Exploited, Poor and Dehumanised: Overcoming the Resource Curse in Africa

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Abstract

Despite its huge wealth of natural resources, the African continent remains largely underdeveloped with majority of its population poor and living in dehumanizing conditions. While these resources would naturally be expected to spur growth and development, the opposite has been the reality for Africans. The Continent has been afflicted by natural resource-based conflicts resulting from either scramble for scarce resources or the fight for control and management of abundant resources. This is what is often referred to as 'natural resource curse'. This paper critically discusses the challenge of natural resource curse in Africa and offers some recommendations on how best the African countries can overcome the challenge and utilise their resources to promote growth and development for their people.

1. Introduction

There is documented evidence from majority of resource-rich countries, especially those endowed with depletable natural resources (i.e. fuels, ores, minerals and metals), which suggests that resource riches can be a "curse" rather than a "blessing". It has been observed that while one might expect to see better development outcomes after countries discover natural resources, resource-rich countries tend to have higher rates of conflict and authoritarianism, and lower rates of economic stability and economic growth, compared to their non-resource-rich neighbors. This paper explores the topic

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¹ Tsani, S., Natural resources, governance and institutional quality: The role of resource funds,' *Resources Policy*, 38(2013), pp.181–195, p. 181.

² Natural Resource Governance Institute, "The Resource Curse: The Political and Economic Challenges of Natural Resource Wealth," *NRGI Reader*, March, 2015, p. 1. Available at

of resource curse in Africa which has led to the exploitation and dehumanization of African people who struggle with high levels of poverty despite most countries in the Continent being rich in diverse natural resources that would have otherwise uplifted the livelihoods of these people.

2. The Resource Curse Phenomenon and Natural Resource-Based Conflicts

Natural resource conflicts may be divided into two broad types: Type one conflict encompasses situations where armed conflict is financed or sustained through the sale or extra-legal taxation of natural resources, and Type two conflict results from competition over resources among various groups.³ Normally, it is countries with environmental and natural resources scarcity that are faced with a high risk of conflicts and even violence. Environmental scarcities greatly affect populations, including violent conflicts in many parts of the developing world.⁴ Considering that in many parts of the poor and developing world, natural resources form the main source of livelihood for the majority of the poor communities. As a result, any conflicts relating to access and control of these resources are usually more devastating in these poor societies since they are less able to buffer themselves from environmental scarcities and the social crises they cause.⁵

On the other hand, there are natural resource based conflicts that arise from the abundance of resources in a country. Indeed, many oil-, gas- and mineral-rich countries, have failed to reach their full potential as a result of their natural resource wealth. In general, they are also more authoritarian, more prone to conflict, and less economically stable than countries without these resources.⁶

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https://resourcegovernance.org/sites/default/files/nrgi_Resource-Curse.pdf [Accessed on 26/5/2020].

³ United States Agency for International Development (USAID), 'United States Agency for International Development (USAID), 'Conflict over Natural Resources at the Community Level in Nepal Including Its Relation to Armed Conflict', May 2006, p. v. Available at *pdf.usaid.gov/pdf_docs/PNADF990.pdf*[Accessed on 27/5/2020].

⁴ Homer-Dixon, T.F., "Environmental scarcities and violent conflict: evidence from cases," *International security* 19, No. 1 (1994): 5-40 at p. 6.

⁵ Ibid., p.6.

⁶ Natural Resource Governance Institute, "The Resource Curse: The Political and Economic Challenges of Natural Resource Wealth," *NRGI Reader*, March, 2015, p. 1. Available at

The two approaches that have been proposed to explain the role of natural resources in conflict include scarcity (sometimes called the neo-Malthusian view) and abundance.⁷ The 'resource curse' phenomenon, also commonly referred to as the 'Dutch Disease' or the paradox of plenty refers to the failure of many resource-rich countries to benefit fully from their natural resource wealth, and for governments in these countries to respond effectively to public welfare needs.8

Under the scarcity theory, a number of challenges which include rapid population growth, environmental degradation, resource depletion, and unequal resource access combine to aggravate poverty levels and income inequality in many of the world's least developed countries, and such deprivations are easily translated into grievances, increasing the risks of rebellion and societal conflict."9 An example of areas experiencing scarcity problems in Kenya is Turkana County which has been documented as one of the Counties with the highest level of poverty in Kenya¹⁰, and with the distrust between local communities around the region against each other¹¹ leading to constant conflicts as well as cross border conflicts. 12 The conflict is largely

binder%20%282%29.pdf [Accessed on 27/5/2020].

https://resourcegovernance.org/sites/default/files/nrgi Resource-Curse.pdf [Accessed on 26/5/2020].

⁷ United States Institute of Peace, Natural Resources, Conflict, and Conflict Resolution, A Study Guide Series on Peace and Conflict For Independent Learners and Classroom Instructors, 2007, p.8.

⁸ Natural Resource Governance Institute, "The Resource Curse: The Political and Economic Challenges of Natural Resource Wealth," NRGI Reader, March, 2015, p. 1. Available at

https://resourcegovernance.org/sites/default/files/nrgi_Resource-Curse.pdf [Accessed on 26/5/2020].

⁹ Ibid., p.8.

¹⁰ Turkana County –United Nations Joint Programme 2015-2018, (Executive Office, Turkana County Government, Lodwar, Turkana UN Resident Coordinator Office, Nairobi, Kenya), p. 4. Available at

https://info.undp.org/docs/pdc/Documents/KEN/ProDoc%20Turkana-UN% 20Joint% 20Programme% 20final% 205th% 20% 20March% 202015-

¹¹ Bollig, M., "Ethnic Conflicts in North-West Kenya: Pokot-Turkana Raiding 1969— Zeitschrift FürEthnologie 115 (1990).73-90. pp. http://www.jstor.org/stable/25842144. [Accessed on 27/5/2020].

¹² Johannes, E.M., et al, 'Oil discovery in Turkana County, Kenya: a source of conflict or development?' African Geographical Review, Vol. 34, No.2, 2015, pp.142-164, p. 142.

attributed to livestock rustling, harsh climate and boundary dispute. A scramble for the scarce resources has often led to poverty and even violent and armed conflict.¹³

On the other hand, it is commonly expected that countries that are rich in natural resources such as oil and gas can base their development on these resources, and use them as a key path for sustained economic growth. However, that is not always the case. There are a good number of countries that have huge reserves of natural resources but are far from being considered economically stable and/or even successful. Thus, those who view abundance as a problem argue that it is in fact resource abundance, rather than scarcity, that is the bigger threat to create conflict, often referred to as the "resource curse"—corruption, economic stagnation, and violent conflict over access to revenues. 16

Apart from the adverse effect of the conflict on the environment, the illegal trade of minerals bars communities from benefiting from its resources.¹⁷

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¹³ 'Wangari Maathai-an excerpt from the Nobel Peace Prize winner's Acceptance Speech,' Earth Island Journal. Available at

http://www.earthisland.org/journal/index.php/eij/article/wangari_maathai_an_excerp t_from_the_nobel_peace_prize_winners_acceptance_sp/ [Accessed on 27/5/2020].

