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## **19. Governance of Extractive Industries**

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### INTRODUCTION

Extractive Industries (EI) have long fed aspirations for socio-economic development across countries of the Global South that are rich in natural resources. An estimated 3.5 billion people are living in the 81 developing countries where EI plays a dominant economic, social and political role (World Bank, 2020). The collection of mining rent and, in turn, the harnessing of such rent for long-term development has been one of the greatest challenges faced by successive governments.

While the potential for EI to spearhead development in cash-strapped developing countries continues to feed electoral promises and popular aspirations, EI-led development outcomes have often disappointed. Beyond its promises of prosperity, large-scale mining is marred with intricate socio-environmental problems, including air, water and land pollution, and a significant impact on wildlife. Additionally, EI have caused health issues, displacement of local communities, and the loss of livelihoods and cultural identity, all of which amplify the impact on already marginalized peoples such as indigenous communities and women. The sector is also infamous for its legacy of human rights abuse, criminalization of political dissent and for feeding armed conflict.

This chapter explores the nexus between EI and development. Specifically, it asks if 'good' or 'better' governance is indeed the panacea for EI to spearhead development in countries rich in natural resources across the Global South and if so, how. The chapter is structured in three main sections. First, it provides an overview of EI development in the

Global South. The second section details how, over the past three decades, analysts have attempted to theorize the harnessing of EI for development in the Global South. Specifically, it emphasises that while most approaches have identified ‘governance’ as a key variable for this task, significant disagreement exists on how to define this intricate concept. Lastly, the chapter turns to contemporary debates around the economic and socio-environmental issues arising from the sector.

#### EXTRACTIVE INDUSTRIES ACROSS CONTINENTS: AN OVERVIEW

The Global South is extraordinarily rich in natural resources. This section provides a broad overview of the state of EI development in the Asia-Pacific region, Africa, and Latin America.<sup>1</sup>

Globally, the Asia-Pacific region is both the leading consumer of minerals – with countries such as China, India, Japan and South Korea, until the recent economic slowdown, appearing to have infinite appetites for minerals – and a major producer of minerals, accounting for more than half of the world’s total production of bauxite, iron ore, refined copper and steel (USGS, 2014: 1.1). China remains the world’s largest producer and consumer of most nonferrous metals and gold (USGS, 2018c: 9.1). Indonesia, whose mineral exports have more than tripled in value between 2001 and 2013, is the world’s top producer of nickel, and it ranks second in tin production, fourth for bauxite and twelfth for gold (EITI, 2018). Malaysia also produces a significant share of the world’s bauxite (a third in 2015) (USGS, 2018a: 18.1) and The Philippines mines a quarter of the world’s nickel (USGS, 2018b: 24.1). Papua New Guinea ranks 14<sup>th</sup> among the world’s leading producers of gold (USGS, 2019c: 22.1). In terms of mineral fuels, Asia accounts for 82% of the world’s total production of anthracite coal and 69% of bituminous coal (USGS, 2017: 1.7), with China as the leading energy producing and consuming country in the world in 2016 (USGS, 2018c: 9.2). Together, Indonesia, Papua New Guinea and The Philippines accounted for more than 80% of the total mineral exploration budget for the Asia-Pacific region (USGS, 2014: 1.2).

Africa is the source of approximately 30% of the world’s total mineral reserves (UNECA, 2017: 1) – more than half of the world’s production of diamond, mined cobalt, chromite, and manganese, as well as non-negligible outputs of gold (19%), uranium (13%) and copper (10%) (USGS, 2019a: 1.1). The Democratic Republic of the Congo (DRC), one

of the richest countries on the continent, is by far the region's largest producer of cobalt and copper, although Zambia is also a substantial copper producer (USGS, 2019a: 1.1). In terms of gold production, South Africa and Ghana are the top producers, followed by Sudan, Tanzania, Mali, again the DRC and Burkina Faso. Diamond production is spearheaded by Botswana, with the DRC following closely behind (USGS, 2019a: 1.11). The continent's production of mineral fuels remains underwhelming, representing only 15% of the world's coal production, 9% of petroleum and 3.2% of uranium. In 2015, exploration activity amounted to 1.2 billion USD, with active gold and silver projects accounting for almost half of the region's production of minerals (USGS, 2019a: 1.1).

