# 9. Inequality and natural resources in Africa

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The control of natural resources and access to them has underpinned processes of social stratification and class formation in Africa, and indeed elsewhere. Nascent African nations and states were coalescing around control over natural resources at the moment they encountered colonialism. Colonialism, itself constructed on the control of natural resources, created new forms of inequality and exacerbated existing ones. Today's globalized natural resource extraction processes are defined by the logic of 'accumulation by dispossession,' including land grabs, climate change and natural resource concessions built around lucrative commodity markets and labour migration. They entrench historical vulnerabilities and set the stage for unprecedented inequalities.

## Natural resources and the historical origins of inequality in Africa

The use and governance of natural resources is among the most central of issues for the daily lives of the majority of Africans. Patterns of rural resource use are fundamental to rural and national economies, as well as to local and global concerns about sustainability. Institutional histories and political interests fundamentally shape rights over natural resources, and rights are central to the ways in which those resources are used. In this regard, the desire of European powers to capture and exploit African resources played a key role in the transformative process of colonialism. The core characteristic of the colonial project was the alienation of natural resources and the imposition of new forms of centralized political authority over land and resources that previously had been controlled by more localized institutions. The expropriatory processes associated with the imposition of new forms of resource ownership and control occasioned the creation, or in some cases the exacerbation, of inequalities which have endured into the present day. Colonialism was about controlling natural resources, and many of the inequalities on the continent today are reflected in unequal access to the continent's natural resources.

Today, extreme global economic inequality is at an all-time high, largely as a result of corporate-led globalization. The causes of inequality are many, but are mostly located in the historical process of production and distribution. In Africa, while precolonial forms of inequality have influenced the continent's encounter with colonialism and been reproduced and sometimes exacerbated in the colonial period, colonialism itself created new and more extreme forms of inequality that define the continent's social condition today. Colonial dispossession, particularly pronounced in settler colonial societies (Boone and Moyo, 2012), has led to enclosures, created poverty, and exacerbated inequalities.

The colonial state in Africa was established to control labour, capital and resources for external European purposes. This set of political objectives resulted in the concentration of central bureaucratic and executive power. The state's powers of coercion were used to limit independent forms of social organization. Governance was not democratic, representative or accountable. States claimed wide powers over natural resources, particularly land, which was generally placed under discretionary bureaucratic control, with customary rights subordinated to claims explicitly recognized by the colonial administration. Even under indirect British rule, this meant concentrating fused executive, legislative and judicial powers in externally recognized local authorities which bolstered what Mamdani (1996) has called 'the fist of colonial power'.



Shivji (1998) notes that 'There is a deep structural link between the use and control of resources and the organization and exercise of power. Control over resources is the ultimate source of power.'

The colonial incorporation of Africa into the global economy saw it primarily as a source of raw materials. This immediately shaped the continent into a series of enclave economies structured around the control of land and mineral resources, and their supply to the colonial centres. These enclave economies have other fundamental characteristics. They are based on the exploitation of a single resource, and its exportation in raw unprocessed form, or in partially processed form, for value addition in another economy. Many African economies are exporters of a single dominant mineral ore, such as iron ore or copper, or an agricultural commodity, such as cotton or palm oil. A second key characteristic is the creation of a small formal labour force within the enclave, and the consignment of reproduction of labour to locations outside the formal economy. This pattern is particularly pronounced in the former settler colonial societies which were structured on an ideology of white supremacy (South Africa, Rhodesia, South West Africa, Portuguese East Africa and Angola), creating an enclave formal economy employing one-fifth of the labour force (Kanyenze and Kondo, 2011).

The informal sector is characterized by 'customary land tenure' systems where land ownership is effectively vested in the state and land use is subject to a high level of state intervention. The state can control commodity and labour markets through economic and extra-economic means of coercion. The formal sector, on the other hand, is characterized by private land tenure systems (freehold or leasehold) which give rights holders a higher degree of control and flexibility regarding land use.

The formal/informal dichotomy in turn informed the huge disparities between the unskilled and semiskilled native labour force, and the skilled non-native labour force. Control over land and mineral resources became the basis on which equity and equality of opportunity – access to nutrition, education and job opportunities – were constructed, and highly skewed in favour of the formal sector. This has resulted in a highly underdeveloped informal sector characterized by low pay, low nutrition, high unemployment and high poverty.

#### **Contemporary natural resources** control and inequality

Most African economies are predominantly agrarian. The bulk of the population is rural and depends on agriculture. These economies are based on the super-exploitation of peasant labour in order to subsidize labour reproduction for the formal sector. In turn, the exploitation of peasant labour becomes increasingly feminized as male labour is absorbed into the formal sector to the exclusion of female labour. This gendered exploitation is reflected in the extreme inequality between men and women, urban and rural, and black and white in the colonial and postcolonial African economies.

