FAYSAL YACHIR

Mining in Africa Today

Strategies and Prospects

Studies in African Political Economy

THE UNITED NATIONS UNIVERSITY/THIRD WORLD FORUM

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General Editor: Samir Amin

The United Nations University's Project on Transnationalization or Nation-Building in Africa (1982-1986) was undertaken by a network of African scholars under the co-ordination of Samir Amin. The purpose of the Project was to study the possibilities of and constraints on national autocentric development of African countries in the context of the world-system into which they have been integrated. Since the 1970s the world-system has been in a crisis of a severity and complexity unprecedented since the end of the Second World War; the Project examines the impact of this contemporary crisis on the political, economic and cultural situation of Africa today. Focusing on the complex relationship between transnationalization (namely, the dynamics of the world-system) and nation-building, which is seen as a precondition for national development, the Project explores a wide range of problems besetting Africa today and outlines possible alternatives to the prevailing development models which have proved to be inadequate.

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Preface

The African predicament, only yesterday unknown to all, is now front page news. The encroaching desert, persistent drought, the distress of the people of the Sahel, or, more recently, the deadly explosion of violence in the black ghettos of South Africa have become familiar images. Increasingly, the subject of the ecological catastrophes threatening the African continent and the serious danger of national and social disintegration it faces figures on the agenda of international conferences, expert discussions and government committees. But very little has been said or written about what has given rise to these dangers. Colonization is now seen as a distant memory with very little bearing on the current situation, so it is the Africans themselves who are held responsible for what is happening to them.

Paradoxically, the increased sensitivity of public opinion, especially European public opinion, to African problems has not led to any serious enquiry into the distant or immediate causes of the present situation. The ignorance of the general public is compounded by the increasing lack of interest evinced by Western intellectuals for the problems of the Third World, and of Africa in particular. On the ground, Western NGO's have never been so active in the struggle against famine and in campaigns for better public health provision, for literacy, for the improvement of living conditions, for the transfer of technology in order to combat erosion, develop irrigation and improve the yield of traditional agriculture. Aid and solidarity work by individuals and groups is flourishing as never before. Yet despite the undeniable usefulness of these activities, they soon run into an impassable obstacle, because they cannot transform the framework within which they operate. The impatience of some and the disillusionment of others then leads them to the conclusion that local conditions are to blame for everything that goes wrong. Now this is exactly the theme put forward by the conservative ideological offensive of the last few years, which seeks to leave out the role of external factors from the explanation of Africa's social, economic and political problems, and emphasizes only factors internal to the continent.

An excellent example of this ideological offensive is the recent World Bank report on Africa's economic development, in which the current crisis of the African economies is explained essentially in terms of the policies of the African states. The report recognizes the existence of external factors, but these are said to play only a secondary role compared to government policies on prices, taxation, foreign trade, exchange rates, investment and economic organization. In any case, the external factors in question refer chiefly to the economic crisis in the West and in Japan, which reduces the demand for raw materials and the inflow of foreign capital, and to the increase in oil prices which weighs so heavily on the balance of payments of the non-oil exporting African states. The organization and functioning of the world capitalist economic system, and the specific role occupied therein by Africa are totally ignored by the World Bank report. As for the policies of the African states, they are criticized mainly for their attempts, however timid, to develop domestic industry by means of a public sector intervention in production rather than just in finance, supply and distribution. It is thus hardly surprising that the Bank's answer to the crisis in Africa is to develop agriculture, but with a view to export, to abandon protection of domestic industry, to dismantle the public sector and make greater efforts to attract foreign capital. In short, the Bank recommends policies the effect of which would be to aggravate the specialization in raw materials and foreign control over the economy which are amongst the major factors causing the African crisis!

The ideological offensive is not restricted to the economic sphere, far from it. The media, the press, literature, the cinema, political debate, everything in the West contributes to a very negative image of Africa, an image which bears a striking resemblance to the dusty old colonial cliches. Africa appears as a damned continent, marked by a congenital incapacity to assume responsibility for itself, afflicted by all sorts of calamities ranging from famine to AIDS, prey to an incredible violence, and whose leaders' corruption and mismanagement is equalled only by their contempt for the most basic civil rights. In the unflattering portrait drawn by the master of his slave, by the settler of his 'native' or by the employer of his worker, there is, alas, always a grain of truth. The dishonesty of the masters consists precisely in focusing narrowly on the negative characteristics of those they dominate, thereby blurring into the background the objective situation which explains those characteristics and for which the dominators are themselves primarily responsible.

