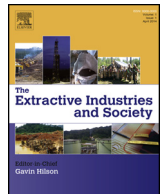




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Original Article

The ‘new extractivism’ in Ghana: A critical review of its development prospects

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ABSTRACT

Since the 1980s all Ghanaian governments have promoted large-scale mining by transnational mining companies (TNMCs) as a fundamental development strategy. This is consistent with the euphoria in the international development community about the development potential of extractive industries. Paradoxically, this ‘new extractivism’ has spawned horrific injustices against peasants and artisanal and small-scale miners, a segment of the citizenry whose wellbeing development is supposed to promote. These injustices, particularly land-dispossessions, are similar to the violence of primitive accumulation that created the agrarian transformations in some core Western countries, leading to capitalism and capitalist development. This paper critically examines the capitalist development potential of mining-extractivism in Ghana. Based on the theory of ‘uneven and combined development’, the specificity of foreign capital accumulation in Africa within a globalised capitalist economy, and the way in which these have shaped the integration of African economies into the global economy, the paper concludes that the prospects for capitalist development in Ghana from extractivism agrarian change are dismal.

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1. Introduction

We live in the age of ‘new extractivism’ (Gudynas, 2010), an era in which the exploitation and export of the ‘hard’ and ‘energy’ commodities, in their raw state (Morris et al., 2011a, p. 10),¹ are viewed as promising development strategies. Under the neoliberal world order, especially towards the end of the twentieth and the beginning of the twenty-first century, extractive industries are championed by leading international development actors such as the World Bank, IMF, and Western donor countries, as well as governments of developing countries and international NGOs, as having great potentials for development. We are witnessing a wave of extractivism euphoria in which ‘[i]ncreased investment in the mining sector in Africa is often presented as a key strategy to leverage growth and development on the continent. It has been described as a “motor for growth”, which will contribute to poverty reduction’ (Campbell, 2013; see also Campbell, 2006, p. 3). Paradoxically, new extractivism spawns horrific injustices and violence against peasants and artisanal and small-scale miners, a

segment of the citizenry whose wellbeing development is supposed to promote. This situation is theorised by leftist scholars as ‘primitive accumulation’ or ‘accumulation by dispossession’ (see Bush, 2009; Bond, 2006; Ayelazuno, 2011).

Classical primitive accumulation is the process that sparked agrarian transformation in some core capitalist countries, including England and USA, a transformation that led to the emergence of capitalism and capitalist development in these places (Byres, 1996; Wood, 2002; De Angelis, 2004; Bernstein, 2010). This raises three fundamental questions:

- (1) What is the nature of agrarian change engendered by ‘continuous primitive accumulation’ in the extractive sectors, in this case, those of Ghana?
- (2) Situated in the globalised capitalist economy and the history of Africa’s relationship with it, what are the prospects of capitalist development from *extractivism agrarian change* in Ghana?
- (3) Based on the assessment of these prospects, what are the strategies for dealing with the contradiction between surface mining and agriculture-led development in Ghana?

This paper seeks to address these questions, particularly the second one.

The new extractivism in Ghana has attracted the attention of many scholars across the intellectual spectrum who have studied it from different theoretical and political perspectives, with diverse

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¹ Hard commodities include, but not limited, to minerals such as gold and diamonds, and energy commodities include oil, gas and coal (Morris et al., 2011a, p. 10).

empirical foci on various aspects of the industry (Akabzaa, 2000; Aryeetey et al., 2004; Hilson, 2004; Hilson et al., 2007; Bush, 2009; Ayelazuno, 2011). These studies have contributed significantly to our understanding of the mining industry in Ghana, particularly, the opportunities for and challenges related to its contribution to the development of the country, and the domestic and the global political economic dynamics shaping these opportunities and challenges. However, the prospects for the emergence of capitalism and capitalist development from mining extractivism have been underexplored. Even the Marxist strand of this oeuvre – which has deployed the theory of primitive accumulation to make sense of the violence of dispossession by TNMCs – has not done any systematic and in-depth analyses of extractivism agrarian change and its prospects for capitalist development in Ghana.

Yet, this is an important area of intellectual enquiry because, as mentioned, classical agrarian change was fundamental to the emergence of capitalism and capitalist development in some core capitalist countries, transforming the social relations of production from agrarian to capitalist ones. The countries that replicated capitalist development later, such as the East Asian newly industrialised countries (NICs) witnessed some form of agrarian transition to industrialised economies (Bernstein, 2010, p. 30–32). Additionally, changes in the dynamics of the global political economy in the latter part of the twentieth century have made the capitalist vision of development hegemonic, with most governments in the global South – including those claiming leftist ideology – implementing neoliberal reforms in line with capitalist doctrines of free enterprise and individualism. The end of the Cold War, and with it, the demise of socialism as an alternative development vision to capitalism, has led to the embrace of the capitalist vision of development, consciously and unconsciously, by African leaders across the political spectrum – for example, by Presidents Rawlings, Mills, and Mahama who claim to be social democrats, and Kufuor who claims to be a liberal (not in the American sense). There is also the emerging ‘land grab’ in Sub-Saharan Africa by transnational agricultural corporations (Bush et al., 2011; Borras Jr. and Franco, 2012) – a development, if linked to the ‘land grab’ by TNMCs, bears striking similarity to the era preceding capitalist development in England (and subsequently, the other core capitalist countries), when ‘enclosures’ marked the birth of capitalism and capitalist development (Wood, 2002).