Latin America produces 39% of the world's copper, 19% of its gold, 45% of its silver, 44% of its lithium and about 20% of its tin and zinc (USGS, 2019b: 1.17). Chile is a frontrunner in the sector, accounting for 28% of the world's copper production, as well as 33% of its lithium (USGS, 2019b: 1.17). Mineral production currently accounts for a little under 5% of Latin America's GDP (USGS, 2019b: 1.1). The region also produces around 10% of the world's oil and 5% of its natural gas, and oil and gas production make up a substantial share of the economy in five countries: Venezuela (where oil represents 90% of exports), Brazil, Mexico, Bolivia and Colombia (Hollanda et al., 2016: 11). Latin America has been the main destination for exploration capital in mining, oil and gas in the Global South since 1994, with a total of about 2.5 billion USD in 2015 (USGS, 2019b: 1.1).

## THEORIZING THE GOVERNANCE OF EXTRACTIVE INDUSTRIES

This section provides a broad overview of how, over the past three decades or so, analysts have attempted to theorize the harnessing of EI for development in countries across the Global South that are rich in natural resources. As detailed below, while these approaches have all identified 'governance' as a key variable for this task, sizeable disagreements exist on the actual definition of governance and the nature of the role it envisions for stakeholders, societies and institutions, and notably for the state.

## **EI and Development: a Review of Approaches**

By the turn of the 1990s, it had become obvious that the promises of resource-led development were failing developing countries. The resource curse thesis emerged in an attempt to explain why some of the world's most endowed countries in natural riches were also some of the worst performers in terms of development outcomes, including the fact that many of these countries were often plagued by conflict, authoritarian regimes and corruption (Auty, 1993; Humphreys et al., 2007; Sachs and Warner, 1995). The resource curse literature argues that this 'paradox of plenty' is linked to a range of factors, including the volatility of revenues from the sector which leads governments to be over-reliant on EI revenues in times of high commodity boom, a process that has long-term implications for the economy, such as a neglect of other sectors. Furthermore, the extraordinary wealth generated by an abundance of natural resources tends to be concentrated into few hands, leading to increasing inequalities, the emergence of rentier states and even violent conflicts. Corruption and rent-seeking behaviours proliferate in such contexts where governments no longer rely on broad support from their own populations, a process that would also explain the high prevalence of authoritarian regimes in these countries (Collier and Hoeffler, 1998; Ross, 2001; de Soysa, 2000).

Resource curse theories are criticized by critical political economists for oversimplifying political issues related to EI, notably by treating countries as discrete entities and disregarding the global political economy of resource extraction (e.g.: Phillips, Hailwood and Brooks 2015). In order to curb some of the effects of the curse on developing countries, 'New Institutional Economics' (NIE) scholars have championed the idea of 'good governance' (see also Chapters 9 and 21, this volume). Today, NIE arguably remains the most influential mainstream approach not only within the literature on EI but in the field of development more broadly. It is worth recalling that the latter emerged at the end of the 1990s, when two decades of strict implementation of the Washington Consensus across the Global South, and its celebration of *laissez-faire*, had not only failed to deliver on promises of development, but also created a crisis of legitimacy for neo-liberalism altogether (see Büscher, 2012; Carroll, 2010). In such context, NIE had a wide appeal. In particular, they offered immediate problem-solving managerial solutions to otherwise deeply complex political issues. Proponents of these approaches make the case for

‘bringing back the state’, recognizing that institutions are necessary to support the market (Acemoglu, et al., 2001; North, 2005; Stiglitz, 1986) – albeit only the ‘right’ kind of institutions. Commonly defined as ‘the manner in which power is exercised in the management of a country’s economic and social resources for development’ (World Bank, 1992: vii), this take on good governance is driven by the idea that state institutions must adopt the ‘right’ policies to support private sector-led development. NIE has been tremendously influential not only in international financial institutions (IFIs), most notably the World Bank (see Carroll, 2010; Hatcher, 2014) and the International Monetary Fund (see Lundgren, 2013), but also across the corporate sector where the approach was further influential in the emergence of Corporate Social Responsibility (CSR) – as later discussed in this chapter.

