



TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

Natural Resource Governance in Africa

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Second runner up

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Introduction: Background and context

Natural resources – non-man made endowments that have the potential to be developed for wealth creation – have always been a source of conflict throughout history (Chigwenya and Manatsa, 2007). They incite conflicts because of high value and uneven geographic distribution. Although this aphorism is true to varying degrees, two key observations epitomise natural resource endowment and development paradigms. On the one hand, literature is fraught with evidence which suggest that endowment with these invaluable resources often lead to negative development – a paradoxical outcome which is known in literature as resource curse (Corrigan 2014; Sachs and Warner, 1995) – instead of the positive benefits that would be intuitively expected to accrue to the people and places that are so endowed. Africa has become the flagship of this paradigm. On the other hand, is the ideal, albeit in very few instances, where natural resource endowment positively correlates with development (Holden, 2013).

Intangible wealth, manifested in the quality of natural resources governance (NREG) have often been cited as the explanatory variable for the two contrasting observations (Costa and Santos, 2013; Canuto and Cavallari, 2012). This essay provides insight into past NREG paradigms across Africa and some emerging approaches that promise to exorcise the resource curse and improve benefit flow from natural resources for the development of the continent.

Africa's natural resource endowment and development: A snapshot of the nexus

According to the African Natural Resource Center (ANRC), Africa's natural resources base are the bedrock of the continent's economy and offers her opportunities for social and economic development. In 2012, natural resources accounted for 77% of total exports and 42% of government revenues (ANRC, 2016).

The continent is endowed with:

- about 30% of the world known reserves of minerals;
- about 10% of oil and 8% of the world's gas resources.
- the largest cobalt, diamonds, platinum, and uranium reserves in the world.
- 70% of columbite–tantalite deposits (from which electronic microchips are made).

In addition, Africa's 63 international river basins cover approximately 64% of the continent's land area and contain 93% of the total surface water resources. The continent also has a fair



TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

share of the world's fertile lands, forests and solar energy. However, these endowments do not translate into development. Using the Human Development Index (HDI) ¹ as a measure of development, it can be shown that Sub-Saharan Africa (SSA) consistently remains the least developed region over the last 2 and half decades (see **Figure 1**). The situation is not peculiar to SSA. The 2015 Human Development Report (UNDP, 2015) similar trends are observed throughout the continent. What could possibly have led to this situation?

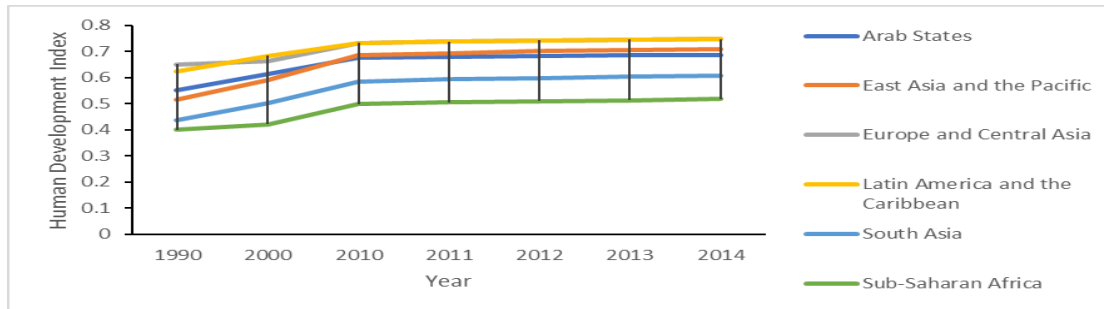


Figure 1: Regional Human Development Index trends, 1990–2014; developed with data from 2015 Human Development Report.

What is governance and how does it shape natural resource management in Africa?

Good governance is perhaps the single most important factor in eradicating poverty and promoting development (Kofi Annan, undated).