Natural resources governance issues such as land and resource tenure continue to underpin evolving relations between states and citizens in the postcolonial era. Post-independence African governments tended to reinforce centralized authority over natural resources as states sought to consolidate the political authority needed to drive modernization processes and control resources for patronage. Postcolonial Africa has continued on a neoliberal development trajectory which not only creates unsustainable use of natural resources, but also exacerbates the historical inequalities of colonial exploitation.

Natural resources, with their historic grounding in the public domain and their high economic values, are central to the patronage interests that allow governing elites to maintain powers and privileges. This political logic shapes natural resource governance patterns across the continent. For example, agricultural policy in agrarian nations has evolved according to political interests bent towards controlling producers' access to markets and inputs in order to extract rent. Similarly, forestry policy and management institutions across the continent are crafted according to central patronage interests in controlling and extracting rents from both formal and informal patterns of trade, and the utilization of products such as timber and charcoal (Oyono, 2004).

While the continent is engaged in various projects to restructure economies away from their historical limitations, and towards more inclusive and equitable trajectories, such transformational initiatives rarely seek to transcend the neoliberal hegemony. Various attempts have been made to promote equitable access to land and natural resources

through redistributive processes such as land reform (Boone and Moyo, 2012), economic empowerment programmes such as in South Africa, and so on. However, these policy reforms are occurring in contexts characterized by the enclosure and privatization of public lands (Harvey, 2003). In Africa, this phase of globalization is creating new enclosures and dispossessions, and thus exacerbating the natural resource-based inequalities of the colonial era.

Natural resource degradation contributes to growing inequality. Conservative estimates show that industrial gas emissions have increased by almost 50 per cent; more than 300 million hectares of forest have been cleared; and many communities in developing countries have lost rights and access to lands and forests to large multinational corporations acting in collaboration with national governments. Although poverty has been reduced in a few industrializing countries, nearly 20 per cent of the world's population remain in absolute poverty (Watts and Ford, 2012; Global Race Equality Action Trust, 2012), and more continue to be impoverished through land and resource expropriations. The commodification and privatization of the environment has accelerated through increased 'green grabs', carbon sequestration schemes such as REDD+, water privatization, and the creation of new protected areas on lands expropriated from the poor and marginalized, as well as the suppression of indigenous forms of production and consumption.

### Climate change and inequality

Many countries, particularly the most vulnerable, are already experiencing the negative impacts of climate change. Many poor countries are already affected by frequent floods, storms and droughts. Even if the Paris Agreement and other measures succeed in keeping temperature rises below 1.5 degrees, these impacts will continue and even worsen for several decades to come. Recent estimates suggest that climate change will reduce GDP per capita in Africa by between 66 per cent and 90 per cent by 2100 (Houser et al., 2015).

Climate change has also become the defining context of natural resources use and control in recent times. An inescapable irony of climate change is that those economies whose development has led to climate change are the least vulnerable to its impacts, while countries that emit the least are the most vulnerable to climate change. This exacerbates inequality between the nations of the developed north

and those of the global south. 'Climate change is inextricably linked to economic inequality: it is a crisis that is driven by the greenhouse gas emissions of the "haves" that hits the "have-nots" the hardest' (Oxfam, 2015). GDP growth can be linked directly to carbon emissions, and those economies with the highest rates of GDP are also those that have historically had the highest rates of greenhouse gas emissions.

Climate change not only exacerbates inequalities between nations, but also amplifies the vulnerabilities of those communities whose livelihoods are directly dependent on access to natural resources. Most of Africa's rural households have livelihoods that are based on access to agricultural land, and associated natural resources such as forests and water. Access to these resources is already inequitable because of historical factors. Climate change not only increases these challenges, but also creates new competition for natural resources. Pastoral and sedentary communities compete for water and grazing lands, and within sedentary communities, access to vital forest products is increasingly contested. As rainfall patterns vary, competition for access to land is also increasing. Climate change will affect the productivity of the land, change access to natural resources, and create new conditions for further primitive accumulation, already seen in the expansion in land acquisitions for biofuel production on lands belonging to vulnerable communities

## Conclusions: towards an equitable world order

The use and control of natural resources has historically generated inequality in Africa. Climate change and the responses to it have exacerbated these inequalities. The dominance of the market, representing corporate interests over social and environmental interests, is clearly socially, economically and environmentally unsustainable. Instead of the current production system which emphasizes market mechanisms to allocate the costs and benefits of nature, what is required is a social structure of accumulation that places economic justice over profit and, more practically, institutes an inclusive, sustainable model for growth (Tabb, 2012). With reference to climate change, the Intergovernmental Panel on Climate Change (IPCC) notes that 'equitable socioeconomic development in Africa may strengthen its resilience to various external shocks, including climate change' (2013, p. 1121).



There are many processes around the world today seeking alternatives to the destructive logic of the hegemonic models of production and consumption. These are evident in a wide range of rich experiences in alternative technology, renewable energy and new regulatory regimes that exist in different parts of the world.

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