Critical political economists<sup>2</sup> argue that both the resource curse thesis and NIE fail to tackle the wider political economy of EI, including global structural patterns. Crucially, they point out that these approaches normatively rely on the benefits of private-led development while ignoring key questions around the finality of improving governance (Campbell, 2013: 4), or of development more broadly. As such, critical political economists focus on the multi-scalar structural patterns that ultimately condition the impacts of EI and the distribution of its benefits.

The discussion of ‘extractivism’ by Latin American scholars, emerging amidst the proliferation of socio-environmental conflicts in the region since the 1990s – often linked to gold and silver projects controlled by Canadian companies (Studnicki-Gizbert, 2016) – is an influential branch of this approach. Inspired by David Harvey’s (2004) notion of ‘accumulation by dispossession’, these scholars coined the term ‘extractivism’ to refer to a model of ‘bad development’ associated with imperialism and the criminalization and violent repression of indigenous peoples and environmental activists (Svampa, 2015). Observing that left- and right-leaning governments alike were politically invested in the so-called (re)primarization of their economies, these scholars have articulated a comprehensive criticism of EI, ranging from its global political economy to its ontological underpinnings (Gudynas, 2012). The term ‘extractivism’, however, is widely used in criticisms of EI without necessarily referring to these theoretical roots.

## **The ‘Modes of Governance’ Approach**

Nestled within critical political economy, the Campbell School, which stems from the work of the *Research Group on Mining Activities in Africa* and its director, Bonnie Campbell, proposed the broader concept of ‘Modes of Governance’ (MOG) to analyse the structural patterns conditioning EI. These patterns, the Campbell School argues, have been obscured by a partial and over-simplified focus on ‘governance’ as the core rationale for the lack of contribution of large-scale mining to development outcomes in the Global South (Campbell, 2013: 1-2). Often championed by international donors such as the World Bank (1992), this managerial take on ‘good governance’ not only presupposes the existence of a consensus on what ‘good administrative procedures’ should be, it further ‘run[s] the danger of treating the symptoms of a particular “politics of mining”’ (Campbell, 2009: 1) rather than the structural relations of power and authority that shape the MOG of EI.

For the Campbell School, the concept of MOG refers ‘to the sum of the forms of regulation for each of the related dimensions (economic, social, political and environmental) that determine, in any given period or place, the conditions of exploitation of mining resources’ (Campbell and Hatcher, 2019: 3; see also Belem, 2009; Campbell, 2013; Hatcher, 2020). In such light, the concept of MOG is intended to help analysts unearth the structural relations of power at the root of institutional arrangements governing EI (Campbell and Hatcher, 2019). Multi-scalar in nature, this exercise requires a line of enquiry that extends well beyond the host state to include a plurality of actors that have a significant influence on the investment environment for the sector and the norms which regulate it, including the private sector, bilateral donors, multilateral financial institutions and the countries of origin of the mining companies (Campbell, 2004: 7).