The concept of governance is ubiquitous and has received a lot of attention from academia and practitioners from several disciplines e.g. political sciences, law, and sociology (Rhodes, 2007). A synthesis of the literature shows that governance, put simply, is how decisions are arrived at to manage affairs of a society. Building on this simple definition, and others from Graham and his colleagues (2003) and the Cheema (2004) NREG in this essay refers to:

“the norms, rules, institutions and practices that set limits and provide incentives for interaction between state, private sector and civil society to make and implement decisions towards developing their natural resources to meet their established goal e.g. economic development, environmental protection, etc.”

The opening quote shows that there is good and bad governance. Although no concrete definition exists for good or bad governance, some indicators exist for both. Indicators of good governance are clearly articulated in the Universal Declaration of Human Rights, and include: rule of law, participatory democracy, transparency and accountability, equity and capacity (informed citizenry). Where the aforementioned are lacking, there is corruption, abuse of human rights, inequity, to name a few – thus, indicators of bad governance.

¹Human Development Index (HDI) – measure of average achievement in key dimensions of human development: a long and healthy life, being knowledgeable and have a decent standard of living (UNDP, 2017). It is based on three key variables: longevity, education and income.



TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

“But when you have bad governance, of course, these resources are destroyed: The forests are deforested, there is illegal logging, there is soil erosion. I got pulled deeper and deeper and saw how these issues become linked to governance, to corruption, to dictatorship” – Wangari Maathai, Nobel Laureate, 2004

Evolution of governance

Societies are dynamic, ever-evolving to address emerging needs and/ or make use of opportunities. Such evolution has implications for norms, rules and institutions. As such, NREG has changed over time, because actors forge alliances and/ or take decisions that align best with their interests and changes in their environment (Heap *et al.* 1992). Thus, for any effective analysis and suggestions for good NREG in Africa, it is imperative to understand how NREG has evolved to become what we know it to be in the 21st century.

History of natural resource governance in Africa

There is no shortage of literature on NREG in Africa. In fact, the subject has received substantial attention over the years. For ease of understanding and coherent presentation of central ideas expressed in literature, the history of NREG in Africa is synthesised to four regimes: pre-colonial, colonial, post-colonial and the integrated NREG approach.

Pre-colonial natural resource governance

This dates back to the pre-1870s when traditional institutions dominated NREG. During this era, traditional rulers and beliefs steered NREG. Chiefs, the traditional head of communities assumed land allocation powers and were also the custodian of traditional values. They were ably aided by council of elders and fetish priests who provided technical and spiritual advice into how resources were governance. NREG then was epitomised by their deep commitment to societal interest, which amounts to deep reverence of societal good (Dore 2001).

This era was characterised by various forms of conservation. Some areas – notably shrines and sacred grooves – which held religious, and cultural values were strictly protected and remained in their natural state for a long period. Access to certain resources e.g. birds, primates, etc. were restricted because of their scarcity and/or specific value to specific groups, thus serving totemic purposes (Katerera, 2001). Beliefs and taboos were the principal rules that shaped access and exclusion to natural resources. Violation of such rules was perceived to have catastrophic ramifications, including: diseases outbreaks, droughts and famines (Resource Africa, 2002). As such, various sanctions, including payment for sacrifices, banishment and even death sentences were instituted to deter people from breaching such provisions. Pre-colonial NREG successfully integrated traditional and socio-cultural traits with environmental conservation needs. This gave it moral and political legitimacy at the local, making them stable and enduring (Chigwenya and Manatsa, 2007). Though colonial NREG tried to obliterate remnants of the pre-colonial era, it could not. Protected areas such as Matopos National Park and Mavhuradonha in Zimbabwe, Kalahari game reserve in Botswana and Mamili national park in South Africa remain testaments of the ingenuity of pre-colonial NREG (Murombedzi, 2003).

Colonial period of Natural Resource Governance



TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

This period dates back to the early 1870s when slave trade was no more profitable and the dawn of the industrial revolution. Driven by the demand for assured sources of raw materials, the search for guaranteed markets and profitable investment outlets, Africa faced European imperialist aggression, diplomatic pressures, military invasions, and eventual conquest and colonisation (Stilwell, 2002).

