

The African Mining Vision: Imagining and Realizing New Futures from Africa's Mineral Wealth

Introduction

The abundance of natural resources in Africa has been widely acknowledged (Yager, Bermúdez-Lugo, Mobbs, Newman, Taib and Wilburn, 2012). However, in many parts of the continent, while the minerals sector has contributed significantly to their Gross Domestic Product (GDP) and exports, its benefits have not been distributed equitably to the population. Citing the experience of the Nordic countries, the Economic Commission for Africa (henceforth, ECA) argues that Africa's vast mineral resources can play a transformative role in the continent's development and argues that resource-based industrialisation is possible (ECA, 2011: xviii).

There is a persistent paradox that is evident in some countries which are renowned for the mineral reserves and yet are among the poorest performers in terms of human development. Notwithstanding some of the limitations of measures such as the Human Development Index (HDI) and the Inequality Adjusted Human Development Index (IHDI), these indicators can be used to demonstrate the anomaly. Evidence from the African Human Development Report of 2016 by the United Nations Development Programme

(UNDP, 2016), indicates that many of the mineral rich economies are performing poorly in terms of social and economic development.

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For example, although countries such as Botswana, South Africa, Namibia, Zambia and Ghana, are well endowed with minerals (notably, diamonds, gold and copper) and are categorized in the Medium Human Development group of countries, their performance in terms of the IHDI are low (on average, between 0.3 and 0.43) even though their HDI is above 0.5. Zimbabwe is known to have large deposits of Platinum Group Metals (PGM) and diamonds but in 2016, it registered an IHDI of 0.38. Despite their vast diamond resources, the Congo Democratic Republic and Sierra Leone, had an IHDI of below 0.3. Although these are but a few examples, they illustrate *the urgency for a new vision and governance culture* towards the utilisation of the continent's mineral wealth.

Mining has also been associated with environmental damage, unjust and unfair terms for compensation and relocation of communities living in mining areas.

In response to this developmental failure, the African Union (AU) introduced the African Mining Vision (henceforth AMV) in order to assist countries to better utilise their mineral resources for inclusive and sustainable development. The fundamental question is that, given the continent's past failures, what will it take for countries to create new futures out of their vast mineral endowments?

Explaining the failure

Darimani (2009:13) blames weak African governments for the failure to translate mineral wealth into social, economic and human development. He argues that:

...African governments have consistently made rules and policies that strongly favour the profitability of mining companies, with very limited attention to fundamental questions of equity, diversity, human rights, and ecological protection. Decisions are made or framed and operated essentially on a set of values that place corporate profits at the top of a hierarchy, and does not take into account crucial social, human rights and ecological norms.

Radical critics attribute the failure to the unequal power relations between capital and weak governance and institutions. Rugumamu (2005), cites Africa's 'perverse integration into the global capitalist system' as the root cause of the problem. He argues that "encounters between *structurally unequal economies, societies and institutions* have continuously shaped the continent's past and contemporary plight of exploitation". This view is also echoed by Bush (2017:1) in an interview with Amin. In that conversation, he explains how for Amin, the challenges facing Africa today reflect a historically-rooted and ongoing process of imperialist exploitation and plunder of the continent's resources.

The essence of these arguments is that political domination of African economies in the era of globalization is likely to perpetuate the exploitation and plunder of the continent's natural wealth, unless countries can find effective ways to reverse that historical pattern.

Harnessing Africa's mineral resources for new African futures

African Heads of State adopted the AMV in 2009. The vision is a 'transparent, equitable and optimal exploitation of mineral resources to underpin broad-based sustainable growth and socio-economic development'. Its central objective is to integrate the minerals sector into broader socio-economic development and to create a win-win outcome for all stakeholders (ECA, 2011: xviii).

The big question is how the AMV can facilitate the creation of new futures based on the minerals sector. Samir Amin offers an

alternative solution through what he terms as a 'delinking' strategy. This is a strategy which entails 'the subordination of external relations to the logic of internal development'...

The challenge here is to establish, from existing struggles for social justice, the difference between 'reformist reforms' and change that advances a 'non-reformist' agenda. The latter would include generous social policies stressing decommodification, capital controls and inward-oriented industrialisation strategies allowing democratic control of finance and production.... (Goldiner, 2011).

'Delinking', however, poses a big challenge because of Africa's deficit in technology, specialist skills and the requisite capital that mineral exploration and extraction requires. This makes it necessary for countries to negotiate with investors who have such resources. To avoid the failures of the past, there is a need to negotiate agreements that ensure that optimal benefits from the mineral sector accrue to African people. An encouraging development is the government of Tanzania which has announced that it was going to renegotiate all its mining and energy agreements (Investment news, 2017) in order to ensure more benefit to its population. Following the argument by Amin as cited above, countries will have to avoid embarking on 'reformist reforms', that is, those that maintain the status quo. Rather, they should aim to advance 'non-reformist' type changes that fundamentally transform the power relations between investors and themselves. Achieving such a goal requires strengthening the capacity of African states to exert

their autonomy and control over their mineral resources. A 'new generation' of mining agreements must integrate more effectively, social and equity perspectives that guarantee greater benefits to the population. This requires an improvement in state capacity to *manage* the mineral sector in a transparent, accountable and efficient manner. Management in this case should not be interpreted to mean re-introduction of state-owned enterprises in the sector. Rather, it refers to institutional, policy and strategic frameworks that enable African countries to 'set the agenda' in terms of, for example, drafting legislative or regulatory mining frameworks that best protect and advance the interests of their people in the entire mineral value chain, from exploration, extraction and beneficiation. This is key for an inclusive and sustainable mineral sector.

Of central importance must be a shift from the dominant commodity production and export model towards more beneficiation/value addition. The AMV provides extensive proposals on how this can be achieved. African countries should seriously consider taking up the proposals that the vision has to offer and commit towards its implementation.

Conclusion and recommendations

The successful implementation of the AMV in creating new futures based on harnessing mineral resources will critically depend on some fundamental interventions by countries. Firstly, the building of a new generation of mineral governance frameworks and systems that enable African



countries to exert greater control and influence in the design or negotiation of mineral agreements. Secondly, the building and/or strengthening of the capacity of governments and other relevant actors within countries, to negotiate agreements on mineral resources that guarantee a more just and equitable distribution of benefits between host countries and investors, whether domestic or foreign. Thirdly, it also requires the establishment of more transparent and accountable systems, where governments have efficient mechanisms for the collection and utilization of mineral revenues for the benefit of national development. *Ultimately, it is about creating new forms of mineral governance that are characterized by accountability, transparency, ethical conduct and professionalism.* Since mining is largely a technology and capital intensive enterprise, it should be

useful for countries to explore opportunities for partnerships in the context of South-South and South-North cooperation provided those partnerships are based on terms that advance African developmental goals.

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