These ongoing developments in the global economy and the international development “industry” make it a legitimate intellectual enterprise to interrogate the prospects of capitalist development in non-capitalist countries such as Ghana. In the specific case of extractive industries, it is important for scholars studying this in sub-Saharan Africa (henceforth, Africa), especially those deploying the analytical tools of primitive accumulation, to explore the prospects for capitalist development from the sort of agrarian change it has engendered and is engendering. The theoretical grounding for this exercise is solid. Agrarian political economists have, starting from the works of Marx, Lenin, and Kautsky, provided the analytical tools for interrogating this issue. Relatively recent works such as Byres (1996) and Bernstein (2004a, 2004b, 2010) have updated these tools and centred the resolution of the agrarian question on development debates on how developing countries may become developed. An enquiry like this allows us to critically assess the new euphoria over extractive industries from a longer run and radical social transformation perspectives of development.

The purpose of this paper is to try to push the debate on the development potentials of extractive industries in Africa beyond the conventional concerns over the capturing and managing of revenues and sustainable extractivism to a radical transformation of the continent from predominantly agrarian societies to capitalist ones; in Polanyian terms, the ‘great transformation’ (Polanyi,

2001). The paper adopts a historical-comparative approach to capitalist development by drawing on the development experience of the core capitalist countries to probe the development challenges and opportunities of the Ghanaian extractive industry. By clarifying the theoretical lessons from agrarian transformation and highlighting the specificity of capitalist accumulation in Africa in a globalised capitalist economy (albeit, highly uneven and discriminatory in creating capitalist development), the paper argues that the prospects of extractivism agrarian change is dismal in Ghana. Because of the ‘uneven and combined’ dynamics of capitalist development (Smith, 1990; Harvey, 2003; Ashman, 2009), the primitive accumulation of extractivism and the agrarian change that it engenders, are not just qualitatively different from their classical predecessors, but (and intertwined with this) are core elements of the continuous exploitation of Africa’s natural resources for continuous capitalist development in the core capitalist countries, and more recently, China.

As a continuation of ‘uneven and combined’ development, continuous primitive accumulation is undertaken at the scale and scope necessary to exploit particular natural resources such as oil, gold, cobalt, diamond and tantalum in Africa. Continuous primitive accumulation and the specific agrarian change it promotes are part of the dynamics of ‘new imperialism’ or ‘accumulation by dispossession’ (Harvey, 2003; Bond, 2006), felicitously conceptualised by Veltmeyer (2013) as ‘extractivist imperialism’. It is true that ‘dependent development’ is possible under globalization (Cardoso, 2009), even under imperialism (Warren, 1973, 1980). But for most of Africa, this looks increasingly unlikely; a fact borne out in two ways: by the continuous dependence of most countries in the continent on the export of commodities and the low levels of manufacture-industrialisation in most of them (Lawrence, 2005; UNCTAD, 2012).

To situate the argument in historical and global political economic context, the next section of the paper discusses in capsule development thinking and practice between 1950 and 1980 to the present, highlighting the emergence of ‘new extractivism’ under the neoliberal world order (Williams, 2012, p. 111). The concrete manifestation of ‘new extractivism’ in Ghana under the neoliberal world order is examined in Section 3, whilst Section 4 underlines the violence/injustices of ‘continuous primitive accumulation’ under the Ghanaian ‘new extractivism’. The theoretical and historical grounds for musing about the prospects of capitalist development in Ghana from agrarian transformation are laid out in Section 5. This is followed by the penultimate section, an analysis of whether the violence/injustices of ‘continuous primitive accumulation’ in the mining communities of Ghana have any potential for creating the agrarian change necessary and is sufficient for the emergence of capitalism and capitalist development, particularly capitalist industrialisation in the country. In the conclusion, the paper underlines the upshot of the analysis and restates its thesis, and then outlines the policy implications of its findings.

2. The neoliberal world order and ‘new extractivism’

The exploitation and export of natural resources in their raw form were not considered promising development strategies until recently, between the late twentieth and early twenty-first centuries. The reigning paradigm of development in the 1950s, 60s, and 70s was state-led industrialisation and modernisation, with traditional development economists such as Rosenstein-Rodan, Nurkse, Lewis, Hirschman, Prebisch, Singer, and Rostow providing intellectual guidance and support (Williams, 2012, p. 32). With varying degrees of emphasises, most of these scholars did not see the exploitation and export of natural resources as an effective development strategy for developing countries. Focusing

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