

## Securing Greater Social Accountability in Natural Resource Management

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**The world** is experiencing a historic convergence of increasing demand for natural resources from emerging economies, prices at record levels across various commodity groups, a downward trend in resource supply, serious trends of ecological instability, and the rise of inequality between those who develop and profit from such resources and the communities that host them. As the world convenes in 2012 for the Rio+20 Earth Summit and marks 50 years since the passage of the UN Declaration on Permanent Sovereignty over Natural Resources, natural resources are once again changing the geopolitical landscape of countries around the world. Three and a half billion people—half of the global population—live in 56 resource-rich and resource-dependent developing countries, representing less than one third of the 193 members of the UN.

Accordingly, increasing debates over resource scarcity and resource sovereignty are also accompanied by a dramatic rise in social movements for equity and justice. Profit-led growth, in the form of record commodity prices and corporate profits, has been coupled with a growing gap between urban industrialists and market speculators, on the one hand, and rural communities, on the other hand, who live on a treasure trove of natural assets but are often excluded from sharing the benefits yet suffer the impacts of ecological change. Traditionally, control over natural resources has been central to state legitimacy and corporate power around the world. A new area of interest-based social accountability politics is moving the pendulum sharply towards rights-based, accountability-driven mechanisms which hold the state and all actors more publicly accountable.

Such efforts, often anchored in both social accountability and law reform, seek to redress the balance between economic efficiency, social fairness and ecological sustainability, and shift the nature of resource governance from rent-based to interest-based negotiation and decision-making. In so doing, proponents of change pose questions on the nature of wealth and power in society. Alongside measures to better account for extractive-sector revenues, strong institutional frameworks and principles are needed to secure the long-term value of ecosystems, increase equity in access and benefit-sharing, sustain poverty reduction measures and prevent impacts on the poor, prevent conflict and generate new growth opportunities beyond resource-dependent sectors. While investments in natural assets surpassed \$300 billion in 2010 and commodity prices hit record highs, it is hard to ignore that much of the planet's remaining resources lie in rural areas where more than two thirds of the 1.4 billion people currently living in extreme poverty reside.

Countries around the world are now adapting natural resource policies and laws to calls for social accountability. Our paper highlights a number of examples. In Africa, a number of potential reforms for the management of mineral resources suggest some of the options available to narrow the gap between public goods and private benefits. Efforts in Ghana, Guinea, Sierra Leone, the Central

Africa Republic, Niger and South Africa highlight both possibilities and challenges. Chad's petroleum law, for example, sets 10 per cent of oil revenues for poverty reduction initiatives (Khoday and Perch, 2012). In China, India, Mongolia and Indonesia, policy reforms speak of efforts to both reduce the negative environmental and health effects of mineral extraction and improve mechanisms for managing revenues both for development and ensuring that revenue streams are also targeted directly to local needs and interventions. Similarly, reforms are also underway in Chile, Colombia and Paraguay in Latin America. The expanded use of indigenous autonomy regimes is also on the rise, with Brazil, Peru and Bolivia making notable advances in embedding prior consent, participation and benefit-sharing in new or updated systems and laws. In Bolivia, with support from the UN system, consultations have directly engaged indigenous women, drawing attention to the specificity of their concerns and needs and the need for their participation to be assured and mainstreamed in the public policy process. Ongoing efforts highlight among other things the need for solutions which are better suited to the constructs of nature and society within indigenous communities.

Alongside these reforms are other efforts within the private sector and increased attention to public-private partnerships to resolve the tensions particularly between the social economy and the environment. Here, South-South learning and information exchange present a significant opportunity particularly for the necessary translation and adaptation of models to individualised country needs. New knowledge-sharing platforms to engage emerging economies in ways to integrate equity and sustainability into outward investments are needed and can build on positive and negative experiences from developed countries to catalyse innovative solutions.

As we draw closer to Rio +20, greater policy attention is needed in directing emerging models for a green economy and green growth towards the growing challenges of making the management of natural assets more socially accountable. The political dimensions of such questions cannot be ignored either. New principles of resource governance which define the collective future we want must, therefore, be anchored in inclusion as well as sustainability. In mediating the trade-offs and synergies between the short, medium and long term and between global/national public goods and group/individual rights and benefits, institutional frameworks are fundamental for sustaining the transition to a more inclusive and sustainable model of growth and development.

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