BOOK REVIEW


This is a timely and important collection of essays edited by a foremost commentator on mining and its consequences in Africa. Bonnie Campbell has assembled a radical critique of the strategy of the international financial institutions regarding the extractives sector, with case studies of Ghana, Guinea, Mali, Madagascar and Democratic Republic of Congo (DRC), providing for an English audience exceptionally rigorous analysis of some important Francophone states. The analysis goes beyond the usually dominant and rather fatuous characterisations of the ‘resource curse’ – the catchphrase used to summarise economic underachievement of mineral-rich economies. Instead, the case studies in this collection highlight the importance of historical detail, the necessity of characterising relations of power between states, companies and donors without losing sight of miners, mining communities and the failures of resource availability to promote sustainable and equitable growth.

The essays come at what Campbell calls a ‘turning point’ regarding African mining regimes. She and her contributors have painstakingly and with forensic analysis, explored the transformations that have taken place, and the gaps that exist between mining codes and actual outcomes of mining, the lack of benefits that accrue to African states and the challenges to state authority that emerge from unrealised expectations and promises made by international financial institutions (IFIs) and companies. The book explores the consequences of the ways in which mining companies and the World Bank have used codes, regulatory frameworks, chidings over corruption, the absence of transparency and ‘weak governance’ to challenge the fundamental legitimacy of African states. Campbell and her contributors argue that the African state has effectively had its role redefined and its institutional capacity reduced. Probably most important of all, the book demonstrates how any notion that mining promotes development has disappeared. These essays highlight that donor and mining company infatuation with good governance and accountability ‘run the danger of treating the symptoms of a particular “politics of mining” and not the relations of influence and power which makes such dysfunctional processes possible’ (p. 3).

Mining in Africa uses as its benchmarks the recommendations of the World Bank Group’s Extractive Industries Review (EIR). The book notes scathingly that the recommendations of that review, not least that the World Bank should effectively improve conditions of the poor, protect human rights and defend indigenous peoples and the environment in mining areas, have been ignored by the World Bank Group (WBG). Campbell is diplomatic at times, indicating that the World Bank’s response to the EIR ‘was a pale rejoinder to what had been proposed’ (p. 4) but she and her collaborators also overwhelmingly document that the mining regimes adopted and promoted by the WBG condition ways in which (under)development is sustained and
reproduced by the extractives sector as it is currently organised.

The case studies of Ghana (Akabzaa), Mali (Belem), Madagascar (Sarrasin) and Democratic Republic of Congo (Mazalto) highlight the detail of mining sector reforms, promoted and often directed by the WBG, with the rhetoric of improving living conditions, promoting development and transparency, yet the outcomes entrench a development model intended to attract foreign direct investment (FDI). And it is FDI which disables development, undermining state authority and policy space.

In exploring the detail of country extractive sector reforms in the diverse mix of cases, this book is a powerful document of the need for a radical and dramatic reform of the extractives sector. It disproves the idea that companies have embraced meaningful corporate responsibility, and demonstrates that the development model of externalisation of African economies merely serves the interests of foreign capital and some local elites, while exacerbating poverty and inequality. The book argues the need for African states and mining communities to create and empower reform of the extractive sector and there was certainly an opportunity in this collection, not always used, to highlight the importance of local community struggles against companies and states as local livelihoods became transformed and people dispossessed of land and opportunity.

The African Union (AU) is in the process of embracing its own vision for African mining (AU 2008) but unfortunately African governments remain, it seems, too wedded to donor-driven governance agendas as the panacea for mining sector reform. There seems little energy for active reformulation of strategies for control and regulation of mining companies but the vision document, AU debate and the international study group established to explore policy in the extractives sector may promote a more radical policy initiative. This is certainly needed.

Mining transnational corporations (TNCs) are in many respects ‘outiders’ for capitalism. There may only be five mining and quarrying TNCs in the top 100 companies listed in the 2009 World Investment Report, but they held more than US$250 billion in assets and more than US$126 billion in sales in 2008. As a proportion of global FDI flows, investment in extractive industries may also be relatively small but mining TNC influence is disproportionate to their size. The profitability of extraction and sales of processed metals and precious stones is extremely high. One estimate was that for 80% of the world metal mining industry, by capitalisation, net profits rose from US$4.4 billion in 2002 to US$67 billion in 2006 – the increase in profit between 2005 and 2006, following the spike in commodity prices was an extraordinary 64% – this translated into an increase of 1423% compared with 2002 levels with a return on equity of 33% compared with 26% in 2005 (PricewaterhouseCoopers 2007, pp. 3, 5). Mining in Africa provides important building blocks to confront the rhetoric of the WBG, mining TNCs and donors that promote FDI as the only promoter of capital accumulation in Africa. African resource-dependent states need now to embrace the importance of the critical analysis to help deepen a vision for mining that is a real alternative to the hegemony of the IFI and TNCs.

References


Ray Bush
University of Leeds, UK
Email: r.c.bush@leeds.ac.uk
© 2010, Ray Bush