¹⁴ Badeeb, R.A., Lean, H.H. and Clark, J., "The evolution of the natural resource curse thesis: A critical literature survey." *Resources Policy* 51 (2017): 123-134, at p. 123.

^{15 &#}x27;Why Natural Resources Are a Curse on Developing Countries and How to Fix It - The Atlantic' https://www.theatlantic.com/international/archive/2012/04/why-natural-resources-are-a-curse-on-developing-countries-and-how-to-fix-it/256508/ accessed 28 May 2020; 'Few Developing Countries Can Climb the Economic Ladder

[|] St. Louis Fed' https://www.stlouisfed.org/publications/regional-economist/october-2015/trapped-few-developing-countries-can-climb-the-economic-ladder-or-stay-there accessed 28 May 2020; Van der Ploeg, F., "Africa and natural resources: managing natural resources for sustainable growth." (2008), available at https://www.economics.ox.ac.uk/images/Documents/OxCarre_Policy_Papers/oxcarrepp200801.pdf [Accessed on 27/5/2020].

¹⁶ United States Institute of Peace, *Natural Resources, Conflict, and Conflict Resolution*, A Study Guide Series on Peace and Conflict For Independent Learners and Classroom Instructors, 2007, p.8.

¹⁷ See 'Diamonds in Sierra Leone, A Resource Curse?' available at http://erd.eui.eu/media/wilson.pdf [Accessed on 27/5/2020]; Kinniburgh, C., 'Beyond "Conflict Minerals": The Congo's Resource Curse Lives On,' *Dissent Magazine*, Spring 2014, available at https://www.dissentmagazine.org/article/beyond-conflict-minerals-the-congos-resource-curse-lives-on [Accessed on 27/5/2020]; Free the

Communities expect that availability of environmental goods and services in their region will improve their livelihoods by 'real' development, which may not always be the case. 18 Poor and low economic development 19 and consequently, failed economies result in conflicts, 20 as a result of environmental and natural resources' bad governance or mismanagement. 21 Skewed distribution of benefits from natural resources and other environmental goods may fuel social exclusion and conflict, threatening sustainability. 22

As far as the abundance theory is concerned, rent-seeking models assume that resource rents can be easily appropriated hence encouraging bribes, distorted public policies and diversion of public towards favour seeking and corruption,²³ which is a threat to protected human security.²⁴ Natural and

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Slaves, 'Congo's Mining Slaves: Enslavement at South Kivu Mining Sites,' *Investigative Field Report*, June 2013. Available at https://www.freetheslaves.net/wp-content/uploads/2015/03/Congos-Mining-Slaves-web-130622.pdf [Accessed on 27/5/2020].

¹⁸ Sigam, C. & Garcia, L., *Extractive Industries: Optimizing Value Retention in Host Countries*, (UNCTAD, 2012). Available at http://unctadxiii.org/en/SessionDocument/suc2012d1_en.pdf [Accessed on 27/5/2020].

¹⁹ See Billion, P., *Wars of Plunder: Conflicts, Profits and Politics*, (New York: Columbia University Press, 2012).

²⁰ Maphosa, S.B., *Natural Resources and Conflict: Unlocking the Economic dimension of peace-building in Africa*. ASIA Policy brief Number 74, 2012.

²¹ Billion, P., *Wars of Plunder: Conflicts, Profits and Politics*. (New York: Columbia University Press, 2012.); See also Wiebelt, M., et al, 'Managing Future Oil Revenues in Uganda for Agricultural Development and Poverty Reduction: A CGE Analysis of Challenges and Options,' (Kiel Working Paper No. 1696, May 2011). Available at https://www.ifw-members.ifw-kiel.de/publications/managing-future-oil-revenues-in-uganda-for-agricultural-development-and-poverty-reduction-a-cge-analysis-of-challenges-and-options/kap-1696.pdf [Accessed on 27/5/2020].

²² Saboe, N.T., 'Benefit Sharing Among Local Resource Users: The Role of Property Rights,' *World Development*, Vol. 72, pp. 408–418, 2015, p. 408.

²³ Tsani, S., Natural resources, governance and institutional quality: The role of resource funds,' *Resources Policy*, 38(2013), pp.181–195, p. 184.

²⁴ Alao, A., *Natural Resource Management and Human Security in Africa*, in Abass, A., *Protecting Human Security in Africa* (ISBN-13: 9780199578986, Oxford University Press, 2010); Lawson, T. R. & Greestein, J., 'Beating the resource Curse in Africa: A global Effort,' *Africa in Fact*, August 2012. Available at http://www.cfr.org/africa-sub-saharan/beating-resource-curse-africa-global-effort/p28780 [Accessed on 27/5/2020].

environmental resources exploitation is capable of degenerating into a war. Effective governance of these resources is thus necessary for security and peace. Thus, competition for scarce resources, as well as inequality in access to accruing environmental benefits where there are abundant resources, both have the effect of heightened animosity and potential cause for violence.²⁵

The natural resource-based conflicts often arise from the different uses for such resources such as forests, water, pastures and land, or the desire to control or manage them. While environmental factors are rarely, if ever, the sole cause of violent conflict, the exploitation of natural resources and related environmental stresses can be implicated in all phases of the conflict cycle, from contributing to the outbreak and perpetuation of violence to undermining any prospects for peace.²⁶ Disagreements arise when different groups' interests and needs are incompatible, or when the priorities of some user groups are not considered in policies, programmes and projects. There are four conditions that may influence how access to resources could become contested. These are: the scarcity of a natural resource; the extent to which two or more groups share the supply; the relative power of those groups; the degree of dependence on this particular resource, or the ease of access to alternative sources.²⁷ Such conflicts are especially usually prevalent among pastoralist and agricultural communities who are usually faced with challenges which arise from the constant shrink in the land they use for these practices.

3. The Resource Curse in Africa: So Much yet so Little

Some scholars have rightly argued that mineral endowment in Africa is a "resource curse" rather than a blessing mainly because of the corrupt collusion of African political elites and some of the so-called "investors" in the mining

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http://www.unep.org/Themes/Freshwater/PDF/FromConflict_to_Peacbuilding.pdf[Accessed on 27/5/2020].

²⁵ See Muigua, K., Kariuki, F., Wamukoya, D., *Natural Resources and Environmental Justice in Kenya*, Glenwood Publishers, Nairobi, 2015.

