



Title Zama Zama "Inside the Illicit Mining Underworld"
Author Graham Coetzer
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Review By Christelle Faul Marais (Founder and Director, Lucidum)

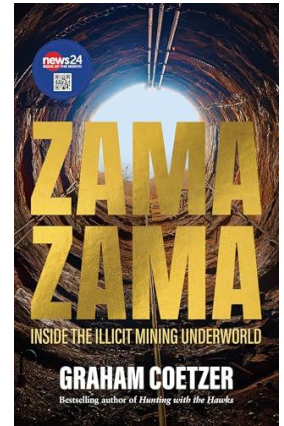


Lessons For
 Directors, Prescribed Officers, Executives
 Governance Officers, Company Secretaries
 Ethics Officers, Risk Managers, Compliance Managers
 Audit Professionals
 Strategy and Sustainability Professionals
 Line Managers

Relevance
 8
 7
 10
 9
 8
 6

Overall Rating
8,0

Review Date August 2026



Synopsis

Zama Zama exposes the shadow economy built around South Africa's illegal gold-mining sector. Drawing on exclusive interviews with these zama zamas (the informal term used for illegal miners), syndicate insiders, intelligence operatives and law enforcement officials, investigative journalist Graham Coetzer traces how gold's ancient, almost mystical pull has curdled into a violent underworld of gang wars and brutal enforcement fought over abandoned and working shafts, worked by miners who are poorly equipped, untrained, and for whom death waits around every corner. The book's sharper warning is for the legitimate economy: illicit gold is laundered back into legal supply chains through private refineries, fraudulent mining permits and a VAT fraud scheme that lets 'dirty gold' re-enter global markets as clean product, enabled at key entry points by corrupt officials and complicit business interests. Coetzer links these networks to wider organised crime and, in places, terrorism financing, arguing illegal mining is no longer a peripheral nuisance but a parallel economy entangled with the formal one. Although this modern day 'slavery' is enabled by poverty, inequality, and unacceptably high unemployment levels that must be addressed by states and economies, for risk and compliance professionals specifically, there is a key takeaway: the weak points he documents in permitting, refining and tax administration are control gaps that organised crime is actively engineered to exploit. Closing these gaps at organisational level will go a long way to start making it more difficult for this scourge to continue eating away at the very riches that are meant to grow South Africa's economy in the interest of the majority of her people.

Key Concept: Shadow

Economy Unlicensed, unrecorded activity operating in parallel with the formal economy, evading tax, regulation and law enforcement; staying financially connected via people, refineries and markets.

Quotes:

'Like it or not, the story of South Africa is inextricably linked with the story of gold.' 'There's something sinister about this metal and the magnetic pull it has on some people.' 'Most of the zama zamas are poorly equipped, many without the slightest bit of training. Death waits around every corner.' 'The underground tunnels are dark and treacherous, a far cry from their well-lit and secure legal counterparts.' 'Processing takes place in makeshift backyard facilities, hidden away in low-income neighbourhoods or even secret bases deep in the mountains. Safety? A mere afterthought.' 'The money is counted in smoke-filled back rooms, and the ground still bleeds the same.' 'The relentless roar of machines never stops, and big money is spent transforming raw materials into valuable resources – all so that more big money can be made.'

Practical Tips

- Consider how exposed your organisation is to illicit gold entering legitimate supply chains through refineries, bullion dealers or downstream customers. Build provenance checks on precious metals and enhanced due diligence on suppliers near known illegal mining areas, into your procurement and anti-money-laundering controls.
- Consider how your risk, security and community-relations functions coordinate near abandoned or active illegal mining. Where personnel or officials may be compromised by syndicate influence, whistleblower protection and independent reporting channels are what allow infiltration to be detected before it escalates into violence or regulatory exposure.

Think About

- Avoid treating illegal mining as someone else's problem confined to derelict shafts. It is fed by the same unemployment and weak service delivery that shape the operating environment for every organisation in South Africa, and it competes with the formal economy for land and labour.
- Understand how your suppliers, financiers, logistics partners or landlords could unknowingly touch this shadow economy. Once smelted, gold is hard to trace to its source, so due-diligence obligations should not end where your direct operational control ends.
- Consider the quality of your fraud and corruption controls at the points most exploited: permitting, refining, value added tax, and customs administration. The cost of under-investing in enforcement is measured first in lives lost underground, and only then in financial and reputational terms.

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