While it closely resonates with other critical approaches which focus on relations of power, the MOG approach differs from others in that it also identifies possibilities of change. It posits that changes, albeit at times timid, are taking place, including reforms of mining regimes in Africa and Latin America:

Structural relations of power and modes of governance also help highlight the existence of shifts in practice and, as a consequence, the possible formation of new political spaces. In other words, these shifts, which take place in specific

circumstances, have entailed new political settlements involving political elites and other constituencies and that, consequently, suggest the possibility of changes in the modes of governance and, with these changes, the beginning of the shifting of relations of power among the actors concerned. (Campbell and Hatcher, 2019: 3)

These changes are spurred, on the one hand, by the failed legacy of decades of neo-liberal reforms to deliver on their promises of sustainable development and, on the other hand, by the crisis of legitimacy and responsibility raised by the externally driven nature of the regulatory reform processes (Campbell, 2009: 1). Against the technocratic tendency, common in classical and NIE approaches, to de-politicize and de-historicize governance issues around EI, the Campbell School asks key questions in relation to development outcomes for countries that are rich in natural resources across the Global South: ‘Development of mineral resources to what end? By whom and for whom? In accordance with what strategies, with what techniques and at what rate? With what implications for future generations?’ (Campbell, 2013: 4). We apply this perspective to some of the main themes emerging from EI in the following sections.

## EXTRACTIVE INDUSTRIES AND DEVELOPMENT: SOCIO-ENVIRONMENTAL AND ECONOMIC PERSPECTIVES

Critical political economy and the MOG approach are well-suited to steer discussions on development and EI as they focus on the multi-scale structural patterns that ultimately condition the distribution of the benefits, risks and negative outcomes generated by the EI.

In the 1980s and 1990s, indebted governments of resource-rich countries across the Global South followed the guidance of the IFIs and introduced vast reform programs to decisively liberalize their mining regimes to attract foreign direct investments (FDI) to EI. This triggered a race for the most deregulated and liberalized environment (Campbell, 2004; Campbell and Hatcher 2019; Hatcher, 2014). Albeit discussing mining activities specifically, Gagné-Ouellet (2013: 52) identifies a key set of norms that summarize resulting policies that can extend to EI more broadly:

- Priority given to the private sector for mining activities;

- Priority given to mining over other types of land use;
- Priority given to an exportable resource over other mineral resources;
- Priority given to the industrial mining sector over artisanal and small-scale mines;
- Guarantees protecting industrial-sector mining rights; and
- Calculation of the mining sector's primary contribution to the national economy in terms of tax revenues.

While highly successful in attracting FDI, notably in the context of a 15-year long 'commodities super-cycle' (Amra, Hanusch and Jooste, 2019), these reforms had profound consequences for the role of the state, shifting its traditional power and authority to the private sector, thereby redefining relations between elites and communities: 'These shifts have contributed to a reduced institutional capacity to enforce regulations and, consequently, the norms essential for developing and protecting the environment have also weakened' (Campbell and Hatcher, 2019: 2). Solidly anchored within both neo-liberalism and NIE approaches, these externally driven norms have profoundly constrained the capacity of the state to make economic and socio-environmental decisions around EI, as discussed in this section.

### **Mining Rent: Collection and Spending**

States across the Global South have long reported disappointing results in their efforts to both collect mining rents and to harness EI for long-term development efforts. This is a pressing issue given that of the 81 countries categorized as resource-dependent in 2015, several are amongst the world's poorest nations, including Angola, Gambia, the Democratic Republic of the Congo and Yemen (ICMM, 2020).<sup>3</sup> 'Good governance' is once again proposed as the key solution to such disappointing results (UNECA, 2017: 2; World Bank, 2020). In rejection of de-politicized approaches to governance, the MOG approach emphasises the need to understand EI fiscal regimes, tax administration and revenue spending as expressions of structural power relations and, at the same time, as key instruments contributing to the reproduction of such power relations – for example by linking, aligning and coordinating local elites with powerful external corporate and financial actors (Campbell and Hatcher, 2019).



Historically, these structural power relations have severely constricted states in their ability to negotiate ‘fair’ fiscal rates in mining contracts, with influential development actors such as the World Bank steering resource-rich countries to compete against one another for the most competitive measures to attract foreign investors (Hatcher, 2014). Unsurprisingly therefore, studies of generations of mining codes across resource-rich countries in the Global South show that with the assistance of corporations and donors, these countries have adopted fiscal rates that were consistently levelled down from the late 1980s until the mid-2000s, hence bringing down thresholds for fiscal expectations across continents. This took place against the backdrop of decades of neo-liberal norms, steering EI into foreign private hands while simultaneously discouraging states in taking an active part in the sector.

