



CENTRE FOR  
CIVIL SOCIETY

# Natural Resources Depedency 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)

OUR OBJECTIVE IS TO ADVANCE SOCIO-  
ECONOMIC AND ENVIRONMENTAL JUSTICE  
BY DEVELOPING CRITICAL KNOWLEDGE  
ABOUT, FOR AND IN DIALOGUE WITH CIVIL  
SOCIETY THROUGH TEACHING, RESEARCH  
AND PUBLISHING

South Africa's 'Social Movements United' march from Alexandra Township to the World Summit on Sustainable Development in Sandton, 31 August 2002

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**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**

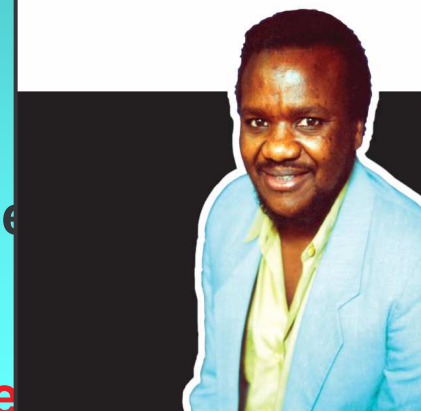




MHONE

# Guy Mhone on the production of poverty through 'enclavity'

BEYOND ENCLAVITY IN  
AFRICAN ECONOMIES:  
THE ENDURING WORK  
OF GUY MHONE  
EDITED BY PATRICK BOND



unequal access to **economic and social infrastructure services**;  
inequitable **spatial arrangements** that continue to throttle participation;

persistence of **skills shortages**;

**unequal 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**;

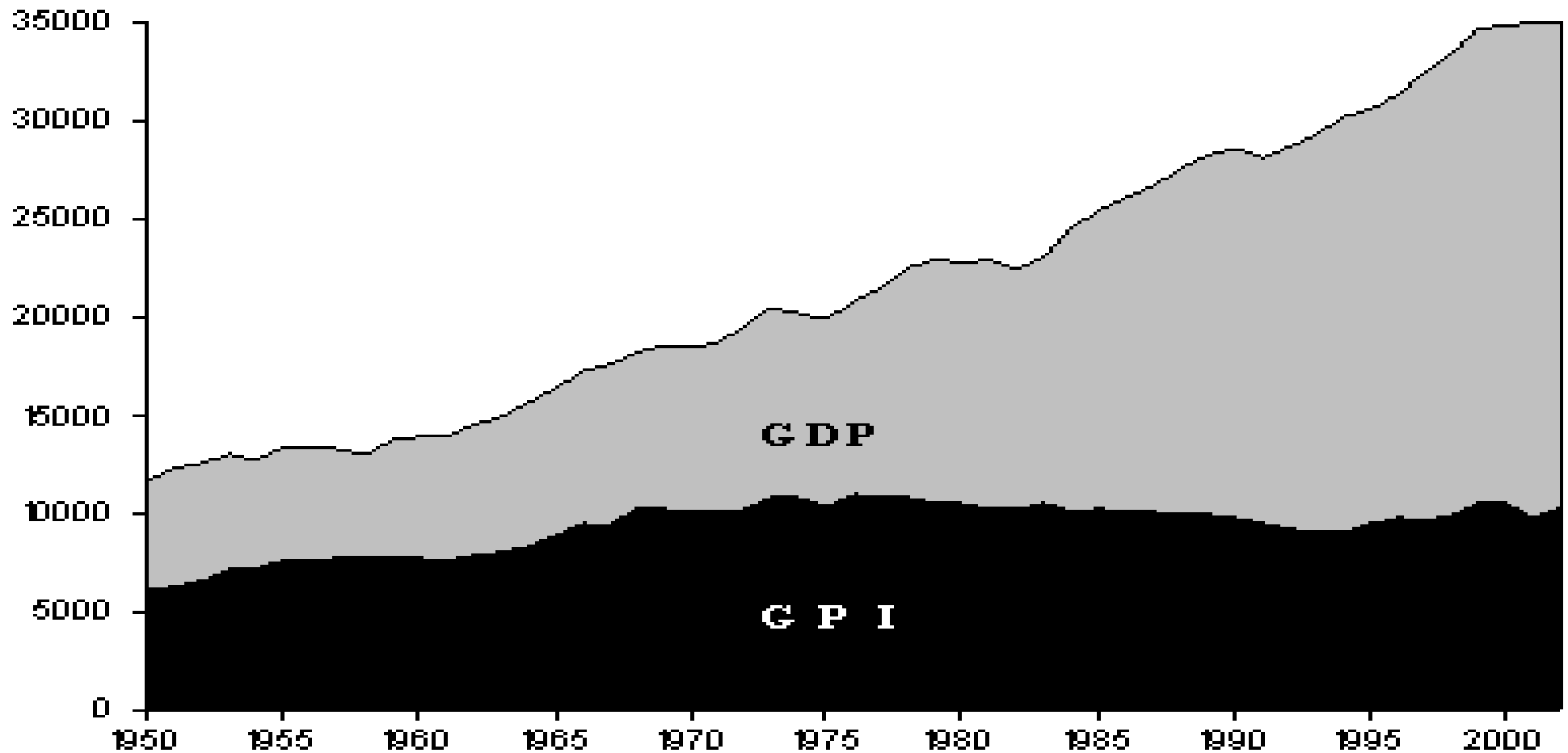
**cross-border informal trade...**

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.