United Nations Environment Programme, 'From Conflict to Peacebuilding: The Role of Natural Resources and the Environment,' p. 5.
 Available

²⁷ Engel, A. & Korf, B., 'Negotiation and mediation techniques for natural resource management' (FAO, Rome, 2005), p. 22.

sector.²⁸ This has resulted in the continued African continent's struggle with development issues.²⁹ For instance, extractive industries, particularly in sub-Saharan Africa, have been associated with increasing levels of political, social, technical and environmental risk.³⁰ This has been the case in countries like Sudan, Democratic Republic of Congo³¹ and Nigeria where there have been eruption of internal armed conflict as a result of their rich natural resources as well as significant environmental degradation.³² A degraded environment leads to a scramble for scarce resources and may culminate in poverty and even conflict.³³ Notably, environmental degradation may be as a result of either overexploitation of resources or total disregard for the environmental laws by corporations especially in the extractives industry. In Nigeria, despite the oil revenue, poverty rates are generally higher and infrastructure is poorer in the oil-rich states and there is disproportionate allocation of such funds.³⁴ It has been documented in the past that while oil exports had fuelled real GDP growth of over 5 per cent a year in Nigeria, the official unemployment rate

²⁸ Mupambwa, G. and Xaba, M.B., "Chapter Ten "Investors" or Looters? A Critical Examination of Mining and Development in Africa." *Grid-locked African Economic Sovereignty: Decolonising the Neo-Imperial Socio-Economic and Legal Force-fields in the 21st Cen* (2019): 292.

²⁹ Ibid.

³⁰ Alstine, J.V., et al, Resource Governance Dynamics: The Challenge Of 'New Oil' In Uganda, *Resources Policy*, Vol. 40, 2014, pp.48–58, p. 48; see also Lohde, L.A., *The Art and Science of Benefit Sharing in the Natural Resource Sector*,

⁽International Finance Corporation, February 2015), p. 55. Available at https://commdev.org/wpcontent/

 $uploads/2015/07/IFC-Art-and-Science-of-Benefits-Sharing-Final.pdf \ [Accessed on 27/5/2020].$

³¹ Samndong, R.A. & Nhantumbo, I., *Natural resources governance in the Democratic Republic of Congo:*

Breaking sector walls for sustainable land use investments, (International Institute for Environment and Development Country Report, February 2015), p. 11. Available at http://pubs.iied.org/pdfs/13578IIED.pdf [Accessed on 27/5/2020].

³² Ballet, J., et al, 'Social Capital and Natural Resource Management: A Critical Perspective,' *The Journal of*

Environment & Development, Vol. 16, No. 4, December 2007, pp. 355-374, p. 367.

³³ 'Wangari Maathai-an excerpt from the Nobel Peace Prize winner's Acceptance Speech,' *Earth Island Journal*. Available at

http://www.earthisland.org/journal/index.php/eij/article/wangari_maathai_an_excerp t_from_the_nobel_peace_prize_winners_acceptance_sp/ [Accessed on 27/5/2020].

³⁴ Shaxson, N., 'Nigeria's Extractive Industries Transparency Initiative: Just a Glorious Audit?' (Royal Institute of International Affairs, 2009), p. 4.

climbed from 15 per cent in 2005 to 25 per cent in 2011, and youth unemployment rates were estimated to be as high as 60 per cent.³⁵

The relationship between industrial mining and communities in Ghana is complex and highly contested, because, despite macroeconomic growth fueled by the mining boom, Ghana remains a country with high rural poverty.³⁶ There have even been instances of misappropriation of mineral benefits distributed through the grassroots leaders, namely, village chiefs who are supposed to ensure that the funds are invested well for the benefit of the communities.³⁷ The result has been unending poverty despite the presence of resources.

It has been observed that unlike other resources, natural resources (i.e., oil, gas and minerals) do not need to be produced, but only extracted. Because the generation of natural resource wealth is not a result of production, it can occur relatively independently of other economic processes and does little to create employment.³⁸ As a result, the presence of these resources in a country does not always translate to job opportunities as demonstrated by the aforementioned countries.

The soda ash mining in Lake Magadi where the poverty and lack of investments in Magadi, after 100 years of exploitation of trona worth trillions of shillings, has been attributed to the lack of transparency in the governance of natural resources, corruption, and illegal outflows.³⁹ Thus, the locals, despite suffering adverse environmental effects from the mining activities, have not benefitted from the resources.

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 $^{^{35}}$ Africa Progress Panel, 'Equity in Extractives: Stewarding Africa's natural resources for all,' $Africa\ Progress\ Report\ 2013,\ p.\ 31.$ Available at

 $http://appcdn.acwupload.co.uk/wpcontent/uploads/2013/08/2013_APR_Equity_in_Extractives_25062013_ENG_HR.pdf [Accessed on 27/5/2020].$

³⁶ Standing, A., 'Ghana's extractive industries and community benefit sharing: The case for cash transfers,' *Resources Policy*, vol. 40, 2014, pp.74–82, p. 75. ³⁷ Ibid.

³⁸ Badeeb, R.A., Lean, H.H. and Clark, J., "The evolution of the natural resource curse thesis: A critical literature survey." *Resources Policy* 51 (2017): 123-134, at p. 124.

³⁹ Kamau, J., "Magadi saga exposes the ugly side of capitalism," *Daily Nation*, Sunday April 21 2019. Available at https://www.nation.co.ke/news/Magadi-saga-exposes-the-ugly-side-of-capitalism/1056-5080906-2eii8rz/index.html [Accessed on 26/5/2020].

Natural resource conflicts mainly have to do with the interaction between the use of and access to natural resources and factors of human development factors such as population growth and socio-economic advancement.⁴⁰ One of the goals of the *Agenda 2030 on Sustainable Development*⁴¹ is promoting human development. Natural resources are expected to contribute to national development, where development carries several dimensions which include:

Economic development, that is, improvement of the way endowments and goods and services are used within (or by) the system to generate new goods and services in order to provide additional consumption and/or investment possibilities to the members of the system; Human development, that is, people-centred development, where the focus is put on the improvement of the various dimensions affecting the well-being of individuals and their relationships with the society (health, education, entitlements, capabilities, empowerment etc.); Sustainable development, that is, development which considers the long term perspectives of the socio-economic system, to ensure that improvements occurring in the short term will not be detrimental to the future status or development potential of the system.⁴²

Sustainable development is linked to the right to development, human rights and good governance, when it is described as sustainable human development. Sustainable human development focuses on material factors such as meeting basic needs and non-material factors such as rights and participation. It also seeks to achieve a number of goals which include, poverty reduction, promotion of human rights, promotion of equitable opportunities,

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⁴⁰ Toepfer, K., "Forward", in Schwartz, D. & Singh, A., Environmental *conditions*, resources and conflicts: An introductory overview and data collection (UNEP, New York, 1999), p.4.

⁴¹ United Nations, *Transforming our world: the 2030 Agenda for Sustainable Development*, Resolution adopted by the General Assembly on 25 September 2015, [without reference to a Main Committee (A/70/L.1)], Seventieth session, Agenda items 15 and 116, 21 October 2015.