The recent attacks on 'Third-Worldism', especially in certain intellectual circles in France, have found a wide audience precisely because some of the arguments used refer to known African realities, notably poverty, bureaucracy, waste, corruption, repression and dictatorship. The manipulation begins when these realities are cut away from the context which gave them birth, and is even worse when they are surreptitiously presented as the price to be paid for the emancipation of the continent. The implication is then that if things are getting worse and worse in Africa, it is because the whites have left!

The colonialist ideology of the 'white man's burden', revitalized in modern guise, is deployed openly in the case of South Africa. The black people of South Africa are presented as a heterogeneous collection of tribes incapable of getting on with each other, and their liberation struggle is cast as a series of violent episodes under remote control from abroad, totally irrational for the indigenous populations, who enjoy living standards and even a degree of civil liberties so much higher than those of their brothers in the neighbouring independent countries.

In fact, the impoverished peasants and unemployed workers of Africa have no need to be reminded of deficiencies they know only too well, as indicated in the possibly apocryphal story of the peasant asking the visiting official 'how soon will independence be over'. What the peasant does not know, even if he may feel it in some vague way, is that which the new conservative 'neo-liberal' ideology seeks to keep hidden, namely that 'the whites' did not really depart when political independence was won. The difficult situation with which *the continent is now grappling does undeniably result in part from natural causes such as the persistent drought of the last few years, even though the* tendency to desertification is closely linked to forms of land and woodfuel use. And it is also quite true that it has been brought about by the policies implemented by the local governments over the last twenty years. But the main criticism which one can aim at those policies is that they have not broken away from the colonial model of the economy and society. In most African countries, the newly independent states simply carried on where the colonial administration left off. The structures of production remained unchanged, as did the degree of agricultural and mining specialization, the extent of majority share foreign capital control, the continuing exploitation of the peasantry and the fact that urban minorities enjoyed privileged access to services, including health and education. The transition to independence left most of the structures of the colonial state intact, notably its administrative and coercive apparatus. The independent African state is thus no more than an avatar of the colonial state, in which the settlers and their administrators have been replaced by local bureaucrats who turn their back on their own people and seek honours, protection and stipends from the colonizers of yesterday.

The fundamental cause of the problems facing the African peoples today is the maintenance, in many parts of the continent, of the most 'classical' and blatant forms of dependency on the world economic system. The main merit of this book is that it shows that imperialism is more than ever the primary reality in Africa's economic and political life, and that the real emancipation of the continent is still at the top of the agenda. Far from having disappeared with the formal independence of the 60's, imperialism continues to weigh heavily upon the social and economic evolution of many African countries. It is constantly seeking new methods, rationalizing its procedures and adapting to the general evolution so as to maximize the control it exercises over the wealth of the continent and the profits it gains from their exploitation.

Another merit of this work is to show that Western imperialism in Africa is still largely motivated by the control and exploitation of the countries' mineral resources. Africa's role in meeting the developed world's demand for basic metals is clearly delineated, as is the continent's increasing specialization in the supply of minerals to Europe and Japan. Here again we have a fact that is too often glossed over, even if the growing resistance to apartheid has focused more attention on South Africa's mineral resources and their strategic importance for the West. What is true of South Africa is also true of the continent as a whole, especially concerning Africa's major role in the supply to the West of relatively rare metals such as chrome, cobalt and manganese, not to mention uranium! Most Western military interventions in Africa in the present era have been determined by the desire to retain or obtain control of mineral or energy resources, as in Katanga, in Nigeria during the war with Biafra, in Gabon, in Shaba, or in Angola. And who would deny that the major Western states' current policy of support for South Africa's occupation of Namibia and destabilization of Angola and Mozambique is based largely on the will to keep these mineral-rich countries firmly in the Western camp?

Because its position within the world economic system is structurally very weak, Africa suffers more than the other regions of the Third World from the new aggression displayed by imperialism during the current phase, just as it suffers more from the world economic crisis. This work is especially instructive on the subject. It shows that in the recent history of the mineral-rich countries of the continent, there have been far more failures than successes, especially concerning the control of deposits, the revenue derived from their exploitation or the issue of local processing.

Unlike what has occurred in the mining countries of South America or Asia, or in the OPEC countries, in Africa the nationalization of mineral deposits is purely formal and local processing is minimally developed. Mining revenues are low and no African country has succeeded or even seriously attempted to increase them by an appropriate policy. Above all, there is no co-ordination between the producing countries, which reduces to zero any chance of forestalling the control exercised by the Japanese and Western states and capital. The latter, on the contrary, take great care to co-ordinate their interventions, sector by sector and country by country. All this explains why Africa's role in meeting the capitalist world's demand for minerals and metals is increasing, sometimes at the expense of other Third World nations. The African continent is the preferred terrain for imperialism's counter-offensive against Third World emancipation.