Source: 'Labour Market Discrimination and its Aftermath in Southern Africa' (UN Res. Inst. for Soc. Development, 2001)

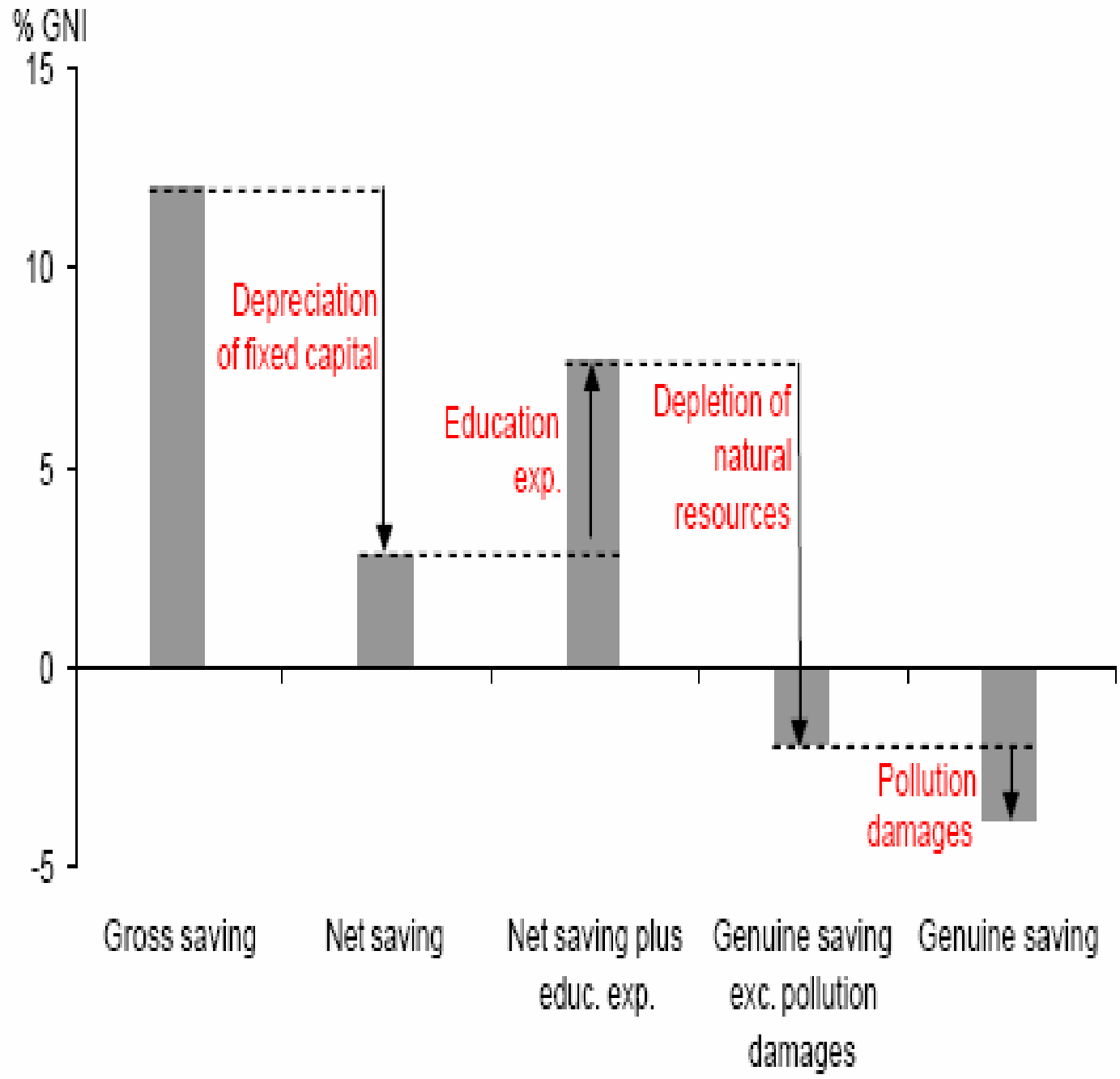
# Dubious statistics: Correcting the GDP bias (global)



Source: [redefiningprogress.org](http://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.**



**World Bank (minimalist) adjustments to GDP so as to derive 'genuine savings'**  
**fixed capital (-), education (+), natural resource depletion (-), and pollution damage (-)**

	GNI per capita	Population growth rate (%)	Adjusted net saving per capita	Change in wealth per capita
Benin	360	2.6	14	-42
Botswana	2925	1.7	1021	814
Burkina Faso	230	2.5	15	-36
Burundi	97	1.9	-10	-37
Cameroon	548	2.2	-8	-152
Cape Verde	1195	2.7	43	-81
Chad	174	3.1	-8	-74
Comoros	367	2.5	-17	-73
Congo, Rep. of	660	3.2	-227	-727
Côte d'Ivoire	625	2.3	-5	-100
Ethiopia	101	2.4	-4	-27
Gabon	3370	2.3	-1183	-2241
Gambia, The	305	3.4	-5	-45
Ghana	255	1.7	16	-18
Kenya	343	2.3	40	-11
Madagascar	245	3.1	9	-56
Malawi	162	2.1	-2	-29
Mali	221	2.4	20	-47
Mauritania	382	2.9	-30	-147
Mauritius	3897	1.1	845	514
Mozambique	195	2.2	15	-20
Namibia	1820	3.2	392	140
Niger	166	3.3	-10	-83
Nigeria	297	2.4	-97	-210
Rwanda	233	2.9	14	-60
Senegal	449	2.6	31	-27
Seychelles	7089	0.9	1162	904
South Africa	2837	2.5	246	-2
Swaziland	1375	2.5	129	8
Togo	285	4.0	-20	-88
Zambia	312	2.0	-13	-63
Zimbabwe	550	2.0	53	-4

Note: All dollars at nominal exchange rates.