⁴² Bellù, L.G., 'Development and Development Paradigms: A (Reasoned) Review of Prevailing Visions,' (Food and Agriculture Organization of the United Nations, May 2011), p.3. Available at

 $[\]label{lem:http://www.fao.org/docs/up/easypol/882/defining_development_paradigms_102EN.pdf [Accessed on 26/5/2020].$

environmental conservation and the assessment of impacts of development activities.43

The Agenda 21⁴⁴, under Chapter 15 acknowledges that the current decline in biodiversity is largely the result of human activity and represents a serious threat to human development.⁴⁵

Resource-based conflicts usually are a major threat to the sustainable development of natural resources in Africa and usually have the result of undermining economic development, sustainability and definitely human development. 46 Conflicts usually complicate the exploitation of the natural resources and as such there are usually no resulting benefits to the various parties. It is important to note that overdependence on natural resources is also a potential source of conflicts among communities in different countries especially when these resources get exhausted. It is thus imperative that countries diversify their economies in order to ensure that various sectors of the economy contribute to the well-being of the people and that other sectors of the economy are also given the importance deserved.

Kenya's development Blueprint, the Vision 2030⁴⁷, adopts sustainable human development as it seeks to address the economic, social and political pillars. It thus fosters both material factors and non-material factors.⁴⁸ Sustainable human development is, therefore, inextricably linked to people's livelihoods, and is thus requisite in moving towards environmental justice.

⁴³ See generally Amartya S., *Development as Freedom* (Anchor Books, New York, 1999), pp.35-53; See also UNDP, Human Development Report 2011, The Real Wealth of Nations: Pathways to Human Development, (Palgrave Macmillan Houndmills, Basingtoke, Hampshire, 2011), p. (i)-12. This report defines sustainable human development as the expansion of the substantive freedoms of people today while making reasonable efforts to avoid seriously compromising those of future generations.

⁴⁴ Agenda 21 (A/CONF.151/26, vol.II), adopted by the United Nations Conference on Environment and Development on 14 June 1992.

⁴⁵ Agenda 21, Para. 15.2.

⁴⁶ Abba Kolo, A., 'Dispute settlement and sustainable development of natural resources in Africa,' in Botchway, F. (ed), Natural Resource Investment and Africa's Development (Edward Elgar Publishing, 2011).

⁴⁷ Republic of Kenya, Kenya Vision 2030, Government of Kenya, 2007.

⁴⁸ Kenya Vision 2030, Government of Kenya, 2007.

Despite such ambitious development blueprints, which may be found in many other African countries, there is usually the risk of resource capture by the powerful elites in natural resource-rich countries, who are less likely to invest in productive enterprises, such as job-creating manufacturing industries, and instead pursue *rent-seeking*, that is, fight for control of these resources, or *rent-seizing*, that is, politicians or government officials purposefully dismantling societal checks or creating new regulations to get access to these resources or to provide access to friends or family.⁴⁹ Rent-seeking and rent-seizing promotes corruption and is damaging to institutional development.⁵⁰

The mismanagement of resources and the resultant failure to invest in crucial socio-economic sectors such as education, job creation and health has led to low human development with Africa still recording high levels of poverty, diseases and illiteracy.⁵¹ The *2018 UN report on Human Development* noted that South Asia was the fastest growing region during the period 1990–2017, at 45.3 percent, followed by East Asia and the Pacific at 41.8 percent and Sub-Saharan Africa at 34.9 percent.⁵² This is despite Africa being one of the richest in terms of natural resources wealth.

4. Overcoming the Resource Curse in Africa for economic and Human Development

Natural resource wealth is often expected to offer three large benefits for poor economies. First, the income stream from resource extraction can boost real living standards by financing higher levels of public and private consumption. Second, resource extraction can finance higher levels of investment, both directly out of natural resource income, and indirectly from borrowing made possible by that income. Third, since resource income typically accrues largely to the public sector, and indeed to the public budget, it can remove a huge barrier to development: the lack of fiscal resources needed to finance core

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⁴⁹ Natural Resource Governance Institute, "The Resource Curse: The Political and Economic Challenges of Natural Resource Wealth," *NRGI Reader*, March, 2015, p. 4. ⁵⁰ Ibid, p.4.

⁵¹ Conceição, P. "Human development report 2019." *Beyond income, beyond averages, beyond today: Inequalities in human development in the 21st century. New York, UNDP* (2019). Available at http://hdr.undp.org/sites/default/files/hdr2019.pdf [Accessed on 26/5/2020].

⁵² UNDP, UNDP. "Human development indices and indicators: 2018 statistical update." (2018): 22-25, at p.22.

public goods, including infrastructure.⁵³ Despite this, the natural resource curse has led to a situation where many countries in Africa and the Middle East rich in oil and other natural resources, have their people continuing to experience low per capita income and a low quality of life.⁵⁴

Since minerals and hydrocarbons and indeed most natural resources are finite resources, developing countries rich in these resources should come up with strategies to harness the opportunities created with the extractive industries to support sustainable economic development.⁵⁵ It has been acknowledged that some resources such as oil, mineral and gas wealth is distinct from other types of wealth because of its large upfront costs, long production timeline, site-specific nature, scale (sometimes referred to as large *rents*), price and production volatility, non-renewable nature, and the secrecy of the industry.⁵⁶ However, there are a few success stories from the African continent and beyond that would offer valuable lessons to the other countries on how best they can utilise their resources to build their economies and uplift their people from abject poverty. Botswana is one such country.

4.1 The Case of Botswana: A Success Story

The extractives industry has promoted socio-economic development in some African countries without falling into the trap of resource curse. For instance, Botswana has extractive mineral industries that have played a crucial role in the development of the country. Through proper management of its resources and thus achieving a mineral-led economic growth, the country has been transformed from one of the poorest countries in the world at the time of independence in 1966 to an upper-middle income country.⁵⁷ Botswana mainly

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⁵³ Badeeb, R.A., Lean, H.H. and Clark, J., "The evolution of the natural resource curse thesis: A critical literature survey." *Resources Policy* 51 (2017): 123-134, at p. 124. ⁵⁴ Ibid, p. 124.

⁵⁵ Claudine Sigam and Leonardo Garcia, *Extractive Industries: Optimizing Value Retention In Host Countries*, UNCTAD/SUC/2012/1 (New York and Geneva, 2012), p. 1. Available at https://unctad.org/en/PublicationsLibrary/suc2012d1_en.pdf [Accessed on 26/5/2020].