The central feature of NREG during this era was command and control, where the colonial government was prosecutor, judge and executioner. They expropriated land and other natural resources from Africans (Chigwenya and Manatsa, 2007) and promulgated and enforced laws with very little input and consideration of the values and priorities of the communal people. The era was characterised by lack of common vision, stiff competition, no community involvement, no sharing of ideas and benefits, and most importantly, by conflict between colonial governments and local communities (Katerera, 1999). This lack of involvement resulted in the emergence of elements of open access systems, where individuals began to invade the commons as a collective sense of proprietorship, (Antonio, 2001).

It is perceived that unsustainable resource use was birthed during this era. Whilst the colonial government was busy exploiting and exporting resources to meet their economic needs and excluding the true owners of the resource; local communities began to defy the status quo and engaging in illegalities, including poaching of wildlife.

Post-colonial natural resources governance

Africa is a paradox which illustrates and highlights neo-colonialism. Her earth is rich, yet the products that come from above and below the soil continue to enrich, not Africans predominantly, but groups and individuals who operate to Africa's impoverishment – Dr Kwame Nkrumah

Post-colonial NREG was not very different from the colonial era. NREG became even more centralised and state controlled. The most observable change was only in institutions, where colonial leadership was replaced by national heads of state. Colonialism had eroded most of our local institutions and led to new way of era, where political leaders thought they knew best how to govern natural resources. Authoritarianism ensued and it created a vacuum for some unscrupulous leaders (fiduciaries) to enrich themselves whilst the locals – true owners of the resources– were left impoverished. Such disenfranchisement and rent seeking behaviour resulted in dissent amongst civilians and military alike and fuelled civil conflicts in most parts of the continent. Even today, such regimes are reported in countries such as Angola, Mozambique and Equatorial Guinea. On the latter, reports suggest that:

“the nation's vast oil revenues fund lavish lifestyles for the small elite surrounding the president, while a large proportion of the population continues to live in poverty. Mismanagement of public funds and credible allegations of high-level corruption persist, as do other serious abuses, including torture, arbitrary detention, and unfair trials” – Human Right Watch, 2017.

Emerging NREG: An integrated approach



TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

This era commenced late in the 20th century, especially after the Stockholm and Rio Conferences in 1972 and 1992 respectively. This emerging paradigm is characterised by a departure from centralized and state controlled governance regimes which had overwhelmingly failed to sustainably manage natural resources. At the core of this is demand to shift from the command and control approach to more organic institutions which evolve from the people and which are for the people (Katerera 1999, Campbell *et.al.* 1996). This approach promotes sharing of power and resource rents between actors; and empowering grassroots to make decision regarding access and utilisation of natural resources in a sustainable manner. The approach also strongly promotes principles of equity, transparency and accountability. Selected cases of the integrated approach are presented in the next section.

Case studies of the integrated approach to resource governance in practice

Country	Practice	Summary
Ghana	Multi-stakeholder dialogues towards effective NREG	Resource management policy is developed based on consensus from stakeholders at the community, district and regional level. Policies initiated from this approach such as the modified taungya system and artisanal timber milling have had significant positive impact on reducing conflicts and illegalities in forestry (McKeown <i>et al.</i> 2013; Obeng, <i>et al.</i> , 2014; Acheampong, <i>et al.</i> , 2016).
Botswana, Namibia, Burkina Faso, Tanzania and Zimbabwe	Community forestry	Communities with the help of other stakeholders establish forest management objectives. With incentives and training from government and NGOs, the communities are able to meet these objectives and improve their welfare in manner reduces their tendency to engage in illegalities and its associated insecurities (Chitotombe, 2012; Coulibaly-Lingani, 2011; Nelson, 2010).
Resource rent sharing		
Resource revenue is shared between state and non-state actors in a mutually beneficial manner. Several options reported (Brosio and Singh, 2013):		
Cameroun	Forest royalties are shared equally between central and local government.	
Ghana	Mineral Development Fund established in 1993 receives 20 percent of mining royalties. Half of the fund is earmarked for investment in mining-affected areas, 25 percent is disbursed via the district assemblies and the rest goes directly to local communities.	
Uganda	Mining Act of 2003 established that the central government is entitled to 80 percent of mining royalties, local governments in resource-producing areas are entitled to 17 percent and land owners receive 3 percent.	