# 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**

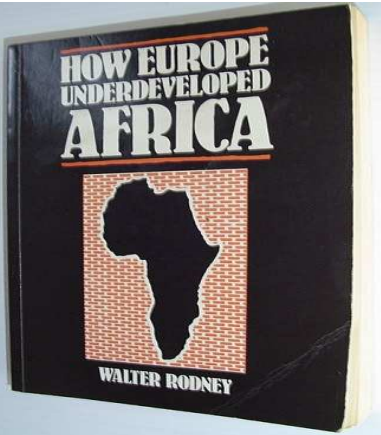
**Swaziland: \$8**

**Zambia: \$-63**

**Zimbabwe: \$-4**

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

**(very negative)**



## Walter Rodney on the *production* of poverty

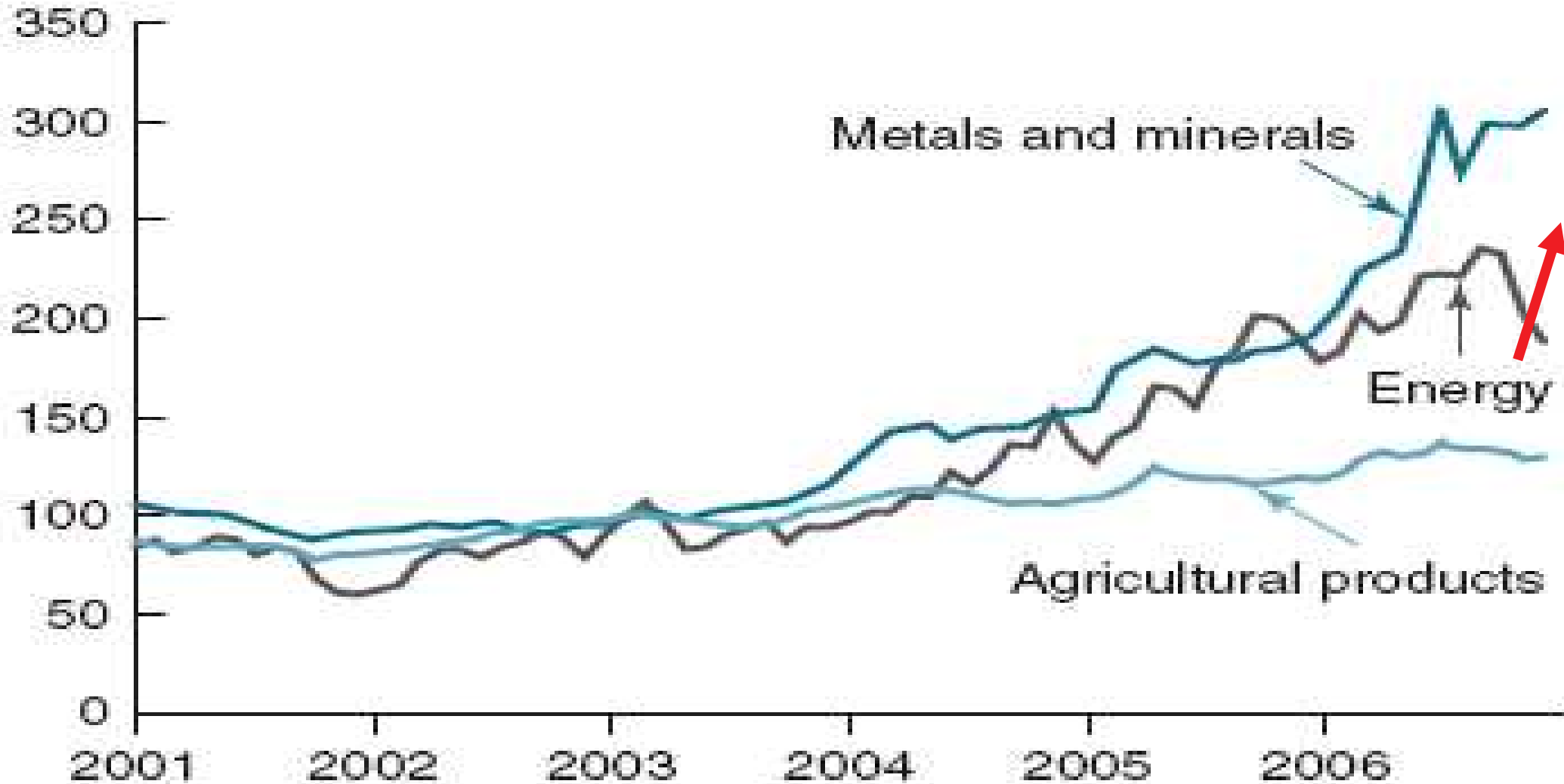


The question as to who and what is responsible for African underdevelopment can be answered at two levels. Firstly, the answer is that the operation of **the imperialist system** bears major responsibility for African economic retardation by **draining African wealth and by making it impossible to develop 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

