Natural Resources Dependency and Exploitation in SADC

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Presentation to the Preparatory Workshop on SADC International Consultative Conference on Poverty and Development
Kempton Park, 24 January 2008 (cartoons by Zapiro)
What relationship between resources/growth?
“Enclave economies”?
What external influences?
Resources governance?
Resistance strategies?

A South African/SADC/world challenge

- petro-mineral boom: Africa's 'resource curse'
  - North's ecological debt to SADC
- the need for equitable electricity distribution
unequal access to economic and social infrastructure services;
inequitable spatial arrangements that continue to throttle economic participation;
persistence of skills shortages;
onequal development and unequal incidence of the gains from regional economic interaction among the countries and in particular between South Africa and the rest of the countries in the region;
brain drain;
cross-border labour migration among low skilled workers;
cross-border informal trade…
while it is true that many of the forgoing problems can be found in the other countries and regions of Africa, it is contended here that they have a unique manifestation in the context of Southern Africa primarily because they have been historically mediated by past problems of racial discrimination...
neoliberal economic policies tend to reinforce or postpone the resolution of many of these problems.

Dubious statistics: Correcting the GDP bias (global)

Source: redefiningprogress.org
Dubious statistics: Adjusting the data

- Subtract resource depletion;
- Subtract pollution;
- Subtract long-term environmental damage (climate change, nuclear waste generation);
- Add household and volunteer work (gender implications);
- Correct for income distribution (rewarding equality);
- Subtract crime and family breakdown;
- Add opportunities for increased leisure time;
- Factor in lifespan of consumer durables and public infrastructure;
- Subtract vulnerability upon foreign assets.

Source: Redefining Progress
World Bank (minimalist) adjustments to GDP so as to derive ‘genuine savings’ fixed capital (-), education (+), natural resource depletion (-), and pollution damage (-)
<table>
<thead>
<tr>
<th>Country</th>
<th>GNI per capita</th>
<th>Population growth rate (%)</th>
<th>Adjusted net saving per capita</th>
<th>Change in wealth per capita</th>
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<td>904</td>
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<td>-2</td>
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<td>129</td>
<td>8</td>
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<tr>
<td>Zambia</td>
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<td>Zimbabwe</td>
<td>550</td>
<td>2.0</td>
<td>53</td>
<td>-4</td>
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</table>

Note: All dollars at nominal exchange rates.

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**Where is Africa’s wealth?**

World Bank recording of African countries’ adjusted national wealth and ‘savings gaps’, 2000

**SADC:**
- Botswana $814
- Mauritius: $514
- Mozambique: $-20
- Namibia: $140
- Seychelles: $904
- South Africa: $-2
- Swaziland: $8
- Zambia: $-63
- Zimbabwe: $-4

**Angola, DRC, Lesotho, Tanzania?**

(very negative)
The question as to who and what is responsible for African underdevelopment can be answered at two levels. Firstly, the answer is that the operation of the imperialist system bears major responsibility for African economic retardation by draining African wealth and by making it impossible to develop more rapidly the resources of the continent. Secondly, one has to deal with those who manipulate the system and those who are either agents or unwitting accomplices of the said system.
Since 2002, substantial commodity price increases

Index, Jan. 2003 = 100

Metals and minerals
Energy
Agricultural products

But longer-term commodity export value trends are negative.
Africa’s ‘resource curse’: **Excessive fossil fuel resources** in a context of growing int'l interest (US Africa Command, Chinese patrimonial politics, EU EPAs, SA arms acquisitions, persistent coups)

Which regions have used up their ‘own’ oil already?

Africa's oil mostly exported

3.6% of world refining capacity

Supply of motor gasoline in Nigeria (2001)

- Consumed locally: 26%
- Exported: 74%

- Local production: 60%
- Import: 40%
Jubilee South: **ecological debt** is ‘the debt accumulated by Northern, industrial countries toward Third World countries on account of resource plundering, environmental damages, and the free occupation of environmental space to deposit wastes, such as greenhouse gases, from the industrial countries.’
Types of ecological debt

(Joan Martinez-Alier):

- unpaid costs of reproduction or maintenance or sustainable management of the renewable resources that have been exported;
- actualised costs of the future lack of availability of destroyed natural resources;
- compensation for, or the costs of reparation (unpaid) of the local damages produced by exports (for example, the sulphur dioxide of copper smelters, the mine tailings, the harms to health from flower exports, the pollution of water by mining), or the actualised value of irreversible damage;
- (unpaid) amount corresponding to the commercial use of information and knowledge on genetic resources, when they have been appropriated gratis (‘biopiracy’);
- (unpaid) reparation costs or compensation for the impacts caused by imports of solid or liquid toxic waste; and
- lack of payment for environmental services or for disproportionate use of ‘Environmental Space’, e.g. (unpaid) costs of free disposal of gas residues (carbon dioxide, CFCs, etc) assuming equal rights to sinks and reservoirs ($75 billion/year).
SA context: municipal services discontent
(2005-07 24-month record of protest by SA Police Services: 20 000! - 30/day)
Protest against Johannesburg World Summit on Sustainable Development, 31 August 2002

30 000 march 12km from Alexandra to Sandton against UN and SA eco-social policies
A GIFT FROM THE CORPORATE WORLD!

