John Childs [1]
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Big mining firms in the Democratic Republic of Congo are worried. For the past decade they’ve made good money from the country’s huge reserves of cobalt, diamonds, gold and copper, and now the government wants to grab more of the action: a document leaked to Bloomberg [2] reveals plans to raise royalties and profit taxes, and increase the state’s share in any new ventures.

This is so-called “resource nationalism” in action, and the DRC is far from alone in seeking greater economic control of its natural resources. The state is back, the theory goes, and it’s taking on the multinational. From Scotland to Namibia, Zambia to Ecuador, resource rich nations throughout the world are rhetorically reclaiming gas, oil and minerals as their own.

The trend is widely reported as the enemy of trade, investment and energy security alike. In the UK, for example, the Telegraph called it a “spectre” [3] and government economists have labelled it [4] as both a “threat” and “anti-competitive”.

On the other side of the coin, governments argue they are simply ensuring foreign businesses don’t unfairly benefit from resource extraction. Take Zambia, for instance. The landlocked African nation is a major copper exporter yet most of the population still lives below the poverty line. After the government looked to crack down on tax avoidance by multinational mining firms, one senior politician defended the move [5]: “The situation is win on one side – only the shareholders are winning; the people of Zambia are still in abject poverty”.

The question of whether resource nationalism really is something to be feared is therefore a whole lot more complicated than it would first seem, for the three following reasons.

IT ISN’T REALLY NATIONALISM AT ALL

Governments, most prominently those of Sub-Saharan countries like Ghana, Sierra Leone, Guinea or Tanzania, have argued for huge tax hikes on mining, oil and gas contracts in the name of the “national interest”. However, move beyond the rhetorical strength of such statements and resource nationalism is less the enemy of big business than a cover for a business-as-usual bias towards the interests of neo-liberal, foreign investment.

In Tanzania for example, recent discoveries off the coast of East Africa have led to predictions that the region will become one of the world’s biggest exporters of natural gas [6]. As a result, “nationalist” laws [7] are currently being drafted which begin: “Natural resources found in Tanzania belong to the [Tanzanian] people”.

At the same time, however, a recently signed memorandum of understanding [8] between the UK
and Tanzania promises, according to former foreign secretary William Hague, to “offer significant opportunities for British businesses in the energy sector”. Indeed, BG Group [9], as well as Norway’s Statoil and other big players have already been granted licences. The state is striking back in rhetoric only; it is business that still holds the real power.

IT DOESN’T END AT NATIONAL BORDERS

Like a game of Risk, our idea of national control tends to be fixated on owning resources found within neatly defined borders. In today’s world however, this doesn’t make sense.

Better technology, modelling and visualisation techniques means extraction frontiers are constantly being moved further afield and deeper underground. Mines such as one in Mponeng, South Africa [10], can reach nearly 4km deep and have more than 230 miles of tunnels, all to mine a 30-inch wide seam of ore. This should complicate our understanding of the idea of resource nationalism. How, for example, do we make sense of competing, contemporary claims to the deep sea off Namibia or Papua New Guinea? Similarly, questions over resources and sovereignty might even make us ask who owns the moon [11]?

Finally, geopolitical debates over extraction rights in the Arctic [12] provide further worrying evidence of the ways in which national and private interests are always in competition. In all cases, the physical and metaphorical boundaries of the nation state have to be questioned as law tries to keep pace with technological advancement.

IT ISN’T FAIR FOR EVERYONE WITHIN A NATION

Whatever the context, resource nationalism makes its claims by promising a country’s citizens “fair” and equally-distributed access to its resources. However this fails to account for politics. Mining and oil contracts are often negotiated in secret. Protests against these deals can be suppressed through state sanctioned force, and “national” policies often marginalise groups based on account of gender, race or sexuality. It is precisely this sort of identity politics which sparked violence [13] over sovereignty in Mtwara, Tanzania, where the region’s population claims that they are marginalised from a policy that favours the urban elite hundreds of miles away.

The “national interest” never means the same thing to everyone within a nation: different people place different values on nature and its resources. Brazil’s recent draft bill [14] aiming to “nationalise” the Amazon is a good example – made at a governmental level, it doesn’t necessarily consider the views of indigenous communities.

And the idea of the “national interest” can’t adequately describe this complexity. From “African” oil to “Scottish” gas, those that fear “resource nationalism” would do well to remember this and not overly simplify the debate.

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Is Africa’s ‘resource nationalism’ just big business as usual?
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Governments, most prominently those of Sub-Saharan countries, have argued for huge tax hikes on mining, oil and gas contracts in the name of the national interest. But beyond the rhetoric, resource nationalism is a cover for a business-as-usual bias.

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