of local jobs created and those occupied by expatriates remain shrouded in darkness. It remains critical for the relevant government arms to help break the secret code around these Chinese investments.

The tenets of FDI argue how once there is traction on the capital supply side, there is bound to be economic growth ring-fenced by the increase in production and technological advancement. However, one participant highlighted that in theory, the this notion is true, but on the ground in Shamva and Zimbabwe in general, such a picture cannot be painted.

> We hear that gold production has significantly increased in our district but the effects of increased gold productivity must also show in the form of increased economic activities and financial liquidity, but no, there is no money circulating here. Quite the opposite, the standard and quality of living has been on a downward trajectory and it is now a fact that the more mineral resources there is in a place, the poor the residents become.

In a glaring apparent truth, there is real evidence of the resource curse in Shamva District with no tangible efforts for redress. The youths have no hope elsewhere since agriculture is now a real victim of the degradation and contamination being experienced without any efforts for land rehabilitation.

An emotionally charged participant bemoaned the future prospects of the girl child in such a quandary of having plenty around yet nothing is available.

> Our young girls are now being forced into child marriages, prostitution and even drug abuse these days because of the levels of poverty here. Education is no longer an option for them as there are also a myriad of problems in the education sector. The next generation is doomed as these young ones will die from these diseases and risky behaviour. Our gold must be used to change the livelihoods of our people not just the few that are enjoying.

Of note during the research, as pointed out by some participants, was the issue of strategic mineral resource management (SMRM). One participant emphasised that,

> This is the key to effective and efficient distribution of minerals to achieve social, environmental and economic transformation for any country. This involves the maximisation of economic returns from the various mineral proceeds, while minimising environmental impacts of the extractive processes and ensuring social responsibility on the part of those investing in the industry.

Promotion of sustainable developmental structures, management of disasters, risks and uncertainties within the mining value chain remain critical. It was also observed how SMRM has been deficient in the policies regulating gold mining in Zimbabwe and the legislature needs to critically evaluate such issues and enact relevant laws that enforce SMRM across all minerals (Escobar, 2015).

The resource case effects are evident in Shamva where alternative livelihoods are limited, hence gold mining has become the economic lifeblood. One participant proffered an important point on the resource curse saying,

> There are what are called boom and bust cycles, where mining districts can experience periods of rapid economic growth followed by sharp declines when resources are depleted or prices drop, leading to economic instability. Here in Shamva, we have experienced such and, sadly, the standard and quality of livelihoods have not improved for the better.

What scholars have named the Paradox of Plenty is indeed evident, staying in the midst of plenty but having nothing is the picture visible to many in this district.

The lack of financial literacy is very evident in the failure to manage the days of plenty by diversifying investment portfolios in anticipation of resource depletion or global price drops in mineral commodities. The economic benefits from activities such as small-scale mining have been seen to be short-lived and do not translate into sustainable economic growth for the community. Many that are within the small-scale gold mining sector suffer from this scourge also, as evidenced by their spending habits and choices which renders the accumulation of resources really short term.

Agriculture has been significantly affected by both incessant droughts and land damage caused by the extractive nature of mining and the challenges of non-compliance by the Chinese investors to environmental laws and regulations. It was highlighted by one interviewee, who pointed out that,

> Over-extraction of minerals has led to the depletion of these natural resources, making it difficult for future generations to benefit from these resources. As long as such over-extraction continues, land degradation continues and arable land continues to run out.

Due to the laxity of the authorities to enforce monitoring and control measures, these mining companies have caused so much harm to the land. Mining activities have caused significant environmental damage including deforestation, soil erosion, water pollution and habitat destruction. This has long-term negative impacts on the local ecosystem and biodiversity.

Chinese FDI in gold mining was expected to bring significant socio-economic benefits to the Shamva District. Anticipated advantages included increased local employment opportunities, infrastructure development, technology transfer and contributions to community welfare through corporate social responsibility initiatives. Residents were optimistic about improved livelihoods, better access to essential services and the empowerment of local businesses through partnerships with Chinese firms.

