

# The Impact of COVID-19 on the Welfare of Artisanal and Small-Scale Miners in the Democratic Republic of the Congo

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# Agenda

Thank you and welcome to our presentation!

- Please mute yourself
- We will take all questions at the end of presentation

## Please note

This presentation nor our final report reflects the views or policies of the United States Department of Labor, nor does mention of trade names, commercial products, or organizations imply endorsement by the United States Government.

- I. Introduction
- II. Background on ASM in the DRC
- III. Methodology
- IV. Findings
- V. Analysis
- VI. Key Findings and Recommendations

# Scope of Work

- The impact of COVID-19 on child labor practices within artisanal (ASM) and small-scale mining of the cobalt and copper industries in the *Copperbelt* region of the Democratic Republic of Congo
- Present and future repercussions of COVID-19 on economic, social, and political situations which influence child labor in these mineral supply chains

# History of Labor Exploitation in the DRC



*Digging for Change Report, The Impact Facility, June 2020.*

- Since Amnesty International Report in 2016, worldwide attention explicitly focusing on child labor.
  - Child labor explicitly in Copperbelt Region in copper and cobalt
- OECD findings
- UCLA report
- Others interviewed

# Cobalt & Copper Uses and Prices

## Cobalt

- A critical mineral in iPhones, laptops, and batteries
- Average price: \$14-16 per pound
- Comprises of 5% of an iPhone's mass

## Copper

- Also used in this critical technology, as well as in construction
- Average price: ~\$3 per pound
- Comprises of 6% of an iPhone's mass

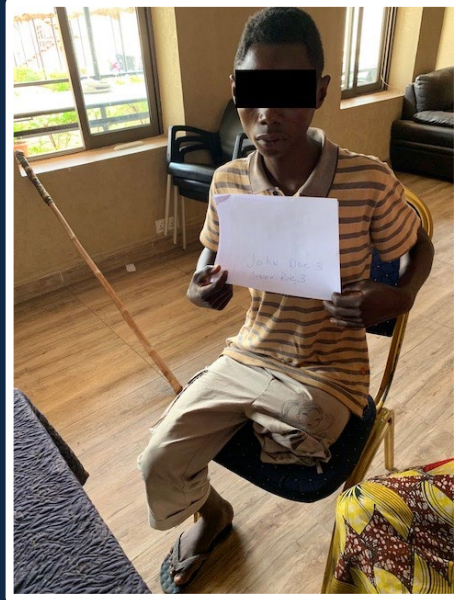
**Largest Buyers:** Apple, Tesla, Google and Microsoft

# Research & Interview Methodology

## Secondary Research

- Delve Reports-Summer 2020/October 21st, 2020
- Kinshasa Digital Report
- Digging for Change Report (Fair Cobalt Alliance)
- Covid-19 and the Artisanal and Small-Scale Mining (ASM): Implications for National Development Presentation
- Sep 30, Agenda for Child Labor Coalition

# Future Activity: Lawsuit



*IRA posted this photo on Oct. 26th in opposition to the tech company's motion to dismiss.*

- Includes investigation from Amnesty International outlining:
  - Detailed description of supply chain
  - Evidence of child labor in mining sector
  - Quotes from miners

# Thematic Analysis & Qualitative Coding

Interviews

Transcription

Coding

Iterative  
Comparison

## Deductive Codes

- COVID
- Child Labor
- Human Rights
- Supply Chain
- Mining Company
- China

## Inductive Codes

- Risk
- Unintended Consequences
- Problem/Challenge
- Cobalt
- Action
- Recommendation
- Gender



# Limitations

## Methodology

- Interview Structure
- Qualitative Coding
- Length of time for the project

## Content

- Irregular data and data collection methods
- Confusion over definitions of child labor and conflict
- Local perspective
- Systemic global supply chains ambiguity