⁵⁶ Natural Resource Governance Institute, "The Resource Curse: The Political and Economic Challenges of Natural Resource Wealth," *NRGI Reader*, March, 2015, p. 1. ⁵⁷ Jefferis, K., "The role of TNCs in the extractive industry of Botswana," *Transnational corporations* 18, no. 1 (2010): 61-92 at p.61.

exports diamonds, as the world's largest producer in value terms, as well as copper and nickel.⁵⁸

Botswana's record of mineral-led development is remarkable and the country is also considered to be relatively free of the corruption and environmental damage that is often associated with mining industries. Public finances are strong, debt is minimal, and the country enjoys investment-grade credit ratings. ⁵⁹ It has been observed that Botswana's approach has not been based on offering low-tax incentives, but on a stable, open and transparent policy regime, free of corruption and political interference, that allows investors freedom to operate once agreements have been reached. ⁶⁰

Botswana has also achieved favourable balance of payments and fiscal positions. In addition, there has been great attention to how these revenues are spent, with an overriding objective of devoting mineral revenues – derived from the sale of a non-renewable asset – to investment in other assets (economic, social and financial) that will help to generate future economic growth. In addition, significant financial reserves have been built up that enable the economy to get insulation against the economic shocks that may come with risks and uncertainties in mineral commodities. ⁶²

Despite scholarly evidence that mineral-dependent economies perform worse than other, otherwise similar economies across the gamut of development indicators and the argument that mineral dependent states have particularly low living standards, high poverty rates, and high income inequality,

⁵⁸ Ibid, p.61.

⁵⁹ Ibid, p.61; See also International Monetary Fund, Botswana: 2017 Article iv Consultation—Press Release; Staff Report, August 2017, IMF Country Report No. 17/249.

Available at

 $https://www.imf.org/{\sim}/media/Files/Publications/CR/2017/cr17249.ashx \qquad [Accessed on 26/5/2020]. \\$

⁶⁰ Jefferis, K., "The role of TNCs in the extractive industry of Botswana," *Transnational corporations* 18, no. 1 (2010): 61-92 at p.62.

⁶¹ Ibid, p. 62.

⁶² Ibid, p.62; See also Kojo, N.C., *Diamonds are not forever: Botswana medium-term fiscal sustainability*, The World Bank, 2010. Available at https://openknowledge.worldbank.org/bitstream/handle/10986/3962/WPS5480.pdf?s equence [Accessed on 26/5/2020].

Botswana seems to have figured it out to go against the grain and achieved high economic development through its mineral resources. 63 Other countries like Indonesia, Chile and Tanzania have also mitigated the resource curse effects of their substantial mineral sectors and used those sectors to achieve strong development outcomes in many areas.⁶⁴

4.2 Utilising Natural resources to Address Poverty in Africa

The Agenda 21⁶⁵ which was adopted in 1992 to facilitate combating the problems of poverty, hunger, ill health and illiteracy, and the continuing deterioration of the ecosystems on which the human race depend for their wellbeing.66 It provides that while managing resources sustainably, an environmental policy that focuses mainly on the conservation and protection of resources must take due account of those who depend on the resources for their livelihoods.⁶⁷ Otherwise, it could have an adverse impact both on poverty and on chances for long-term success in resource and environmental conservation.68

Sustainable exploitation, utilisation, management and conservation of the environment and natural resources and equitable sharing of the accruing benefits are key in fighting poverty and consequently, empowering communities for overall national development. The 2030 Agenda for Sustainable Development⁶⁹ acknowledges that eradicating poverty in all its

⁶⁴ Ibid.

⁶³ Dougherty, M., "A Policy Framework for New Mineral Economies: Lessons from Botswana," Research Paper C1-2011 (2011): 2; See also Limi, A., "Escaping from the Resource Curse: Evidence from Botswana and the Rest of the World." IMF Staff Papers 54, no. 4 (2007): 663-699.

⁶⁵ (A/CONF.151/26, vol.II), United Nations Conference on Environment & Development Rio de Janeiro, Brazil, 3 to 14 June 1992, Agenda 21.

⁶⁶ Ibid, Preamble.

⁶⁷ Ibid, Clause 3.2.

⁶⁸ Ibid, Clause 3.2.

⁶⁹ United Nations, Transforming our world: the 2030 Agenda for Sustainable Development, Resolution adopted by the General Assembly on 25 September 2015, A/RES/70/1; See also United Nations General Assembly, "The road to dignity by 2030: ending poverty, transforming all lives and protecting the planet," Synthesis Report of the Secretary-General on the post-2015 Sustainable development agenda. A/69/700. para.45.

forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development.⁷⁰

The mining sector and all other commercially viable resources in any country are expected to uplift the lives of its people by not only creating employment opportunities but also jobs through creating markets for local goods. One way of alleviating poverty in such regions would be empowering the local people through job opportunities such as direct employment opportunities or creating markets for the locally produced goods and services. Income growth is touted as the main contributor to directly increasing the capabilities of individuals and consequently the human development of a nation since it encapsulates the economy's command over resources. Improving levels of education and health should have priority or at least move together with efforts to directly enhance growth. This would greatly contribute to alleviation of abject poverty in the continent.

4.3 Curbing Corruption: Need for Enhanced Accountability and Transparency in Resource Management and Governance

Despite its launch in 2009, the *Africa Mining Vision* which seeks to promote transparent, equitable and optimal exploitation of mineral resources is yet to have an impact on resource extraction activities in many other African countries as there are still rampant cases of illicit financial flows, lack of mineral value addition and poverty among communities living in mining areas.⁷⁴

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⁷⁰ Ibid.

⁷¹ See generally, Musawenkosi, N., "Does mining alleviate or exacerbate poverty: Are local community grievances really Much Ado about Nothing'?" PhD diss., University of Cape Town, 2017. Available at

https://open.uct.ac.za/bitstream/handle/11427/24930/thesis_com_2017_nxele_musa wenkosi.pdf?sequence=1&isAllowed=y [Accessed on 26/5/2020]; Pegg, S., "Mining and poverty reduction: Transforming rhetoric into reality," *Journal of cleaner production*, Vol.14, no. 3-4 (2006): 376-387.

⁷² Ranis, G., "Human development and economic growth." *Yale University Economic Growth Center Discussion Paper* 887 (2004), p. 2.

⁷³ Ibid, p. 10.

⁷⁴ Kitimo, A., "Call to adopt mining values and principles in East Africa," *The East African*, Saturday July 27 2019. Available at

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Exploited, Poor and Dehumanised: Overcoming the Resource Curse in Africa: Kariuki Muigua

One of the major reasons why the general public in many African countries do not benefit from the wealth of their countries is that they are not even aware of what is available in those countries. They entrust leaders with all the decision-making powers or even denied such rights in decision making and the leaders gladly engage in corrupt dealings with local and foreign investors thus benefitting only a few.