However, the findings reveal a noticeable gap between these expectations and the actual outcomes. While FDI has contributed to gold production and some employment, participants highlighted challenges such as limited skill development for local workers, environmental degradation and insufficient reinvestment in community projects. Furthermore, concerns about inequitable wealth distribution and dependency on foreign operators have raised questions about the long-term sustainability of Chinese investments.

By contrasting these expected benefits with the actual experiences reported by Shamva residents, the study underscores the discrepancies and challenges associated with Chinese FDI, providing a more nuanced understanding of its socio-economic impact.

While the findings predominantly highlight the challenges and negative outcomes of Chinese FDI, some participants recognised certain benefits that have positively influenced the socio-economic landscape in Shamva. For instance,

- **Economic Opportunities**: Participants observed how the presence of Chinese investors has created job opportunities for local residents, particularly in mining and related industries.
- **Infrastructure Development**: Some respondents acknowledged improvements in local infrastructure, such as roads and facilities, which were indirectly linked to mining activities.
- **Boost in Economic Activity**: The influx of FDI has contributed to increased local economic activity, including the growth of small businesses catering to mining operations.

These positive impacts, however, were often described as unevenly distributed or overshadowed by the broader challenges associated with FDI. By presenting these varying perspectives, the study provides a more comprehensive view of the socio-economic impact of Chinese FDI in Shamva. The findings of the study (Table 1) highlight significant discrepancies between the anticipated benefits and the actual outcomes of FDI in Shamva District's gold mining sector, with clear evidence of the resource curse. This curse manifests through corruption and rent-seeking behaviour among government officials and business leaders, which undermine good governance and public trust (NRGI, 2015).

Table 1: *Study Findings Summarised*

Finding	Description	Researchers' Critical Observations
Positive Socio-Economic Revamp	FDI in the mining sector is expected to improve socio-economic conditions, with evidence of social transformation.	FDI has brought mixed outcomes to Shamva. It has provided not only economic opportunities, but also significant social and environmental challenges. There is need for balanced FDI policies that promote economic benefits while mitigating negative social and environmental impacts.
Deficiency in Strategic Mineral	Policies regulating gold mining in Zimbabwe lack	Lack of SMRM in policies regulating gold mining in Zimbabwe has

Resource Management (SMRM}	SMRM, requiring legislative evaluation and enactment.	hindered sustainable development. Government needs to enact laws that enforce SMRM.
Resource Curse in Shamva	Limited alternative livelihoods make gold mining the economic mainstay, negatively impacting agriculture and leading to unsustainable economic growth.	Despite rich gold reserves, Shamva exhibits characteristics of the resource curse. Resource wealth does not translate into socio-economic development. Need for improved governance to ensure natural resources contribute to sustainable development.
Financial Literacy	Lack of financial literacy in the mining community results in short-term accumulation of resources.	Lack of financial literacy leads to short term resource accumulation and economic instability. There is need for financial literacy programmes to be implemented in the mining communities for informed financial decision-making and promote long-term economic stability.
Social Vices	FDI has led to societal challenges such as child labour, prostitution, alcoholism and drug abuse.	Inadequate infrastructure contributes to social vices. Urgent comprehensive social interventions to improve access to basic amenities.
Violence and Conflict	Vigilante groups like *Mashurugwi* terrorise miners, leading to conflict and insecurity.	Law enforcement agencies must be given more resources to ensure effective monitoring and maintenance of law and order.
Limited Access to Basic Amenities	Mining communities have poor access to education, healthcare, clean water and road infrastructure, resulting in a decline in living standards.	CSR needs to be implemented effectively in these mining communities as it helps in the revamping and creation of social infrastructure.
Environmental Laxity	Lack of regular monitoring and enforcement of environmental regulations leads to inadequate waste management and community vulnerability to toxic waste.	Environmental management agencies need to be more resourced for the strict enforcement of environmental laws. Arresting powers must be given to them as well.
Accountability of Mining Companies	Mining companies are not held accountable for land rehabilitation and restoration, causing environmental degradation and social upheavals.	Serious environmental degradation has been caused by poor waste management and lack of land rehabilitation by mining companies. Stricter enforcement of waste management and land rehabilitation