Additionally, the weakening of the democratic underpinnings of the state over the past decades and the privatization of EI have set the scene for one of the largest heists in history, whereby some of the world’s poorest regions have been deprived of a sizeable share of their EI revenues. While more than 70% of African exports stem from EI and hence generate colossal revenues for development on the continent, an estimated US\$25 billion of EI revenues annually leaves the continent in the form of illicit individual and corporate flows (UNECA, 2017: 1-2), with conservative estimates from the United Nations (UN) Development Programme (2011: 12) suggesting that between 1990 and 2008, the continent lost approximately US\$ 170 billion in illicit flows.<sup>4</sup> For Bond (2018), the net flow of capital – legal and illegal – to and from the continent is best described as ‘looting’.

Even mining rent that *does* enter state coffers has had mixed results in fostering development in countries of the Global South. Governance prescriptions in this regard range from increased transparency in revenue flows, such as the widely endorsed Extractive Industries Transparency Initiative (EITI) to a reconsideration of the role of the state not only as a promoter/facilitator of investment in EI, but as a ‘pro-active development state’, as in the case of the 2009 African Mining Vision (AMV) endorsed under the auspices of the UN Economic Commission for Africa (UNECA) (Field, 2019: 76). The AMV, if implemented properly, would signal a change of paradigm away from neo-liberal norms for EI, to one in which mining plays a transformative role and serves as a catalyst to spur social and economic development which will be intergenerational, more equitable and

respectful of the environment (Hatcher, Roy-Grégoire and Campbell, 2016: 34).

The reliance of pro-active development states on EI is not however without risks. In the context of Latin America's 'left-turn' beginning in 1999, some governments have merged the pursuit of EI rent and a revival of dependency theory into a form of resource nationalism (Field, 2019: 74). Combining social anti-poverty programs and, in some cases, nationalization of assets, this form of neo-extractivism mobilized the rent generated by resource exports to widen social participation and to shore up support for EI (Dorn and Huber, 2020: 185-86). Beyond a national-level analysis of the political economy of neo-extractivism, however, an emerging scholarship in the field of political ecology documents the profound spatial and social transformations resulting from extractivism, linking the (re)construction of territoriality to political power shifts (Burchardt and Dietz, 2014: 479). This cluster of research focuses, among other things, on the relationship between extractivism, climate change and societal transitions; on elite formation and cultural politics; and on the gendered and generational effects of extractivism on rights and citizenship (e.g. Bebbington, 2015). These contributions question the optimistic discourse of neo-extractivism and other governance models geared towards mobilizing resource rent for development.

As described in the following sections, this optimism over neo-extractivism should indeed be tempered by the generalization of socio-environmental conflicts globally and the way the 'solutions' put forward risk undermining human rights enforcement and democratic institutions, from the local to the global level.

### **Socio-Environmental Impacts, Opposition and Regulation**

EI figures as a prominent driver of the steady increase in socio-environmental conflicts documented in the last decades (Scheidel et al., 2020). This increase reflects both a global environmental grassroots mobilization (Temper et al., 2018), and the extent and scale of the socio-environmental impacts of EI. These impacts are well-known and have long been acknowledged at the international level, notably through the landmark Extractive Industries Review (EIR) commissioned by the World Bank Group in the year 2000. The EIR documented deforestation, loss of biodiversity, water pollution, industrial poisoning, landscape alteration and impacts on water availability, and identified EI as a main

contributor to global warming (EIR, 2003). Its review of the social impacts of EI included the (often forced) displacement of population and the disruption of their ways of life; the reconfiguration of local social structures; sexual violence; loss of livelihoods, collective identities and spiritualities; economic dependency and the deepening of inequalities (EIR, 2003). The EIR linked EI with grave human rights violations and armed conflicts. It also noted that EI impacts last long after operations conclude: proper decommissioning and site-closing typically involves continuous monitoring spanning over several decades and generations (EIR, 2003: 25-42).