It is clear that this imperialism relies in most cases on the collaboration of the local ruling strata, which is why profound political and social changes within the mining countries themselves are required before the African people can gain control of their mineral resources. The elimination from the social scene of social classes linked to foreign exploitation, and the rise to power of broadly based popular alliances are indispensable to the formulation and especially to the implementation of a programme of economic liberation. But once these conditions have been met, the room for manoeuvre available to an isolated country, even a major producer, in its effort to impose a real nationalization or an increase in its mining revenues, will remain very restricted, especially in the context of the world crisis.

Possibilities for co-operation do exist, however, with other Third World countries, in Africa and elsewhere, or with the socialist states of Europe and Asia, and these broaden this margin for manoeuvre. But it is the liberation of South Africa and Namibia, with all the consequences it will have on the regional, continental and world level, which is the fundamental precondition for the African peoples to regain control of their resources.

Samir Amin

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Introduction

According to modern anthropology, Africa is the birthplace of mankind, but it is also the birthplace of mining activity. The oldest mine ever discovered is located in Africa, on a Swaziland iron site and was operated as long ago as 45,000 years! Nine thousand years before the Christian era copper metallurgy was developed in Mesopotamia, and around 1500 BC iron was produced in Asia Minor. The use of gold as a currency or in traditional handicraft was known elsewhere long before it extended to Africa. Yet, like copper or gold, iron was used by Africans from time immemorial. For example, both red haematite or black iron oxide were used as cosmetics or in funeral ceremonies. In many places gold was traditionally used in making masks and other ornaments, especially at the time of the great empires of Mali, Ghana or Songhai; and Ancient Egypt, of course, represents the golden age of copper civilization.

When Europeans began to venture into Africa they frequently found a fairly developed iron metallurgy; and Livingstone, for example, was surprised to find that the Mozambican blacksmiths considered British iron to be of a poor quality compared to local iron.

Though Africa has a long tradition of mining and metallurgy, its modern mineral story began only with the diamond rush in Southern Africa, at the turn of the twentieth century.

European colonization of South America was, from the beginning, linked to the exploitation of precious metals – gold and silver – but in Africa, mercantilist capitalism was for centuries based rather on plundering human resources through the slave trade, and wealth underground was neglected. Large scale mining in Africa coincided with the early 'Leninist' stage of imperialism, based on banking and industrial monopolies, on capital exports and on the violent conquest of the world by the big European powers.

The first diamond rush began around 1870 in Southern Africa, which was already a settler's colony. It rapidly attracted a host of prospectors, smugglers and speculators as had the Californian gold rush two decades earlier; but these independent adventurers were supported and manipulated by British imperialism. At this time the main mining companies which were to dominate the local scene for 100 years were established: Rio Tinto-Zinc, De Beers, Consolidated Gold Fields for example, with people like Barnato or the more famous Cecil Rhodes. These 'Randlords' soon made huge profits, often in excess of invested capital and thanks to their close ties with Britain and European financial centres, gained power and prestige.

By the end of the nineteenth century, Cecil Rhodes, who owned the De Beers diamond company and Consolidated Gold Fields had founded the British South Africa Company (BSA) which was to play a leading role in the colonization of central Africa. Patterned on the seventeenth-century chartered companies, BSA invested the profits it derived from its mining activities to build a colonial infrastructure north of the Transvaal, and induced British immigrants to settle on the newly occupied lands in order to increase the value of its investments. Until the mid-1920s, when the British administration took over, BSA ruled the territories of Zimbabwe and Zambia (then Southern and Northern Rhodesia). Truncated agreements with the local chiefs granted mining concessions to the British South Africa Company in all the territories it ruled; these concessions were readily confirmed by the British government. Later, BSA granted an exclusive prospecting licence to two mining enterprises owned by British, American and South African interests. Only in 1964, when Zambia became independent, were the concession rights transferred to the Zambian government against a 'compensation' of £2 million.

This pattern of granting concessions whereby colonization was organized by private mining companies with the support, and on behalf of the imperial state, was not limited to British Central and Southern Africa, but applied also to the Belgian Congo. There, the Katanga Mining Company ruled the territory in exchange for an exclusive mining concession granted by the Belgian state which derived its 'rights' in the Congo from the Berlin Conference of 1885.