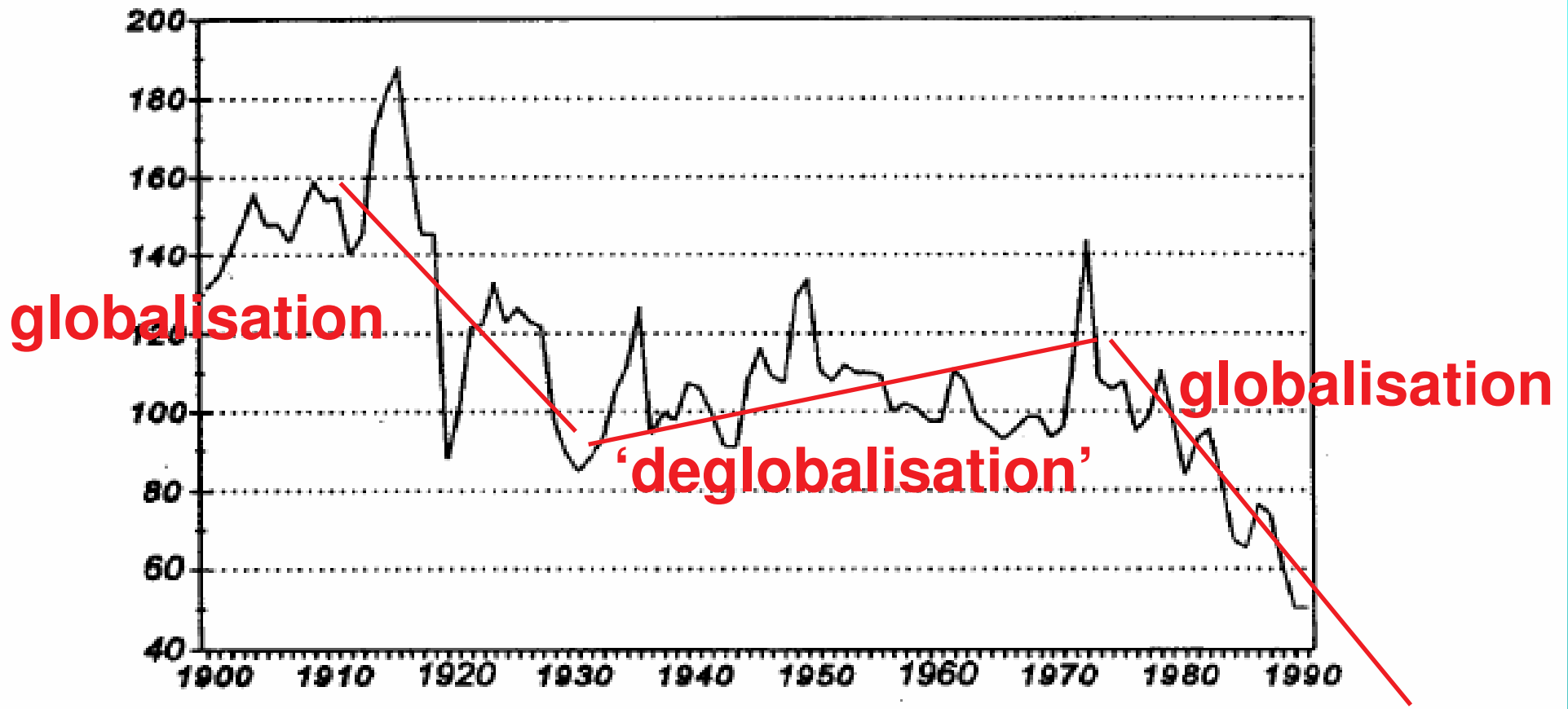
*Index, Jan. 2003 = 100*



Source: World Bank.

# But longer-term commodity export value trends are negative

Aggregate Commodity Price Index, 1900-1990  
1970=100

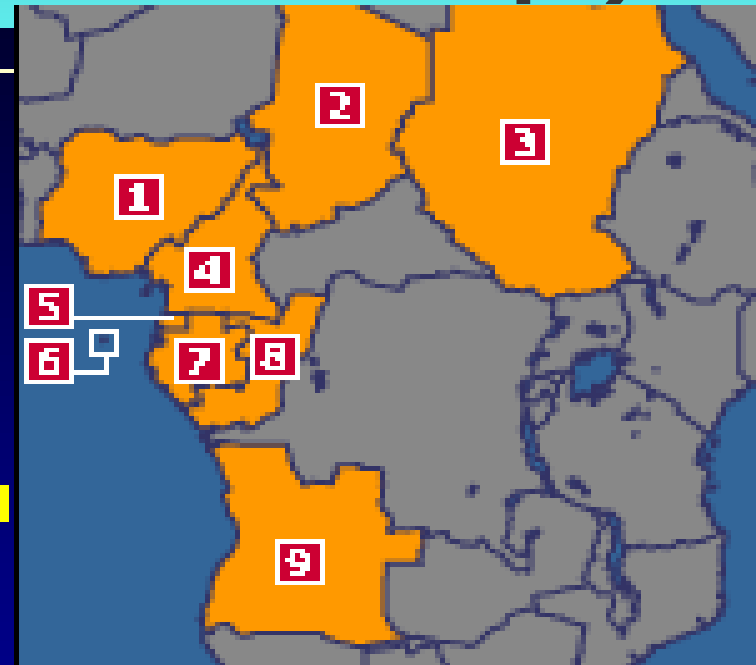
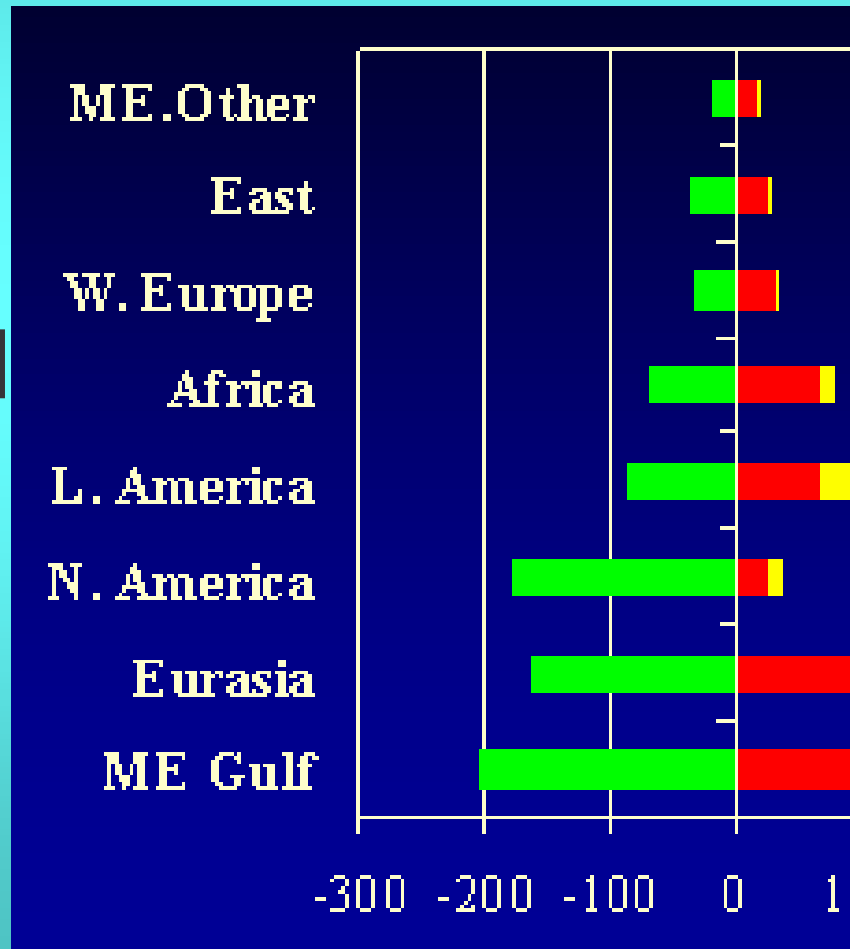


Source: : Javier León and Raimundo Soto, "Structural Breaks and Long-Run Trends Commodity Prices," *Journal of International Development*, 9, 1997, 347-66, p. 350.