EI are often met with resistance at the local level. Over the course of the last commodities super-cycle, these localized conflicts have often aggregated at the national level. A number of discourses have also helped to articulate transnational networks that aim at counterbalancing local power asymmetries. Focusing particularly on mining, Field (2019: 89-144) traces the development of five such inter-related discourses – respectively on the resource curse, indigenous people’s rights, environmental justice and human rights, and feminist critiques of mining – and their attendant institutional scenes. Criminalization, repression and violations of human and indigenous rights around EI projects are increasingly documented by regional human rights institutions (CIDH, 2015a, 2015b), which have generated significant pressure on the states hosting the headquarters of the corporation or where they are registered on the stock markets to sanction such violations of extractive corporations operating abroad (Imai et al., 2017). Some progress in that direction has been registered, notably in the European Union (EU), where several countries have adopted due-diligence legislation making parent companies liable for human rights violations and environmental damage across their supply chains (European Commission, 2020). EU officials have committed to introducing similar legislation at the European level (RBC, 2020).

These initiatives, however, co-exist with private-led governance schemes aimed at managing socio-environmental conflicts. The result is a complex ‘normative ecosystem’ raising acute questions regarding the distribution of authority and legitimacy in the global EI sector and the possibility of democratic control over natural resources (Roy Grégoire, 2020). In response to these local, national and transnational movements, a host of private-led normative instruments aimed at defusing local conflicts and generating community

support around EI have developed since the 1990s under the general category of CSR (Rodrigues and Mendes, 2018). Among other factors, local resistance to the expansion of EI in previously unaffected areas led to project delays or cancellation and exacerbated the legitimacy crisis of the sector (Bebbington et al., 2008). In 2002, a United States Geological Survey study noted that ‘sociocultural drivers resid[ing] in human beliefs and values [increasingly] take precedence over the physical facts of mineral supplies and demands’ to determine mineral production (USGS, 2002: 11). Social imaginaries favourable to environmental protection and sustainable development as well as the empowerment of indigenous communities – expressed, for example, in claims for the right to Free, Prior and Informed Consent – helped push the ‘social licence to operate’ (SLO) to the forefront of contemporary EI governance (Bridge, 2004).

For the industry, SLO refers to the support of local communities for extractive projects; it is often sought during the environmental assessment process (Prno and Scott Slocombe, 2012). But its role is closely linked to neo-liberal transformations of the state. In trying to manage the contradictory imperatives stemming from their democratic institutions and the global investment regime (Gill, 2002), states tend to respond to socio-environmental conflicts by awarding formal exploitation rights to EI while simultaneously bestowing diffuse and informal social responsibilities onto project operators (Szablowski, 2007). CSR’s role in this emerging normative and political ecosystem is thus paradoxical in nature. On the one hand, it can be conceived as imposing supplementary constraints on EI as part of a hybrid legal-market form of regulation (Engle, 2004; Trebeck, 2008). On the other hand, it forms an integral part of ‘negotiated’ local governance practices in which EI are called upon to manage local politics, territorial organization, environmental protection, and arbitrate indigenous and human rights (Szablowski, 2010; Hatcher and Lander, forthcoming). The emergence of SLO and CSR in EI is thus concomitant with the reframing of inherently political issues into technical ones, and with the blurring of accountability mechanisms between the public and the private sphere (Campbell, 2012; Campbell and Laforce, 2016). This MOG tends to rely on implicit disciplinary norms rather than explicit, democratically deliberated rules (Andreucci and Kallis, 2017; Sawyer and Gomez, 2008). As an integral part of the industry’s management of ‘environmental, social

and political risks’, obtaining the SLO often implies pre-empting forms of collective action aimed at enforcing rights and/or disrupting extraction (Motard, 2019; Szablowski, 2019).