# Findings: Economic Effect of Covid-19

## DRC's Economy

- 3% GDP growth in 2019
- GDP decreased -2 in 2020

## Economic effect

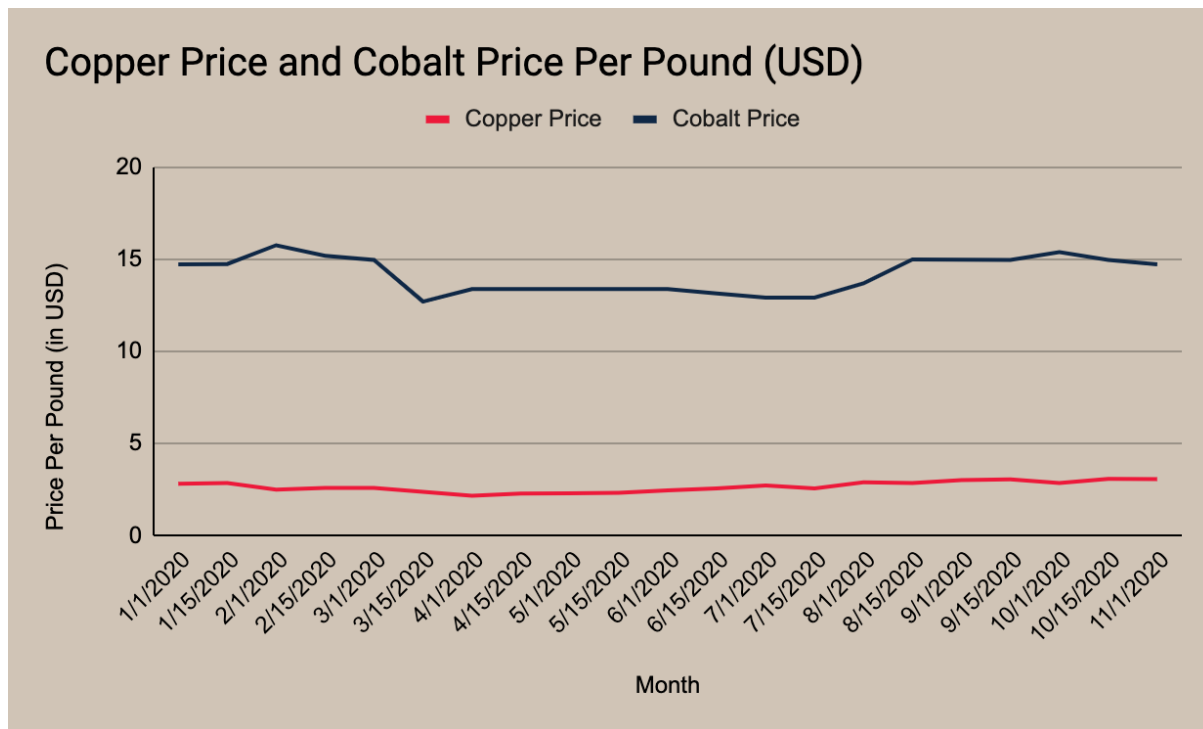
- Closure of mining factories
- Supply chain disruption
- Fall in Exports
- Investment Extraction

Figure 4. Gross domestic product, constant prices (%)