# 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?

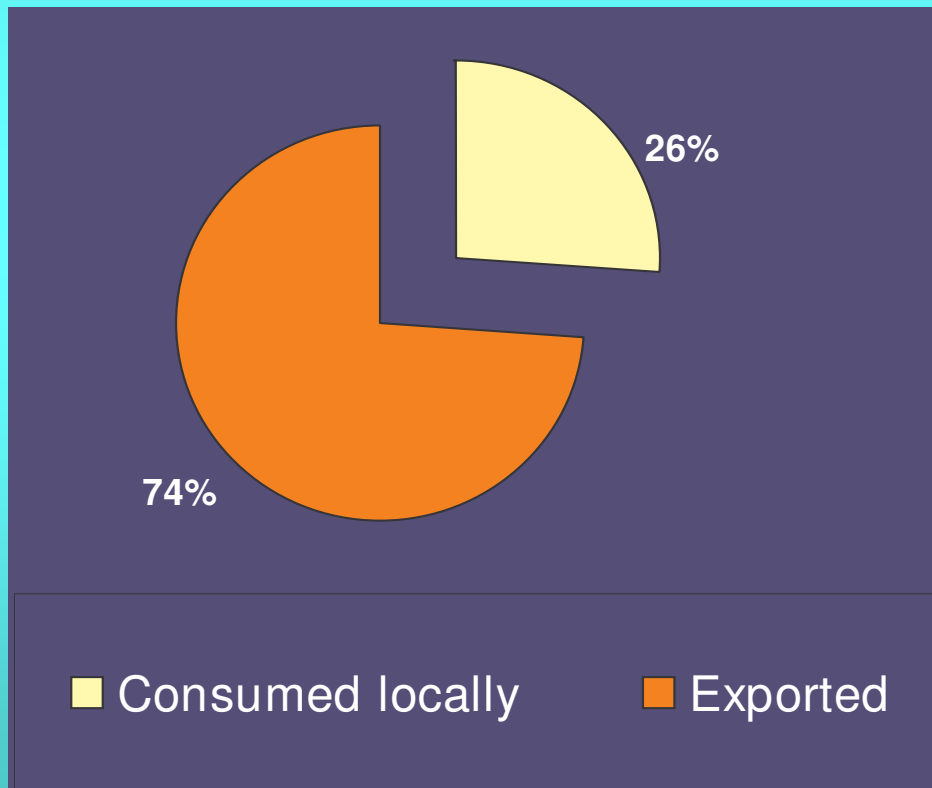
Source: C.J.Campell, [www.energycrisis.org](http://www.energycrisis.org)



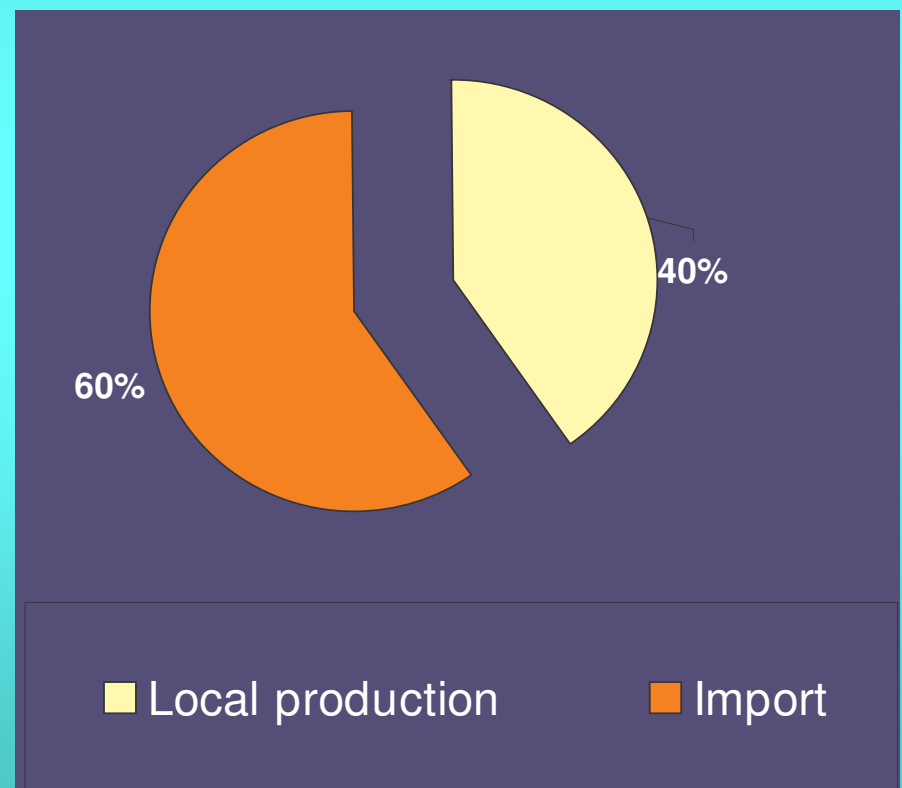
- 1 Nigeria
- 2 Chad
- 3 Sudan
- 4 Cameroon
- 5 Equatorial Guinea
- 6 Sao Tome e Principe
- 7 Gabon
- 8 DR Congo
- 9 Angola

# Africa's oil mostly exported

3.6% of world refining capacity



Supply of motor gasoline in Nigeria (2001)



**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)

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South Africa's 'Social Movements United' march from Alexandra Township to the World Summit on Sustainable Development in Sandton, 31 August 2002