Socio-environmental conflicts and transnational mobilization have also introduced previously locally confined actors to international and global arenas of governance (Hatcher and Lander, forthcoming). Transnational litigation (Lauzon, 2018) and the rise of mandatory value-chain due diligence legislation, as mentioned above, could arguably lead to a ‘hardening’ of CSR (Frydman, 2004). Investor-state arbitration mechanisms (as per the new United States-Mexico-Canada Free Trade Agreement; see GAC, 2020) are also increasingly called upon to take indigenous rights into account in controversies that used to only mobilize the global investment regime (Boirin-Fargues and Duchesne, 2021).

In the process, however, key element of state and global governance such as human rights regimes have undergone transformations that are still difficult to assess. The field of business and human rights, notably, has expanded rapidly under the impulse of EI conflicts that have transcended local and national arenas (UN, 2008b). Under the UN Principles on Business and Human Rights (UN, 2011), CSR emerges as a solution to inherently ineffective state-based law, *i.e.* the ‘governance gap’ between nationally limited legal regimes and transnational economic forces described by John Ruggie (UN, 2008a; Deva and Bilchitz, 2013). Theoretically and empirically, however, CSR remains controversial: while its voluntary nature contradicts, a priori, the imperative nature of human rights (Rodhouse and Vanclay, 2016; Wettstein, 2009), the hypothesis of a convergence or synergy between CSR and legal rights protection regimes is more and more common (Harrison, 2013; Ramasatry, 2015; see Campbell and Laforce, 2016). While some studies do suggest synergistic relationships (Stohl and Stohl, 2010), others point to interference or contradictions (Coumans, 2017). In Colombia, for example, the state-led ‘institutionalization of CSR under a human rights approach’ seems to hinder rather than facilitate human rights enforcement (Roy Grégoire and Monzón, 2017).

## CONCLUSION

Can EI foster development? This chapter made the case for an analysis of the EI-development nexus that moves beyond the resource curse thesis. While governance is indeed an intricate part of any endeavour to harness EI for development, it is crucial to

question the assumptions driving the pursuit of such governance and therefore to root the concept in a framework that sheds light on the structural relations of power and authority that shape it.

In this chapter, we argued that the modes of governance approach, as a focus of analysis, is better equipped to grasp the plurality of actors that have a significant influence on the investment environment for the sector and the norms which regulate it, and hence, to explain why some countries have fared better than others in harnessing EI for development. This was exemplified with a discussion over how neo-liberalism and the externally driven nature of EI and governance reform in the Global South have profoundly constrained the capacity of the State to make economic and socio-environmental decisions around EI.

## NOTES

<sup>1</sup> While this chapter focuses on large-scale EI, it is critical to note that artisanal and small-scale mining (ASM) is a pivotal activity across the developing world. It is particularly important in terms of employment, albeit informal, compared to industrial mining. It also accounts for 20% of global gold and diamond production, and around 25% of tin and tantalum (IGF, 2017: vi). In Asia, the Philippines has the largest estimated number of artisanal miners (325,000), followed by Indonesia with 180,000. In Latin America, Brazil has up to 860,000 (IGF, 2017: 81); in Colombia 500,000 small-scale and artisanal miners are responsible for up to 80% of the country's gold production (Güiza, 2013; CGR, 2017). In Africa, it is estimated that up to 30% of the population depends on ASM in the Central African Republic and up to 20 % in the Democratic Republic of Congo, Gabon and Zimbabwe (IGF, 2017: 3). 40 to 50% of ASM workforce in Africa are women (IGF, 2017: vi).

<sup>2</sup> Often labelled 'post-structuralists'.

<sup>3</sup> ICMM (2020) defines a country as resource-dependent if resources account for more than 20% of its export earnings or if resource rents are more than 10% of its gross domestic product.

<sup>4</sup> On the topic, see Campbell (2013).

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