

# Foreign Voices



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## Partnership or Neo-Colonialism? The Role of the South in Global Resource Governance

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*Joyce R. Aryee, former Ghanaian Minister and now CEO of the Ghana Chamber of Mines in Accra, discusses the relationship between North and South in the global governance of resources. Using a wide definition including natural as well as human resources, she reaches the conclusion that this relationship is characterised by neo-colonialism. Most African states are rich in resources but still the people of Africa live in extreme poverty. The reasons for this, she claims, are Northern policies for resource exploitation, trade and governance aimed at ensuring that African countries are still controlled by their former colonial masters. Joyce Aryee was a speaker at the Development and Peace Foundation's expert workshop on a "Resource Management for Sustainable Development" in Berlin in May 2007.*

**Joyce R. Aryee**

Chief Executive Officer  
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**"When multinational companies own the land and the mines of Africa, this is the most direct way of draining the continent."**

Global governance has become one of the most favourite concepts (if not the most favourite) in international politics as a way of ensuring the establishment of best practices in the way the world is run. But politicians, political scientists and theorists disagree on what it actually is. In other words, the concept lacks clarity in definition. As these experts engage in discussions and debates with the hope of coming up with a generally accepted definition, opinions are divided on its form. Critics describe global governance as an international socio-economic arrangement championed by Western countries to control developing countries. But proponents of the concept think otherwise. They argue that global governance initiatives are empirical-analytical problem-solving arrangements based on cooperation among various actors.

This article examines the role of the South (Africa) in the governance of resources within the global context. It considers global resource governance initiatives to be neo-colonialist schemes rather than partnership initiatives. The writer defines resources in a broader term (natural and human) rather than limiting it to only natural resources in order to open up perspectives which would stimulate further discussions on global governance initiatives.

### **Power without responsibility versus exploitation without redress**

Scholars in Post Colonial Studies agree that the term neo-colonialism originated with Kwame Nkrumah, Ghana's first post-independence president. Nkrumah noted that the attainment of independence and national sovereignty by African countries were purely token and in no substantial way altered the relationship between the colonial powers and the colonised state:

*Faced with the militant peoples of the ex-colonial territories (...) imperialism simply switches tactics. Without a qualm it dispenses with its flags, and even with certain of its more hated expatriate officials. This means, so it claims, that it is 'giving' independence to its former subjects, to be followed by 'aid' for their development. Under cover of such phrases, however, it devises innumerable ways to accomplish objectives formerly achieved by naked colonialism. It is this sum total of these modern attempts to perpetuate colonialism while at the same time talking about 'freedom', which has come to be known as neo-colonialism.*

Nkrumah described neo-colonialism as the worst form of imperialism, which appears in subtle and varied forms – in economic, political, religious, ideological and cultural spheres. For those who practice it, it means power without responsibility and for those who suffer from it, it means exploitation without redress.

### **Poor people in a rich continent**

Africa is a continent that abounds in massive resources – it has everything necessary to become a modern, industrial and powerful continent. Africa's potential is shown to be greater every day with new discoveries of mineral wealth as well as oil and gas. Very few countries in Africa are lacking in resources which could go to making a better life and in those cases it is possible for two or more states to come together for their mutual benefit. Notwithstanding this, the people of Africa wallow in extreme poverty. It is estimated that more than 314 million Africans, nearly twice as many as in 1981, live on less than \$1 a day. 34 of the world's 48 poorest countries, and 24 of the 32 countries ranked lowest on the UNDP's Human Development Index are in Africa – no wonder Africa is perceived as resource cursed.

In order to understand the present economic conditions in Africa, one needs to know why Africa has realized so little from its resources and also why so much of its present wealth goes to Western countries, otherwise known as the North. Old fashioned colonialism has by no means been completely abolished in Africa. In place of colonialism as the main instrument of imperialism, Africa has today neo-colonialism expressed in various Western concepts, including resource exploitation, trading and governance initiatives, to ensure that African countries are still controlled by their former colonial masters.

### **Who pulls the strings?**

Authors in Western countries rarely do any objective assessment of why Africans have not benefited from the exploitation of their resources. The reasons that one often finds in books and other forms of literature are that Africans do not benefit from their resources because of corrupt leaders and that revenues from natural resources are used to finance insurgents or some warlord-like activity. This is as if to say that things were much better-run in the colonialism days. These authors write about Africa's corrupt leaders and conflicts and its killings without telling readers the people pulling the strings. It is no secret that countries and corporations in the West manipulate Africans and their leadership to get or keep control over Africa's resources. Some Western companies have been known to be tied to civil wars in resource-rich African countries. These companies, allegedly, help finance a group of fighters who will then occupy the mineral-producing regions of their country and sell the minerals cheaply. In cases where Western countries do not directly finance rebels, they secretly buy the minerals that fund the conflict. The

North enjoys a monopoly on Africa's natural resources. It would, therefore, not be unusual for their corporations to be funding parties engaged in a civil war in resource rich countries. In fact, financing a war is a small price to pay to stay in control. The movie "Blood Diamonds" tells a story of some western influence in the civil wars of Africa.