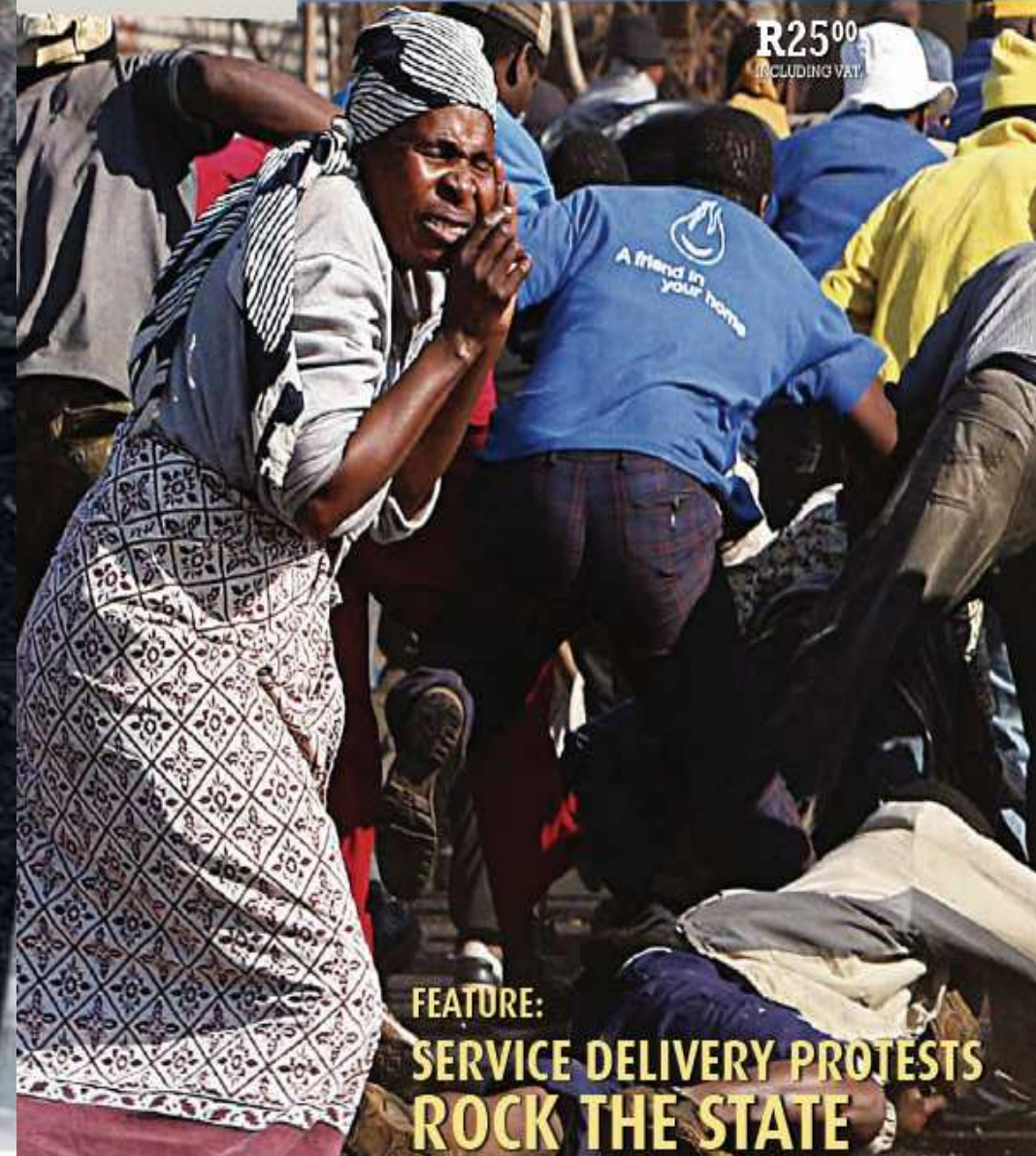


TAKING POWER SERIOUSLY

# A mandla!

PILOT ISSUE #3 OCTOBER 2007

R25<sup>00</sup>  
INCLUDING VAT



FEATURE:  
SERVICE DELIVERY PROTESTS  
ROCK THE STATE



An aerial photograph showing a large crowd of people gathered in an urban area, likely for a protest. The text is overlaid on the image in a bold, yellow font with a black outline.

**Protest against  
Johannesburg  
World Summit  
on Sustainable  
Development,  
31 August 2002**

An aerial photograph showing a large crowd of people marching along a road in an urban area. The text is overlaid on the image in a bold, yellow font with a black outline.

**30 000 march  
12km from  
Alexandra to  
Sandton  
against UN and  
SA eco-social  
policies**



A GIFT FROM THE CORPORATE WORLD!

Johannesburg  
World Summit  
2002

SUSTAINABLE  
DEVELOPMENT

- 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)