Source : IMF, World Economic Outlook Database, April, 2020

# Findings: Impact of COVID-19 on Global Cobalt and Copper Market



# ASM Cobalt and Copper Mining



Mining



Transport



Washing



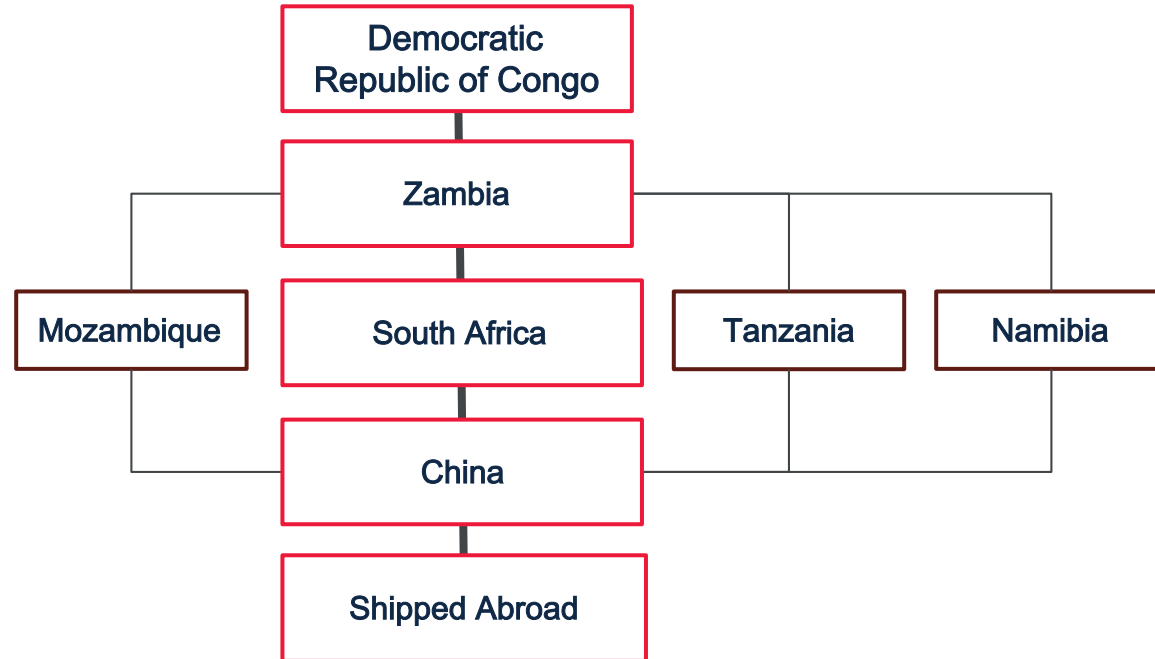
Sorting



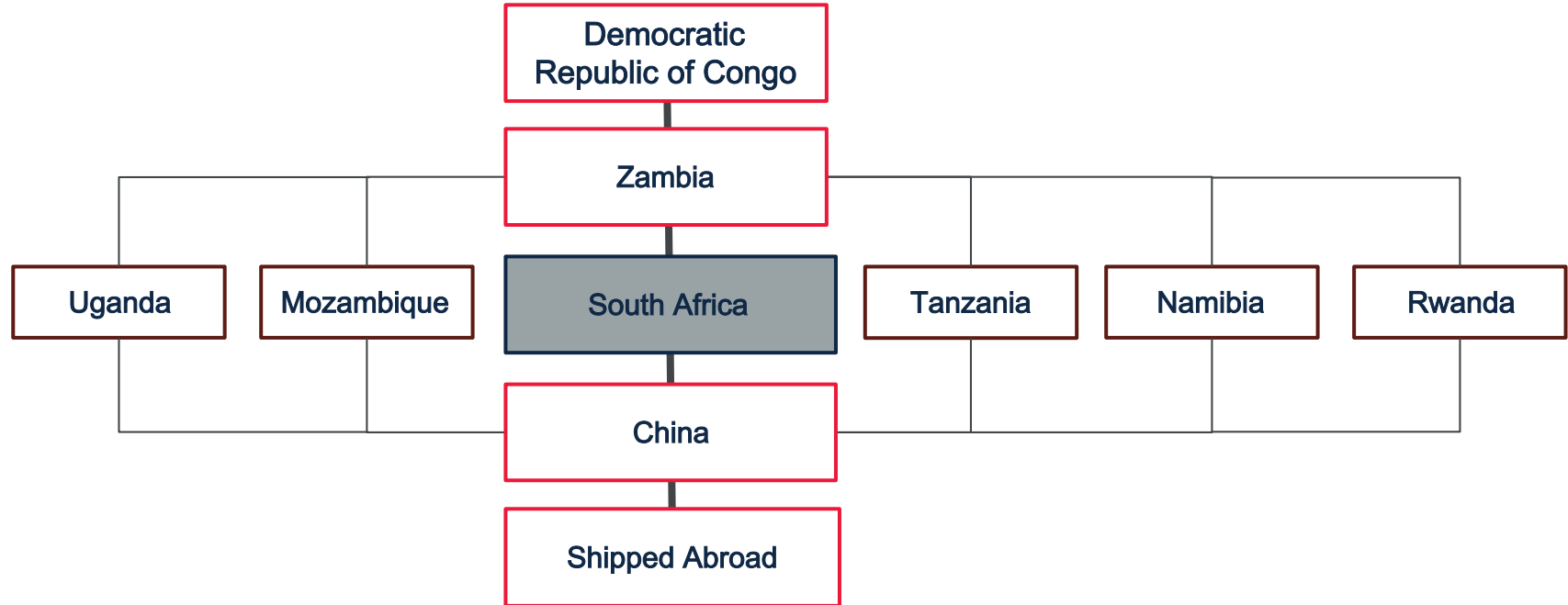
Buying

*Figure 3 -Illustration of simplified value chain from shaft to warehouse*

# Supply Chains Pre-COVID-19



# Supply Chains During COVID-19



# Exploitive & Child Labor

## Current Findings

- **Higher risk due to COVID-19:** Lower oversight and protective measures from government authority withdrawal, therefore higher prevalence of child labor

YET

- Can not find direct correlation of COVID -19 with potential increase in child labor. *Indirect impacts: schools closing, food insecurity, lower income, and currency depletion*

# Consequences of COVID-19

## 1. Poverty

- Lowered income
- Food insecurity

## 1. Infrastructure:

- Poor public health awareness
  - schools, markets, etc.

## 1. Potential migration into other minerals

- Cobalt to Copper or Gold.

## 1. Shift to other sectors (temporary)

- Agriculture
- House-cleaning

Some price structures before and during Covid-19 in August 2020

Products	Price before the Covid-19	Price during the Covid-19
salt	300 à 500 Congolese franks (FC)	1000 à 1500 Congolese franks
¼ kg of rice	200 Congolese franks FC	500 Congolese franks FC
1kg potatoes	500 Congolese franks FC	1000 Congolese franks FC