### **Unlike the West, Africa practises a free market economy in its true sense**

One of the common means by which the North exploits Africa is through global trade initiatives. The principles of a free market theory propagated by the World Trade Organization (WTO) are nothing but plots for more western exploitation of Africa's resources to enable the North to sustain its economic growth and remain wealthy. Whereas Africa practices a free market economy, in its true sense, the West imposes unfair trading restrictions. Ghana and other cocoa producing countries, for instance, can only export raw cocoa to Europe. They cannot sell cocoa as chocolate because of high tariff barriers. Consequently, Ghana continues to sink into poverty.

The content of the General Agreement on Tariffs and Trade (GATT) also ensures that Africa maintains an international economic system enforced by the IMF and World Bank. The IMF and World Bank promises to help Africa with economic growth have made African governments succumb to their advice and pressures to, among other things, focus on producing a narrow range of cash crops for export. This has resulted in an increase in the supply of commodities such as tea, coffee, cotton and cocoa as well as mineral resources to supply raw materials to feed industries in the North. When the terms of trade are set they favour the North. The Northern countries establish the price of the agricultural products from Africa and subject these prices to frequent reductions. At the same time the price of manufactured goods is also set by them, along with the freight rates necessary for international trade in Northern countries.

### **The West ignores important elements of resource governance**

It is deceptive for anyone to state that Africa's relation with the North is one based on partnership when the latter actually own the means of production. When multinational companies own the land and the mines of Africa, this is the most direct way of draining the continent. Foreign investments ensure that the natural resources and the labour of Africa produce economic value which is lost to the continent. How natural resources should be accessed, how contracts are to be negotiated, and how economic benefits from mineral resources are to be managed and used for sustainable development are elements of resource governance which the West ignores completely. But these are crucial to the poverty alleviation struggle in Africa. In many African countries, governments issue mineral concessions without consulting traditional leaders who are custodians of lands on which these minerals are found.

The social structures of Africa are deeply entrenched in foreign hegemony and exploitative notions of development that African states have no other recourse but to be part of that system. From the time when Europeans set foot on the soil of Africa to the present time, Africans have gone through a cultural and psychological crisis which has led many to accept the Western version of things. This means that the African himself doubts his capabilities to manage his own affairs. With such doubts, the African has given his consent to Western structured intergovernmental organisations to experiment various concepts and theories in Africa.

The form of foreign investments in Africa has become more subtle and dangerous. Beside the fact that the continent literally hands over the factors of production to foreigners, Africa is made to believe that it lacks skilled personnel to make an industrial economy function. Western corporations as well as African governments therefore turn to recruit foreign experts at unbelievable costs - from consultants to managers and to non-governmental organisations (NGOs). Ironically, the North that claims Africa lacks skilled personnel has launched aggressive measures to brain drain the continent of its professionals, technicians, high-level administrators and skilled workers. Africa serves as a source of cheap labour for both multinational companies and Western countries. In some African countries there are rumours of the North encouraging governments in Africa to formally export skilled personnel for some form of aid.

### **OECD countries do not implement EITI**

To the best of this writer's knowledge, it is impossible to find any global resource governance initiative proposed by the North which does not reflect the ideals of a dependency theory and structural integration. OECD countries, including the United Kingdom, Germany and Norway, support the Extractive Industries Transparency Initiative (EITI). However, not a single country from the OECD countries belongs to the group of implementing countries. One of the limitations of the EITI is that it does not address the problem of corruption, mismanagement, and accountability, which the North claims is the basis for the imposition of various resource governance initiatives. It focuses only on transparency of revenues. Perhaps this will be the basis of another Western mineral resource governance initiative.

The EITI encourages the participation of various actors, but at the national level the multi-stakeholder character of these initiatives is often difficult to realize – civil society representatives in some African countries suffer from serious harassment from governments. How then can they fully participate as stakeholders? And where they operate without constraints, one wonders who they are accountable to, since most of them still depend on the money of Western NGOs and agencies for funds to do their work.

The socio-economic conditions of Africa are more serious than to be used to test any Western concept or theory. The problems of the continent are African problems that require African solutions rather than some form of Western structured problem-solving arrangement with sometimes hidden intents to drain the continent of its resources. None of the economic and debt relief schemes initiated by the IMF, World Bank and by the North served its purpose – these schemes further deepened Africa's debt crisis. In conclusion, this writer believes that the immense resources of Africa can only be fully utilized to raise the standards of living of the masses if the continent is totally liberated from all forms of neo-colonialism and if the economy is developed on a continental basis.

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### **Imprint**

The **Development and Peace Foundation** is a cross-party, non-profit-making organisation which was founded in 1986 on the initiative of Willy Brandt. More information is available under: [www.sef-bonn.org](http://www.sef-bonn.org)

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