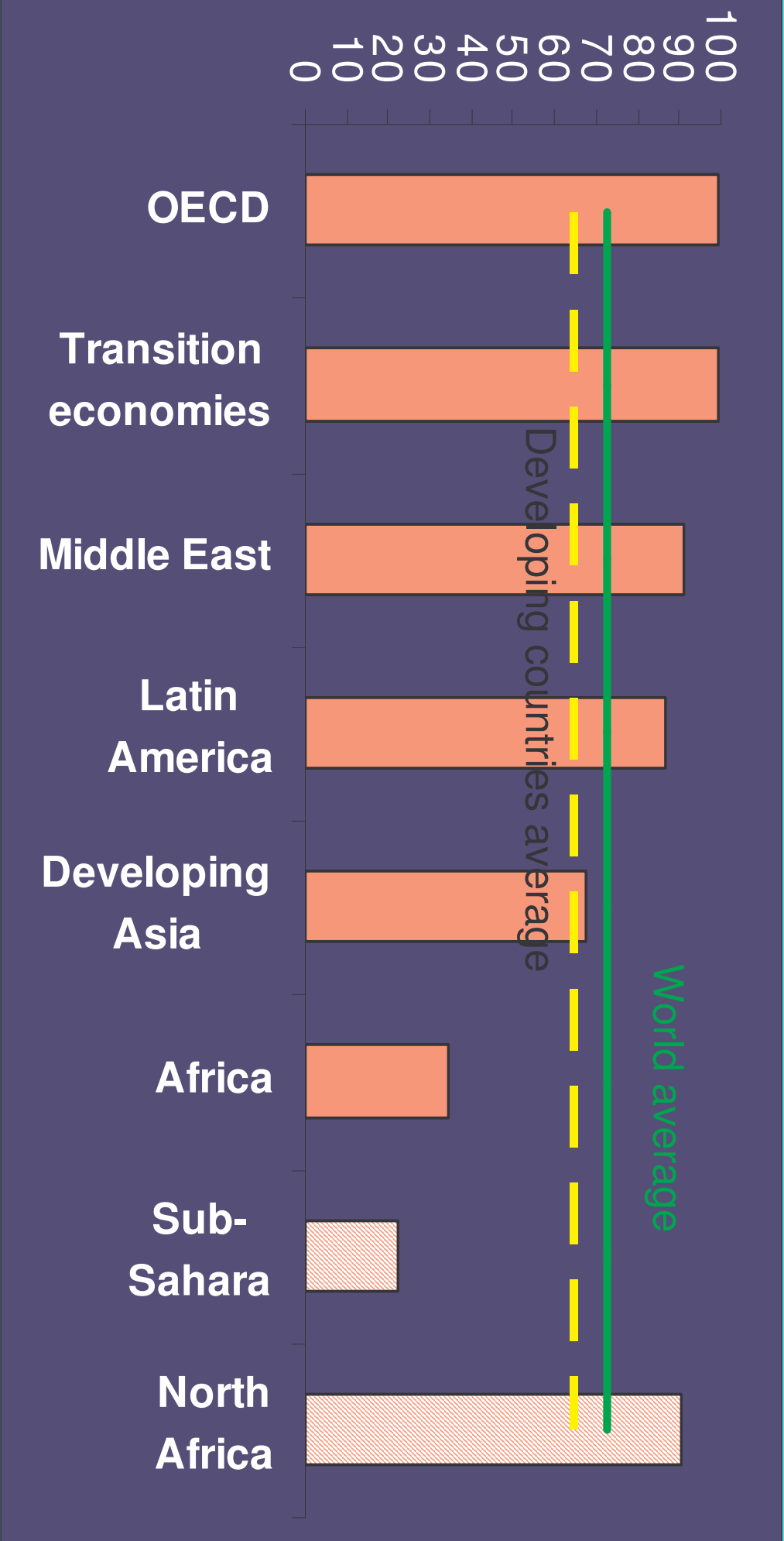




# In considering reform strategy, crucial biases from Africa

- **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



# 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.**'

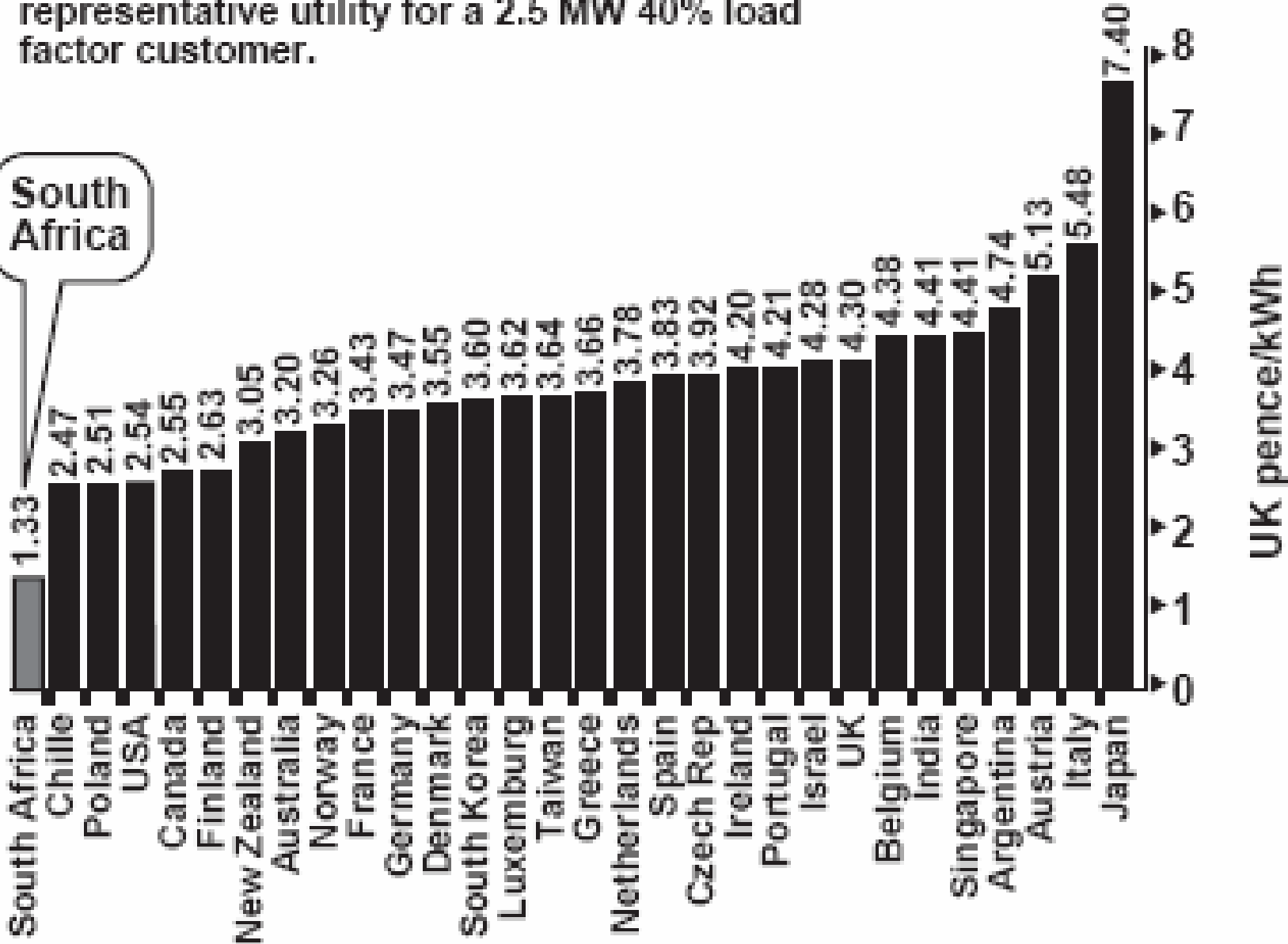
*(ANC campaign promise, 2000 municipal elections)*

## 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.



**SA  
corps.  
enjoy  
lowest  
power  
prices  
in the  
world**



# Result: SA's CO2 emissions

- SA emits more CO<sub>2</sub>, per capita corrected for income, than even the USA... by a factor of 20!