Some authors have convincingly argued that where there are adequate funds accruing from natural wealth, governments are likely to become immune to the citizenry's concerns and complaints and even become authoritarian. This is not new in Africa as some of the countries such as Democratic Republic of Congo with immense natural wealth have also had some of the worst internal conflicts. This has been explained in terms of taxation in that, in general, governments are more responsive to their citizens and are more likely to transition to democracy when government spending is reliant on citizen taxation.⁷⁵ However, when countries collect large revenues from natural resources, they are less dependent on levying taxes on citizens, and thus citizens feel less invested in the national budget.⁷⁶ In addition, politicians and government officials are also less directly tied to citizen requests or demands. Further, when resource revenues are secret, citizens do not have a clear sense of whether the resource revenues are being spent well or not.⁷⁷ The proponents of this theory thus suggest that the tendency toward authoritarianism can be mitigated by increasing transparency of revenues and strengthening the links between government and citizens through citizen participation in budgeting or direct distribution of wealth (e.g., cash transfers).⁷⁸

It is thus important that the governance structures meant to enhance democratic space, accountability and transparency are strictly enforced. Courts have a great role in achieving such accountability and transparency in

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https://www.theeastafrican.co.ke/business/Call-to-adopt-mining-values-and-principles-in-East-Africa/2560-5212362-hwctkgz/index.html [Accessed 26/5/2020].

⁷⁵ Natural Resource Governance Institute, "The Resource Curse: The Political and Economic Challenges of Natural Resource Wealth," *NRGI Reader*, March, 2015, p. 2.

⁷⁶ Ibid, p. 2.

⁷⁷ Ibid, p. 2.

⁷⁸ Ibid, p. 2.

mining activities and other resource extraction deals in the country as a means of avoiding resource curse. Courts should also be strengthened in order to uphold the rule of law and promote openness, transparency and accountability. They should not shy away from cancelling licensing deals that go against the national laws.⁷⁹

The licensing processes should be beyond reproach and non-partisan. These decisions should not be left to one body. Anti-corruption bodies should also be well monitored and strengthened to ensure that they are independent enough to curb and prevent such practices.

4.4 Diversifying the Economy: Putting the Natural Resources income to proper Use

Natural resources can be used to jump-start economies and invest in the infrastructure, institutions, and quality public services needed to translate growth into human development, if managed in transparent, inclusive, and sustainable ways. ⁸⁰ However, natural resources are often finite resources that must be utilised well when available to build a strong and diversified economy. However, this is not often the case since most resource-rich governments often get trapped in boom-bust cycles where they spend on legacy projects, overspending on government salaries, inefficient fuel subsidies and large monuments and to underspend on health, education and other social services. ⁸¹

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⁷⁹ See Cortec Mining Kenya Limited v Cabinet Secretary Ministry of Mining & 9 others [2015] eKLR; cf. Mui Coal Basin Local Community & 15 others v Permanent Secretary Ministry of Energy & 17 others [2015] eKLR, Constitutional Petition Nos 305 of 2012, 34 of 2013 & 12 of 2014(Formerly Nairobi Constitutional Petition 43 of 2014) (Consolidated).

⁸⁰ Grynspan, R., "The role of natural resources in promoting sustainable development," Remarks for Rebeca Grynspan, Associate Administrator of UNDP on the occasion of the Opening of the 67th UN General Assembly side event on "The Role of Natural Resources in Promoting Sustainable Development" UN New York, 28 September, 2012, available at

http://www.undp.org/content/undp/en/home/presscenter/speeches/2012/09/28/rebeca -grynspan-the-role-of-natural-resources-in-promoting-sustainable-development-/ [Accessed on 27/5/2020].

⁸¹ Natural Resource Governance Institute, "The Resource Curse: The Political and Economic Challenges of Natural Resource Wealth," *NRGI Reader*, March, 2015, pp. 2-3; Badeeb, R.A., Lean, H.H. and Clark, J., "The evolution of the natural resource curse thesis: A critical literature survey." *Resources Policy* 51 (2017): 123-134.

In addition, governments often over-borrow because they have improved credit-worthiness when revenues are high, a behaviour that was attributed to debt crises when revenues declined in Mexico, Nigeria and Venezuela in the 1980s.⁸²

Botswana is a good example of how to avoid resource curse by properly managing the available mineral resources as well as diversifying the economy and avoiding over-reliance on extractives as a shock insulator against uncertainties in minerals, oil and gas prices in the international markets.

There is need for the African countries to use their resources to benefit their people through two pillars of production; accelerated economic growth, job creation and poverty alleviation, and sustainability; combatting climate change and controlling pollution and environmental degradation. ⁸³ They should forge mutually beneficial alliances as well as meaningful inclusion of all the stakeholders, including communities as a way of ensuring that their citizenry is empowered in order to fight poverty.

African governments currently enjoying huge natural resources wealth in their countries can avoid the 'Dutch disease' by transforming resource revenue inflows into tangible investments, such as roads and electricity; using resource revenues to make investments in the economy that generate non-resource sector growth; or the government placing a portion of its resource revenues in foreign assets.⁸⁴ A diversified economy is more likely to withstand both internal and external shocks such as global commodity price deterioration and

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Natural Resource Governance Institute, "The Resource Curse: The Political and Economic Challenges of Natural Resource Wealth," *NRGI Reader*, March, 2015, p. 3.
 Report on the Global Sustainable Blue Economy Conference 26th – 28th November 2018, Nairobi, Kenya, p.3:

These were held in the context of the Leaders Commitment Segment, nine Signature Thematic Sessions, Business and Private Sector Forum, Governors and Mayors Convention, Science and Research Symposium, Civil Society Forum, Side Events and the Leaders Circle and Closing segments. Partnerships for financing, access to new technologies and innovations; capacity building, integrating women, youth and people in vulnerable situations and opportunities, priorities and challenges in the blue economy sectors were discussed as cross cutting issues (p.3.).

⁸⁴ Natural Resource Governance Institute, "The Resource Curse: The Political and Economic Challenges of Natural Resource Wealth," *NRGI Reader*, March, 2015, p. 3.

economic meltdown like the one currently occasioned by the Coronavirus (COVID-19) disease⁸⁵.

4.5 Managing Public Spending and Debt

It is not uncommon for African countries to become slaves of foreign countries through aid and takeover of the exploitation of their resources in order to repay huge debts that often accumulate through inefficient spending and borrowing to finance development projects and their governments' recurrent expenditure. Recently, China has been on the limelight for lending African countries such huge infrastructural loans that they become unable to repay prompting takeover of the extraction of some their natural resources as collateral. Indeed, this idea is not farfetched as China is already reported as having taken land in Tajikistan and a port in Sri Lanka in exchange for the waiving of outstanding debt. 86

It is estimated that in the five years from 2012 to 2017, Chinese lending to sub Saharan African countries jumped to more than \$10 billion a year, up from less than \$1 billion in 2001.⁸⁷ During that period, China pledged billions of dollars to countries in loans, grants, and development financing as a way of extending their "win-win" economic policy by investing in railway, highway

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⁸⁵ Fernandes, N., "Economic effects of coronavirus outbreak (COVID-19) on the world economy." Available at SSRN 3557504 (2020); 'Complacency to Chaos: How Covid-19 Sent the World's Markets into Freefall | Business | The Guardian' https://www.theguardian.com/business/2020/mar/28/how-coronavirus-sent-global-markets-into-freefall [Accessed on 27/5/2020].; https://www.thestar.co.ke/authors/alex-awiti, 'Covid-19 Triggers Unprecedented Global Economic Turmoil' (The Star) https://www.the-star.co.ke/opinion/columnists/2020-03-24-covid-19-triggers-unprecedented-global-economic-turmoil/ [Accessed on 27/5/2020].