From the turn of the twentieth century up to the 1930s, mining activity in Africa – with the exception of Ghana (gold) and Sierra Leone (diamonds) – was concentrated mainly in the south. But colonial expansion in Africa was not limited to the search for minerals and, after the slave trade ended, spread to include land occupation, food production and, more generally, the acquisition of large zones of influence by the European powers. Early in the twentieth century the whole of Africa, with the exception of Ethiopia, was under colonial domination. But it was investment in mining, attracting huge amounts of capital and mobilizing masses of labourers, that had the greatest impact on indigenous societies – even in Zambia, where there was no white settlement.

Mining activity before the 1930s was based mainly on diamonds and golds, that is, on metals with little productive use in the metropolitan economies of Europe. Though closely tied to financial capital, mining investment was therefore unrelated to the general conditions of production in the Western countries. If it can be said to represent the Leninist stage of imperialism, mineral exploitation played precisely the same role in Africa as had the exploitation of precious metals in South America during sixteenth and seventeenth century mercantilism. Mining production, supplying gold for the needs of the international monetary system, provided the basis of very rapid financial accumulation. With no direct link with industry, mining activity had a quasi-speculative character, especially as the extraction of precious metals required very simple techniques and equipment and very short periods of capital immobilization.

During the 1930s, some changes began to take place, with the exploitation of industrial minerals, especially copper; the development of mining investment outside Southern Africa; and the coming of new investors. But because of the reverberations of the late 1920s economic crisis and increasing tensions in Europe these changes were to become effective only after the Second World War, in the 1950s and 1960s. During that time copper extraction in Zambia and Zaire reached very high levels, and production of other minerals – such as iron ore in Liberia, bauxite in Guinea and uranium in Namibia and Niger – also increased. A growing number of countries were forced to base their economies specifically on mining in order to meet the needs of the European metropoles. With a pattern of economic growth based on the mass production of capital goods, consumer durables and growing militarization, the advanced capitalist countries demanded ever-increasing quantities of metals and of energy, and between 1950 and 1975, world demand for metals was considerable. For example, it has been estimated, that during that period the metal consumption of the United States alone was higher than the whole world consumption from prehistoric times up to 1940!

Demand increased very heavily not only for such basic metals as copper, iron and bauxite-aluminium, but also for rare metals such as platinum, chromium and titanium, which were needed mainly by industries involved in aeronautics, space exploration, nuclear power and electronics. Despite the emergence of newly industrialized countries in the East and the South, world demand for minerals is heavily concentrated in the West and in Japan. The intense industrialization in these areas could not have been achieved had it been based solely on their own domestic mineral resources. But mineral exploitation in the Third World was stimulated not only by their abundance and high quality; a more important factor for Western and Japanese capitalists is the profitability based on cheap local labour and the expropriation of local property rights without compensation – conditions not available in developed countries.

Initially based on the extraction of gold and diamonds, mining in Africa today is centred on four basic minerals; copper, iron, bauxite and uranium, although the extraction of rare and precious metals is still of considerable importance in South Africa. These four basic minerals are essential for modern industries in whatever social and economic system they operate. Copper, which is the oldest, is widely used in the electrical and electronic industries; after silver, it is the best conductor metal per unit of volume. It is also needed in the production of capital and consumer goods, the construction sector and in vehicle manufacturing. The modern uses of iron are closer to its traditional ones, such as tool-making and construction works. Aluminium is the symbol of modern metallurgy and it characteristics make it a good substitute for both iron and copper. Low density, high conductivity and great strength compared to weight favour its use in various sectors such as transport, communications, construction, engineering and food industries. Uranium has a specific status as it is exclusively a source of energy, apart, of course, from its military use. Nuclear energy, which was quite marginal a few years ago, today produces between 10% and 60% of electricity in the Western countries.

Copper, iron and aluminium are, as it were, the metal basis of the growth pattern experienced in developed countries since the 1950s. And, in spite of the contemporary economic crisis which drastically reduced the growth of metal consumption, these metals still play an essential role in the economic systems of developed countries. Rapid industrial growth in the Third World and in Socialist countries over the last 20-30 years provides a new and important source of increased metal consumption. Meanwhile, the demand for uranium, at least in the West, increased considerably with the policies of diversification of energy sources induced by the oil price rise. The use of uranium for electricity production is rapidly expanding throughout the world.

It is now commonplace to praise the achievements of modern technology, but without the warnings of the Club of Rome and the increasing concern of other institutions and individuals about the progressive depletion of the earth's natural resources the fact that this technology is built on a mineral basis would have almost been forgotten. Large quantities of uranium, aluminium and rare metals are needed for alloys; but 'prehistoric' minerals, such as iron and copper, are equally indispensable for the conquest of space as for the knowledge of elementary particles. In the advanced countries, these metals provide the framework of an increasingly sophisticated system of production and consumption; while in Third World countries which export them, they represent a great historical opportunity.