African Carbon Emissions - 1999

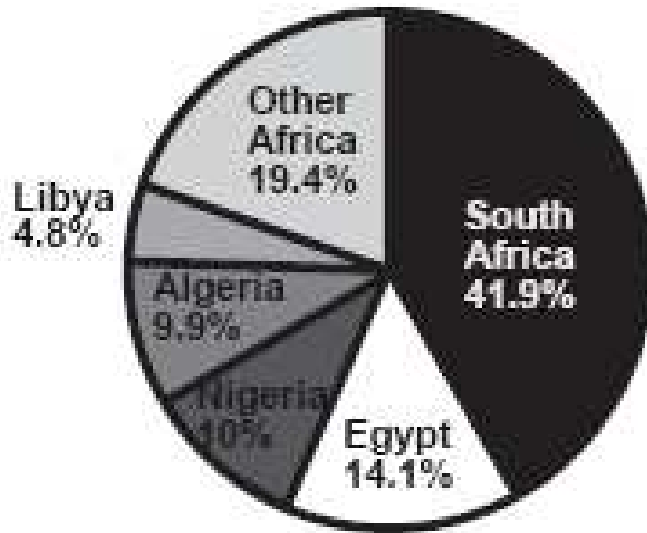


Table 6: Energy sector carbon emissions, 1999<sup>72</sup>

Area	Population (mns)	CO <sub>2</sub> /person	GDP (\$bns)	CO <sub>2</sub> /GDP (kg/\$bn)	CO <sub>2</sub> (kg)/GDP*pop
S.Africa	42	8.22	\$164	2.11	0.0501
Africa	775	1.49	\$569	1.28	0.0016
USA	273	20.46	\$8,588	0.65	0.0023
OECD	1116	10.96	\$26,446	0.46	0.0004
World	5921	3.88	\$32,445	0.71	0.0001

NOTE: The tonnes of carbon dioxide (CO<sub>2</sub>) emissions are those measureable through fuel combustion.

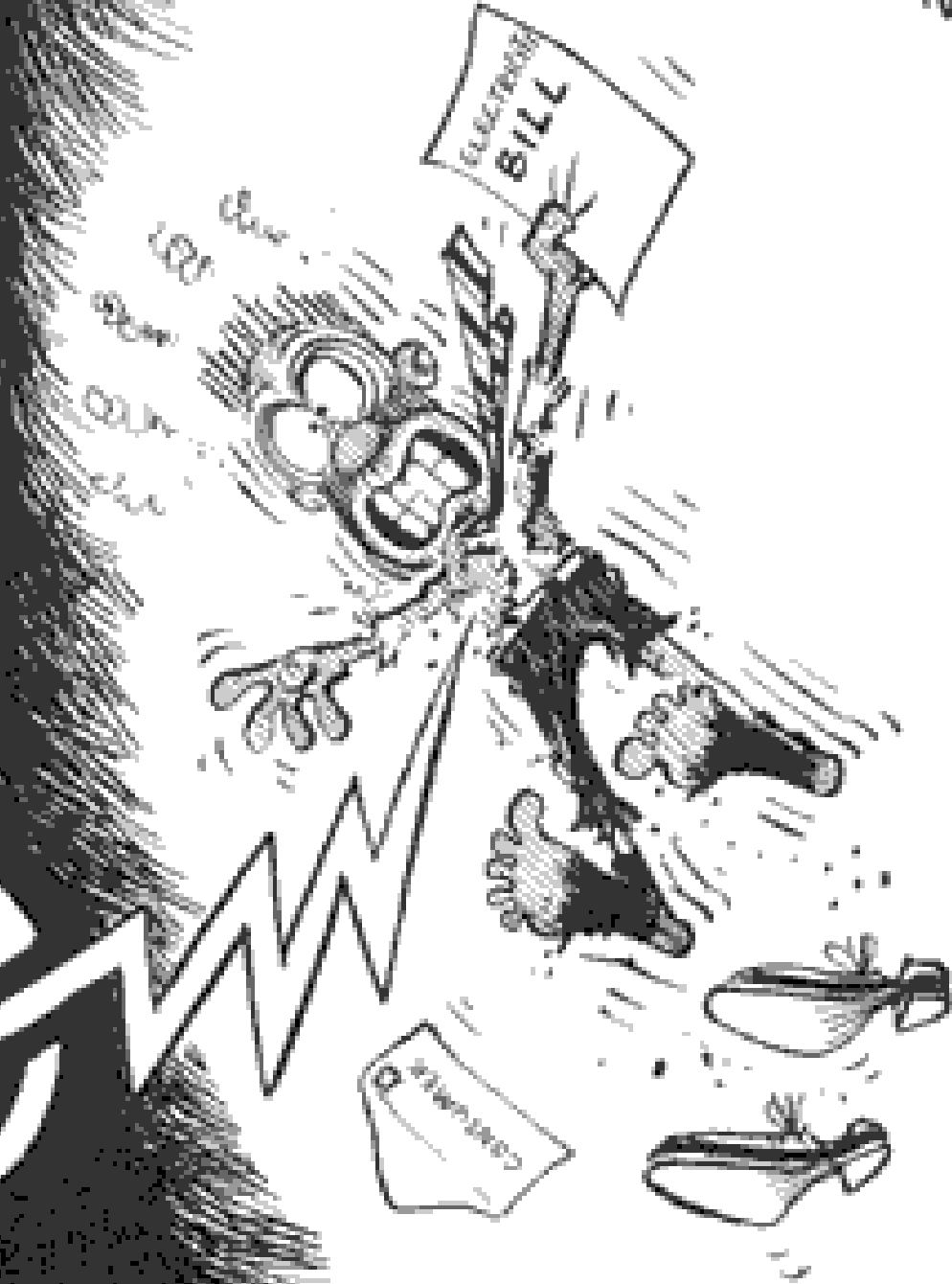
A TIMETABLE TO  
REDUCE EMISSIONS?!  
..NOT UNTIL THERE'S MORE  
EVIDENCE OF GLOBAL  
CLIMATE CHANGE!

Johannesburg  
World  
Summit



Capire

# EsKOM



ZAPIRO

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# Can civ.soc. take 'Another world is possible!' to SADC?

## *struggles for decommmodification & 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?