⁸⁶ 'Tajik Land Deal Extends China's Reach in Central Asia - Reuters' https://www.reuters.com/article/us-tajikistan-china-land/tajik-land-deal-extends-chinas-reach-in-central-asia-idUSTRE72O1RP20110325 [Accessed on 27/5/2020]; Tripti Lahiri, 'The Specter of Sri Lanka's Debt Is Hovering over a Gathering of African Leaders in China' (*Quartz*) https://qz.com/1377321/the-specter-of-sri-lankas-chinese-debt-is-hovering-over-a-gathering-of-african-leaders-in-china/ [Accessed on 27/5/2020].

⁸⁷ Abdi Latif Dahir, 'Chinese Lending to African Countries Jumped Tenfold in the Last Five Years' (*Quartz Africa*) https://qz.com/africa/1463948/chinese-lending-to-african-countries-jumped-tenfold-in-the-last-five-years/ [Accessed on 27/5/2020].

and port projects besides industrialization.⁸⁸ The result has been a borrowing spree by African countries meant to allegedly boost their infrastructure, economic growth, and global competitiveness, a practice which has come under scrutiny in recent years, with critics noting they could encourage dependency, entrap nations in debt, and push debt limits to unsustainable levels.⁸⁹

Countries such as Kenya, Zambia, Djibouti and Angola have reached critical levels of debt where it has been reported that Angola, for instance, services its debt to China by shipping specific quantities of oil.⁹⁰

While these loans were meant to put up infrastructure that would generate enough income to repay the loan and boost the national coffers, there have been reported cases of corruption in management of these funds as well as economic non-viability of some of the projects. A good example is Kenya's Standard Gauge Railway (SGR) which has been reporting losses since it was operationalized or marginal profits, hardly enough to be self-sufficient in repaying the loans.⁹¹

There is a need for African countries to review their priorities in public expenditure and borrowing to minimise the risk of exposure. This will not only ensure economic stability but will also ensure that the available resources are

⁸⁸ Ibid.

⁸⁹ Ibid.90 Ibid.

^{91 &#}x27;SGR Makes Sh10 Billion Loss in First Year: The Standard'

 [Accessed on 27/5/2020]; 'The Hits, Misses and Hopes of SGR Dream' (Daily Nation) [Accessed on 27/5/2020]; Macharia Defends Loss Making SGR on Sentimental Value' (Citizentv.co.ke) [Accessed on 28/5/2020]; 'SGR Raked in Sh10bn Revenue in First Year' (Business Daily) https://www.businessdailyafrica.com/economy/SGR-raked- in-Sh10bn-revenue-in-first-year/3946234-5020294-13c0x1lz/index.html> [Accessed on 28/5/2020]; Julie Owino, 'SGR Profits Rise to Sh8.8 Billion from Sh3.7 Billion in 2019' (Capital 17 January Business, 2020) https://www.capitalfm.co.ke/business/2020/01/sgr-profits-rise-to-sh8-8-billion- from-sh3-7-billion-in-2019/> [Accessed on 28/5/2020].

utilised to improve the lives of its people instead of repaying foreign debts. It will also reduce the risk of foreign capture of national resources as collateral.

4.6 Investing in Science, Technology and Innovation

The ability to generate scientific and technological knowledge and translate it into new products or processes is a key instrument of economic growth and development. For the longest period, Africa has been a consumer of scientific knowledge, which underpins much of the technological capacities that fuel the knowledge economy: production and services based on knowledge-intensive activities that contribute to an accelerated pace of technological and scientific advance 73, rather than a contributor at the global level. This has often reduced it to a consumer of resultant goods and services from the rest of the world as opposed to a producer. Indeed, it is estimated that Africa produces a paltry 1% of the global scientific knowledge. If Africa is to realise its development agenda and transact business with other continents as able partners, this trend must be addressed.

There is a need for Africa to invest heavily in science, technology and innovation for not only insulating their economies but also for development of strong value addition industries and information technology, among others. Science forms a strong basis for improvements in human welfare, through technologies which it develops for health, food production, engineering and communication. In addition, science is also important in solving problems created by human activity, such as environmental degradation and climate

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⁹² Mormina, M., "Science, technology and innovation as social goods for development: rethinking research capacity building from sen's capabilities approach." *Science and engineering ethics* 25, no. 3 (2019): 671-692, at p. 671.

⁹³ Ibid, at p. 674.

⁹⁴ Tom Kariuki, 'Africa Produces Just 1.1% of Global Scientific Knowledge - but Change Is Coming' *The Guardian* (26 October 2015) https://www.theguardian.com/global-development-professionals-network/2015/oct/26/africa-produces-just-11-of-global-scientific-knowledge [Accessed on 28/5/2020]; Elsevier, 'Africa Generates Less than 1% of the World's

[[]Accessed on 28/5/2020]; Elsevier, 'Africa Generates Less than 1% of the World's Research; Data Analytics Can Change That' (*Elsevier Connect*) https://www.elsevier.com/connect/africa-generates-less-than-1-of-the-worlds-research-data-analytics-can-change-that [Accessed on 28/5/2020].

⁹⁵ 'Why the World Needs to Embrace Science | World Economic Forum' https://www.weforum.org/agenda/2015/12/why-the-world-needs-to-embrace-science/ [Accessed on 28/5/2020].

change.⁹⁶ Science, technology and innovation is considered key for future development strategies relating to innovation in products, services, business and social processes as well as models.⁹⁷

Thus, science and technology are key to economic and social development, and African countries should pay more attention to development cooperation, building or developing research capacity. They should focus on developing scientists' technical competencies through training, with parallel investments to develop and sustain the socioeconomic and political structures that facilitate knowledge creation.⁹⁸

4.7 Reviewing Resource Extraction Agreements

The extractive or mining industries generally have long been touted as key to anchor 'development' or 'economic growth' to alleviate poverty in developing countries.⁹⁹

Despite this, many African countries have largely exhibited low levels of development and poor standards of living. 100 This has been attributed to various factors including exploitative multinational corporations, lack of expertise and corruption, and African countries negotiating unfavourable

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⁹⁶ Ibid.

⁹⁷ Schaaper, M., "The Importance of Science, Technology and Innovation Indicators for Policy," *UNESCO Institute for StatisticsUNESCO Workshop on Surveys on Science, Technology and Innovation (STI) Policy Instruments, Governing Bodies, Policies and Indicators*, Harare, Zimbabwe7-8 November 2012. Available at http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/SC/pdf/UIS-Schaaper_Harare.pdf [Accessed on 28/5/2020].