		must be enforced with stiffer penalties for those not adhering.
Illicit Financial Flows (IFFs)	IFFs perpetuate poverty cycles through under-reporting and tax evasion, leading to deteriorating public service delivery.	IFFs are a life blood to poverty and they undermine service delivery, which leads to deteriorating essential services. Transparent and responsible economic practices are essential for the maximisation of mining FDI benefits.
Weakening Social Cohesion	Mistrust in leadership due to perceived enrichment at the community's expense weakens social cohesion and causes unrest.	Building trust through transparent governance and community engagement is crucial for social cohesion and stability.
Environmental Harm	Unregulated mining practices severely affect local ecosystems, biodiversity and agricultural livelihoods.	Continued monitoring, coupled with efficient enforcement of mining laws is needed.

DISCUSSION

To address the resource curse effectively, comprehensive measures such as promoting economic diversification, ensuring equitable wealth distribution, strengthening governance and implementing robust environmental protection frameworks, are essential (Auty, 1993). The study reveals the prevalence of social vices, including child labour, prostitution, alcoholism and drug abuse, stemming from socio-economic pressures and governance gaps. Violence and conflict between miners and local communities have surged, as evidenced by the rise of vigilante groups known as *Mashurugwi*. These social challenges can be linked to economic inequalities, including limited employment opportunities, under-investment in public services and the displacement of traditional livelihoods. Weak institutional frameworks and lack of conflict resolution mechanisms have exacerbated these issues, leaving mining communities impoverished with inadequate access to education, healthcare, clean water and infrastructure (Frank, 1966).

Environmental degradation due to weak regulations and poor waste management practices emerged as a significant concern. Cyanide spills into the Mazowe River have contaminated vital water sources, harmed crops and fish and caused skin conditions among residents, particularly during the dry season (WHO, 2020). The absence of community engagement in waste management initiatives has fostered mistrust and disempowerment, limiting local efforts to mitigate these impacts. Successful frameworks such as Environmental and Social Impact Assessments (ESIAs) and mine site rehabilitation practices could provide actionable solutions for Shamva (Wallerstein, 1974). IFFs, including tax evasion and underreporting of yields by mining companies, have perpetuated poverty and restricted access to public services like education and healthcare. This aligns with global findings on the adverse effects of corruption and IFFs in resource-dependent economies (Saunders *et al.*, 2009). Additionally, large tracts of abandoned arable land have deepened economic disparities and contributed to social upheavals.

The environmental contamination from mining waste has directly contributed to health crises in Shamva District. For example, in 2020, the World Health Organisation collaborated with local entities to treat intestinal worms and bilharzia caused by soil and water contamination from improper waste disposal. Additionally, mining activities have contributed to an elevated HIV prevalence rate of 12.3% due to increased social vices in the region (National Aids Council, 2017). While the study focuses primarily on negative outcomes, some participants acknowledged economic opportunities created by FDI, such as job creation and enhanced economic activity. FDI has also introduced some infrastructure improvements, including roads, which facilitate local mobility and access to services. These benefits, though limited and unevenly distributed, demonstrate the potential for mining investments to contribute to regional development if managed responsibly.

To maximise the benefits of FDI and address the challenges identified, policy frameworks such as the Extractive Industries Transparency Initiative (EITI) and Community Development Agreements (CDAs), offer actionable strategies. The EITI promotes accountability in revenue management, while CDAs ensure direct investments in community welfare, including education, healthcare and infrastructure. Furthermore, local content policies adopted in Nigeria could serve as models to prioritise skill development and economic inclusion in Shamva.