Towards Effective NREG in Africa

Education develops the intellect; and the intellect distinguishes man from other creatures. It is education that enables man to harness nature and utilize her resources for the well-being and improvement of his life – Haile Selassie



TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

Africa has come a long way in governing her natural resources, but the path that lies ahead is even longer. Good NREG should be a continuous process rather than an achievement. To truly pursue good NREG, we have to make a habit of it. We can start by considering the following:

Reinventing institutions to suit our peculiar needs.

Institutions for managing natural resources never really got reinvented to suit what existed prior to colonialism. As the historical overview revealed, most African countries took off right from where our colonial masters left off – rendering us captives of our colonial masters’ identities. In many ways, we continue to live in mental prisons, even in our liberation. The bad news is that we were robbed of centuries, during which our local institutions would have evolved to meet changing demands. The good news, we gained insight into other ways of governing resources, but that does not mean we have to strictly stick to such knowledge. There is the need to break out, examine and build on the innovations of our ancestors to further enrich our existing institutions. (Dore, 2001) reported that one way to reinvent institutions is to promote ‘light touch’ facilitation, where government and civil society organisations regard local communities as partners and work directly with them; providing training and capacity, and monitoring the internal dynamics of power shift within communities.

Instituting public participation and accountability mechanisms.

Participation thrives on access to information and capacity. We will improve stakeholders’ participation in NREG if we publish in open access journals, provide training to local communities and develop their capacity to generate evidence-based information and negotiate effectively, and create platforms for participation. This may be expensive in the beginning but when done properly, all stakeholders develop a sense of ownership and are able to contribute innovative solutions that enable us to sustainably manage our natural resources. Equally, important is the need to render ethical accounts to people we hold resources in trust for. At country levels, transparency and accountability will be improved when we create an enabling environment for access to information, including promulgating right to information laws and also legislations that safeguard whistle-blowers. Another way is by encouraging countries to subscribe to initiatives like the Extractive Industry Transparency Initiative, which creates room for private actors to disclose payments made to governments for subjection to third party verification. Additionally, we need to broaden the scope of EITIs beyond oil and mineral revenues to include revenue from forest resources and land rents. Finally, there is the need to create an enabling atmosphere for free civil society organisation and media operation.

Investing natural resource rents in human resource development.

Man, is the ultimate resource. We need to invest resource rents in the education, health and other human resource development initiatives. As a continent, we must strive to make education a right, not a privilege. We do this when we invest to make education progressively free and provide conducive environment and investment in quality research. A sound mind, thrives in a sound body. As such we also need to invest in our health services. Quality human resource can reduce conflicts and also trigger sustainable development because proper



TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

education equips people with infra-resources² that are needed to invoke means of influence (Rogers, 1974 In: Roscigno, 2011).

Conclusions

Different governance paradigms have characterised NREG in Africa, but till date, ideas from colonial era seems to have taken precedence. We seem to be adjusting our traditional approaches entirely to European systems that were introduced to us. The essay shows that this has not always yielded positive results. Perhaps, we have come too far to revert to the days of old but there still is room for improvement. We can start by reinventing existing institutions to reflect true African wisdom and values, where resource fringed communities will be directly involved in managing resources, like in pre-colonial era. Additionally, we must create an environment, where stakeholders are able work together and share information on the basis of trust and mutual respect. However, we can only achieve this when we invest resource rents in developing the capacity of locals and empowering them to act based on empirical information and not mere socio-cultural practices and beliefs that might have outlived their usefulness.

It is only by doing these that Africa's purported resource curse can be exorcised and the continent's true potential as a safe, secured and buoyant continent – a cornerstone to global development can be realised. There is no need to look anywhere or up to anyone for action. It starts with you and me, because Africa is all we have, and we are all she has.

² Infra-resources are attributes, circumstances or possessions that must be present before instrumental resources (means of influence) can be invoked.



TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

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TANA HIGH-LEVEL FORUM ON SECURITY IN AFRICA

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