⁹⁸ Mormina, Maru. "Science, technology and innovation as social goods for development: rethinking research capacity building from sen's capabilities approach." *Science and engineering ethics* 25, no. 3 (2019): 671-692.

⁹⁹ Murombo, T., "Regulating mining in South Africa and Zimbabwe: Communities, the environment and perpetual exploitation," *Law Env't & Dev. J.*, 9 (2013): 31, at p.33.

¹⁰⁰ African Union, Assessment of the Mining Policies and Regulatory Frameworks in the East African Community for Alignment with the Africa Mining Vision, p. 2. Available at

https://repository.uneca.org/bitstream/handle/10855/23538/b11580379.pdf?sequence =1 [Accessed on 28/5/2020].

mining development agreements, with the result that the Continent has received inadequate returns for its mineral wealth. 101

Some governments often enter into exploitative agreements that result in minimal, if any, benefits accruing to their people or even the national coffers. The lopsided agreements lead to most of the income from the resources leaving the country, where most of the accruing profits from the extraction of the resources end up in the investors' home countries. The governments are unable to even benefit or even compensate the state and communities for depleting their resources and related environmental damage or loss of livelihood. 102 This often attributed to instances where countries are so eager to encourage resource extraction that they lower the rates for taxes and royalties without understanding the true value of their resources. 103 It is also noted that in capital-intensive (rather than labour-intensive) extractive industries, few non-tax benefits, such as jobs, accrue to locals. While expectations for local content, that is employment, local business development and improved workforce skills, are often very high, the actual number of opportunities may be few. The industry has a very low employment rate relative to the size of investments and those jobs, and the machinery required to implement them, mostly imported from abroad, tends to be extremely specialized. 104

While countries such as Kenya often have regulations requiring promotion of job creation through the use of local expertise in the mining industry, the entire mining value chain and to retain the requisite skills within the country; develop local capacities in the mining industry value chain through education, skills and technology transfer, research and development; and achieve the minimum local employment level and in-country spend across the entire mining industry value chain, ¹⁰⁵ there is little evidence that this is often achieved.

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¹⁰¹ Ibid, p.2; Ezekwe sili, O.K., "Harnessing Africa's natural resources to fight poverty," *Daily Nation*, Wednesday April 15 2009. Available at https://www.nation.co.ke/oped/opinion/440808-560566-gnl8o6z/index.html [Accessed on 28/5/2020].

¹⁰² Natural Resource Governance Institute, "The Resource Curse: The Political and Economic Challenges of Natural Resource Wealth," *NRGI Reader*, March, 2015, p. 4. ¹⁰³ Ibid.

¹⁰⁴ Natural Resource Governance Institute, "The Resource Curse: The Political and Economic Challenges of Natural Resource Wealth," *NRGI Reader*, March, 2015, p. 4. ¹⁰⁵ *Mining (Employment and Training) Regulations*, 2017, Regulation 3.

There is a need for the African countries to consider renegotiating these agreements in order to safeguard the national interests as far as benefit sharing and economic growth is concerned. Some countries such as Tanzania have sought to renegotiate their extractives exploitation contracts where it was deemed necessary. The Tanzanian government enacted laws that introduced changes in the exploitation of natural resources in the country's mining sector to ensure that Tanzania's natural resources are exploited to benefit the citizens. Some of the laws such as the Natural Wealth and Resources Contracts (*Review and Re-negotiation of Unconscionable Terms*) *Act*, 2017¹⁰⁷ are meant to empower Parliament to review all the arrangements and agreements made by the government regarding natural resources. The Natural Wealth and Resources Contracts (Review and Re-negotiation of Unconscionable Terms) Act 2017 is meant to give powers to parliament to direct the Government to re-negotiate and rectify any term that seem to bear questionable circumstances in the contracts.

Renegotiation of existing mining agreements may be justified:- when rigid contractual terms provide for an excessive duration, secured against any legislative change; when the agreement reflects the one-sided distribution of bargaining power and ability in favour of the transnational corporations; when circumstances have changed considerably so that the agreement needs adjustment to existing usages; and, when the agreement hampers severely the host country's freedom to employ its natural resources as a lever for effective economic development.¹⁰⁹

¹⁰⁶ "Tanzania seeks to reform mining sector for citizens' benefit," *The East African*, Saturday July 1 2017, available at

https://www.theeastafrican.co.ke/business/Tanzania-seeks-to-reform-mining-sector/2560-3995660-7pyhb5/index.html [Accessed on 28/5/2020].

Natural Wealth and Resources Contracts (Review and Re-Negotiation of Unconscionable Terms) Act, No.6 of 2017, Laws of Tanzania. Available at https://tanzlii.org/tz/legislation/act/2017/6-0 [Accessed on 28/5/2020].

Tanzania seeks to reform mining sector for citizens' benefit," *The East African*, Saturday July 1 2017, available at https://www.theeastafrican.co.ke/business/Tanzania-seeks-to-reform-mining-sector/2560-3995660-7pyhb5/index.html [Accessed on 28/5/2020].

Walde, T.W., "Revision of Transnational Investment Agreements in the Natural Resource Industries," *University of Miami Inter-American Law Review*, Vol.10, no. 2 (1978): 265, at p. 267; Kuruk, Paul. "Renegotiating Transnational Investment

Other African countries should consider following Tanzania's path in order to reclaim their rights to exploit and use their natural resources to develop their economies and fight poverty among its citizens.

5. Conclusion

It is a blessing that the African Continent is rich in diverse natural resources that can be exploited. However, as discussed above, it is not enough that a country has a wealth of natural resources; effective management of these resources and equitable benefit sharing are essential. The natural resources are meant to promote national development and assist the African countries to achieve national development as envisaged in the United Nations sustainable development goals. Time has come for the African leaders to go back to the drawing board and figure out where they go wrong. Some Asian countries have been able to put into use their most important resource (mainly oil) to pull their people out of poverty while their African counterparts have only experienced poverty, conflicts and environmental degradation from the mining and extraction of their oil and other mineral resources.

There is need for the leaders to put in place measures and enforce them on how best to manage natural resources and the extractive industry wealth in order to curb the resource curse and alleviate poverty and promote development. A strong legal framework for benefit sharing ought to be put in place covering the expectations, rights and obligations of all parties concerned. As long as leaders remain complacent, the African continent will remain poor and be associated with conflicts, despite its natural resource wealth, while the developed countries take advantage of this to accrue raw materials to develop their own economies. Africa can no longer remain exploited, poor and dehumanised. The resource curse can and should be overcome.

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¹¹⁰ United Nations, Transforming our world: the 2030 Agenda for Sustainable Development, Resolution adopted by the General Assembly on 25 September 2015, A/RES/70/1.

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