Effective community engagement is vital for fostering trust and achieving sustainable development. Establishing participatory platforms where community members, businesses, government officials and investors collaborate on decision-making processes can enhance transparency and accountability. Training programmes to empower local stakeholders and regular consultations would further ensure that FDI aligns with local priorities and addresses socio-economic disparities.

The findings underscore the pressing need for transparent and responsible practices to mitigate the socio-economic and environmental challenges posed by FDI in Shamva District. Recommendations for strict environmental regulations, robust governance frameworks and community engagement are critical to ensuring equitable and sustainable development. By integrating successful policy examples and engaging local stakeholders, Shamva can transform its mining sector into a model for balanced and inclusive growth.

CONCLUSION AND RECOMMENDATIONS

The study highlights the significant socio-economic and environmental challenges associated with Chinese Foreign Direct Investment (FDI) in Shamva District's gold mining sector, with glaring effects of the Resource Curse Theory. While residents expected socio-economic development through FDI, findings reveal a stark gap between these expectations and realities, including corruption, rent-seeking behaviour, environmental degradation and underdevelopment. Addressing these issues requires adopting transparent practices, strengthened governance frameworks and sustainable community engagement strategies. Furthermore, balancing economic development with environmental management is vital for mitigating long-term harm and ensuring equitable benefits for all stakeholders (see Table 2).

Table 2: *Recommended Action*

Period of Focus	Recommendation	Action
Short-term	Community Engagement and Transparency:	Conduct extensive community consultations during the developmental stages of investment to ensure transparency and participation. Build trust by leveraging local traditions and involving traditional and religious leaders in decision-making processes. Implement social accountability tools like community scorecards and results-based

		financing to empower citizens and monitor service providers.
	Environmental Protection:	Revise regulatory frameworks to enforce strict environmental protocols, including mandatory Environmental Impact Assessments (EIAs) for all mining projects. Develop immediate land rehabilitation plans and prioritise the use of advanced waste management technologies to mitigate cyanide spills and tailings contamination.
	Capacity Building:	Partner with academic institutions and NGOs for skill development initiatives focusing on resource management and advocacy. Provide targeted training and resources to local organisations and residents to enhance their capacity to engage effectively with investors.
	Ethical Mining Practices:	Require mining firms to adopt ethical practices, including fair labour standards, safe working conditions and corporate social responsibility (CSR) initiatives. Examples include supporting schools, clinics and reforestation projects as demonstrated in districts like Gwanda and Bindura.
	Mitigation of Illicit Financial Flows (IFFs):	Strengthen compliance with international treaties such as UNCAC and OECD anti-corruption conventions to combat tax evasion and smuggling. Protect whistle-blowers with robust frameworks to encourage reporting of corrupt practices.
Long-term	Economic Diversification:	Invest in alternative livelihoods such as tourism, agriculture and small-scale manufacturing to reduce reliance on mining. Establish skills-training programmes that prepare locals for diverse industries, fostering economic resilience. Develop infrastructure like roads, irrigation

		systems and communication networks to support non-mining industries.
	Revenue-sharing Policies:	Mandate fair distribution of mining revenues among the government, local communities and companies to fund developmental projects such as schools, hospitals and public amenities.
	Environmental-Economic Synergy:	Integrate sustainable mining practices with opportunities for economic growth, such as eco-tourism and biodiversity conservation. Rehabilitation of degraded lands can support agriculture and attract tourism.
	Monitoring and Evaluation Mechanisms:	Develop metrics to assess the effectiveness of recommendations, such as community participation rates, compliance with environmental protocols and improvements in local infrastructure and services. Establish independent oversight committees to ensure accountability and continuous evaluation of mining projects.

All recommendations must reflect grassroots perspectives to ensure their relevance and effectiveness. Active engagement with local community members in identifying priorities will foster a collaborative environment and create sustainable, inclusive development. By categorising recommendations into short-term and long-term actions, emphasising monitoring mechanisms and addressing environmental-economic synergies, this revised approach offers actionable strategies tailored to Shamva's unique context.

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