The exchange rate went from 1600 to 2000fc per dollar.



# Opportunities



*Kinshasa Digital Report, September 2020.*

**“However, economic shocks may also bring opportunities for innovation in their business model or they may pave the way for the advancement of certain specific strategic issues . On both levels, access to factual information adds great value to the thinking process.” (Kinshasa Digital Report, 2020)**

# Key Findings

## COVID-19

- **Impact:** downstream actions and upstream repercussions: prices (cost of transaction), income, and food insecurity

## Child Labor

- Child presence increased due to impacts of COVID, not COVID itself

## ASM

- Short term recommendations
- Long-term recommendations

# Short-term Goals and Recommendations



*Digging for Change Report by The Impact Facility, June 2020.*

- Reframing frameworks
- Risks vs. Impacts
- Data Collection
- Traceability vs. Government Accountability
- Primary Education and Health for All

# Long-term Goals and Recommendations



*Digging for Change Report by The Impact Facility, June 2020.*

- Formalization
- Market-based approach/macro -approach
- Copy other mineral strategics
- Join existing initiatives and public consortiums

# THANK YOU



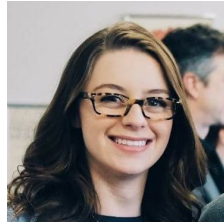
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**We will take questions at this time**

Please use the raise hand feature or write your question in the chat box