Sustainable Development

Johannesburg World Summit 2002

Profit
Self Regulation
Unfair Trade
Petro-mineral resources: *Keep the oil in the soil!*

- Eco-campaigning in Alaska, California
- Oil Watch (October 2006, international meeting, Quito)
- Women of the Niger Delta (and Movement for the Emancipation of the Niger Delta)

- Rafael Correa agrees with Accion Ecologia that Ecuador’s main oil reserve (Ishpingo-Tiputini-Tambococha, in Yasuní National Park) should stay in the ground (August 2007)
In considering reform strategy, crucial biases from Africa

- excessive fossil fuel and other mineral resources in context of adverse power relations and rising imperialist interest in Africa (the ‘resource curse’);
- the unfair burden represented by the ‘ecological sink’ function Africa plays in relation to global greenhouse gas emissions;
- inadequate access to electricity for poor people (combined with excessively cheap electricity for large corporations).
Electrification Rates

OECD

Transition economies

Middle East

Developing Asia

Latin America

Developing countries average

World average

Africa

North Africa

Sub-Saharan Africa
Redirect resources to lifeline household supplies: SA’s ‘Free Basic Electricity’

• ‘African National Congress-led local government will provide all residents with a free basic amount of water, electricity and other municipal services, so as to help the poor. Those who use more than the basic amounts will pay for the extra they use.’

(ANC campaign promise, 2000 municipal elections)
Two features:

• The promise is based on a ‘universal entitlement’ -- basic needs should be met (regardless of our income), consistent with the SA Constitution’s Bill of Rights to a clean environment;

• The promise also means that those who consume more should pay more per unit after the free basic supply, which promotes ‘cross-subsidies’ (i.e., redistribution), and conservation.
World Industrial Electricity Prices

Prices as at 1 January 2000 including local taxes but excl recoverable VAT from a representative utility for a 2.5 MW 40% load factor customer.

South Africa

SA corps. enjoy lowest power prices in the world
Result: SA’s CO2 emissions

- SA emits more CO2, per capita corrected for income, than even the USA… by a factor of 20!

Table 6: Energy sector carbon emissions, 1999

<table>
<thead>
<tr>
<th>Area</th>
<th>Population (mns)</th>
<th>CO2/person</th>
<th>GDP ($bns)</th>
<th>CO2/GDP (kg/$bn)</th>
<th>CO2(kg)/GDP*pop</th>
</tr>
</thead>
<tbody>
<tr>
<td>S.Africa</td>
<td>42</td>
<td>8.22</td>
<td>$164</td>
<td>2.11</td>
<td>0.0501</td>
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<td>Africa</td>
<td>775</td>
<td>1.49</td>
<td>$569</td>
<td>1.28</td>
<td>0.0016</td>
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<tr>
<td>USA</td>
<td>273</td>
<td>20.46</td>
<td>$8,588</td>
<td>0.65</td>
<td>0.0023</td>
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<td>OECD</td>
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<td>10.96</td>
<td>$26,446</td>
<td>0.46</td>
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<td>World</td>
<td>5921</td>
<td>3.88</td>
<td>$32,445</td>
<td>0.71</td>
<td>0.0001</td>
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</tbody>
</table>

NOTE: The tonnes of carbon dioxide (CO2) emissions are those measureable through fuel combustion.
A TIMETABLE TO REDUCE EMISSIONS?!
...NOT UNTIL THERE'S MORE EVIDENCE OF GLOBAL CLIMATE CHANGE!
Can civ.soc. take ‘Another world is possible!’ to SADC? 

**struggles for decommodification & deglobalisation**

- Expose the information, keep minerals in the SADC ground, and push corporations away!: 'Publish What You Pay' in Angola and elsewhere; Paladin in Malawi uranium fields; AngloPlats and LonPlats in Limpopo; Australian Mineral Resources in the Wild Coast; Anglo at St.Lucia; etc etc

- SA activists are at cutting edge of several ongoing struggles to turn basic needs into human rights:
  - thorough-going land reform;
  - free antiretroviral medicines to fight AIDS;
  - free water (50 liters/person/day);
  - free electricity (at least 1 kiloWatt hour/person/day);
  - free basic education;
  - Renationalisation of Telkom for lifeline phone services;
  - prohibition on services disconnections and evictions;
  - a 'Basic Income Grant' ; and
  - the right to a job!

- All such services should be universal, and financed partly by penalizing luxury consumption (hedonism cross-subsidises basic needs)
Is a green-red energy alliance possible? Conservation plus electricity-as-a-right?

Hopes for the World Summit

...to save the environment!
...to uplift the poor!
...to keep exploiting the environment and the poor while they fight it out!