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Extracting sovereignty: Capital, territory, and gold mining in Tanzania

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A B S T R A C T

In contemporary discussions of "resource nationalism," sovereignty is often imagined as the exclusive control of national states over internal resources in opposition to external foreign capital. In this paper, we seek to draw attention to the specifically national territorial forms of sovereignty that – rather than hindering the flow of capital – become constitutive to the accumulation of resource wealth by states and capital alike. Drawing from political geographical theorizations of sovereignty, we argue that resource sovereignty cannot be territorially circumscribed within national space and institutionally circumscribed within the state apparatus. Rather, sovereignty must be understood in relational terms to take into account the global geography of non-state actors that shape access to and control over natural resources. Specifically, we engage national-scale state sovereignty over subterranean mineral resources in the form of legal property regimes and examine the mutually constitutive set of interdependencies between mining capital and landlord states in the accumulation of resource wealth. Using Tanzania as a case study, we argue that national-scale ownership of subterranean mineral resources has been critical to attracting global flows of mining capital from colonial to contemporary times. We first examine the history of the colonial state in Tanganyika to illustrate how land and mineral rights were adjudicated through the power of the colonial state with the hopes of attracting foreign capital investment in the mining sector. We then examine contemporary efforts on the part of the independent United Republic of Tanzania to again enact legislation meant to attract foreign mining companies – and the consequences for local populations living near sites of extraction.

Introduction

Reminiscent of the 1970s, we live in a moment marked by what commentators describe as resurgent resource nationalism (Johnson, 2007). As Hugo Chavez abrogates contracts with international companies, Venezuelan oil resources provide the basis for "21st Century Socialism" (Hays, 2007). In the name of "patrimony for all South Africans" (African Research Bulletin, 2007: 17346), the African National Congress is studying nationalization of mines. As is common in other historical periods of rising prices for minerals and commodities (see, e.g., Chua, 2003; Vernon, 1971), many nationally-owned mining companies, sovereign-wealth funds, and other state instruments have asserted their sovereignty over internal resources.

Informing much of this geographical discourse is a specifically *national* territorial notion of sovereignty. In short, national governments claim sovereignty over their territories and the resources therein. Moreover, national sovereignty over territorial resources is often couched *in opposition to* foreign capital. With outright nationalization of resources, foreign investors are evicted; in other cases, royalties and taxes are renegotiated, environmental impacts are reviewed and labor rights abuses investigated. In this paper, we seek to complicate the oppositional imaginary between the resource rich national ("host") state and foreign capital. In so doing, we follow other political geographers (Agnew, 1994, 2005, 2009; Sidaway, 2003; Taylor, 1994) who challenge the fixed and static relation between sovereignty and territory that informs most theories of state power – especially with regard to natural resources (e.g., Schrijver, 1997). Rather than assuming resource sovereignty is necessarily territorially circumscribed and inwardly focused against "outside" intervention, we seek to understand the ways in which global capital is constitutive of the process of constructing a specifically *national* mode of territorial sovereignty. We argue that national-scale sovereignty over resources emerged historically out of the global domination of capital and colonial-era attempts to construct intelligible swathes of territory (and resources) adjudicated through a sovereign, centralized state. Specifically we engage national-scale state sovereignty over subterranean mineral resources in the form of legal property regimes. From the colonial to the neoliberal moments,

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we argue that this particular form of sovereignty has been critical to attracting global flows of foreign mining capital. While it is certainly true that many states emerge as hostile to capital in the name of sovereignty (e.g., Vernon, 1971), we simply want to call attention to the forms of sovereignty necessary for capital investment in the first place.

Our primary aim is conceptual – to complicate commonsense conceptions of national-scale resource sovereignty in opposition to capital (i.e., "resource nationalism"), and offer a more nuanced, relational theorization of sovereignty. By examining the empirical historical parallels between colonial and neoliberal forms of national-scale sovereignty over subterranean resources in Tanzania, we seek to call attention to the longstanding geographical forms of sovereignty and property ownership that become necessary for the capitalist accumulation of resource wealth. We find the Tanzanian gold industry to be an interesting case study precisely because of the rapid development of gold extraction and legal reforms during the colonial and neoliberal periods. For our discussion of the colonial period, we draw mainly from secondary historical scholarship on property law and gold mining in Tanzania. For our discussion of the contemporary period, we draw from newspaper reports, public documents, and interviews conducted by the authors in Tanzania between 2005 and 2009.[1]

This paper is divided into four sections. In the first, we review traditional conceptions of national territorial sovereignty and "self-determination" over resources as epitomized by discourses around the 1962 "UN Declaration of Permanent Sovereignty over Natural Resources". In the second section, we review literature in political geography and environmental governance to construct a more relational, political economic theorization of sovereignty that complicates imaginaries of a self-determinist national territorial sovereignty. In the third section, we discuss the particularities of landowners, property regimes, and legal sovereignty over "subterranean" mineral resources and argue that sovereignty is just as much a presupposition of capital investment as it is a barrier. In the fourth section, we offer a comparative historical case study of Tanganyika in the colonial period and Tanzania contemporary period, to show how national-scale forms of legal ownership of subterranean gold were undertaken with the explicit goal of attracting capital investment; a goal that is constantly interrupted and contested in the local spaces of extraction.

Resource sovereignty and the imaginary of self-determination

> In environmental affairs, the notion of sovereignty translates into both the entitlement and the heterogeneous ability of states to pursue environmental and developmental policies within their own territories as they see fit (Wapner, 1998: 276).

Taking as a starting point that sovereignty is constructed and contingent (Biersteker & Weber, 1996), sovereignty over natural resources is often imagined as a state government or a community, such as indigenous peoples (Bruyneel, 2007), wresting exclusive control and self-determination over resources within a particular territory and using those resources "as they see fit." This conception of sovereignty imagines an *inward* territorial focus and a particular sovereign actor with the capacity to control resources *in isolation from external relations*. For example, whether we are talking about globalization (e.g., Sassen, 1996) or global warming and transboundary pollution (Litfin, 1998), global "external" forces are always couched as a threat to the purity of internal (often national) territorial sovereignty. In postcolonial debates over national sovereignty, capital and forms of capital investment are often constructed as the personification of those "external relations" that threaten sovereignty itself.

Perhaps the most famous attempt to codify in international law a principle of sovereignty was the 1962 "UN Declaration of Permanent Sovereignty over Natural Resources" (Schachter, 1977; Schrijver, 1997). One of the greatest examples of how sovereignty is "socially constructed" (Biersteker & Weber, 1996), this "declaration" is itself a product of nearly two decades of meetings, conferences and debates within the UN general assembly over the meaning of such ideas as sovereignty, states, peoples, resources, and natural wealth. A review of this history recounted in Schrijver (1997) reveals that the crux of the international political struggle over the meaning of sovereignty focused upon the relation between capital investment and the powers of newly independent states.

Central to these negotiations was an historical context of anti-colonialism. In 1952, on the heels of Mossadegh's nationalization of the British oil holdings in Iran, the General Assembly debated the rights of nations to a form of not only political, but also *economic* independence. Uruguay's comment while introducing a draft resolution illustrates the "ideal" of economic self-determination.

> The ideal for an under-developed country was to attain economic independence, to dispose freely of its own resources, and to obtain foreign exchange by selling its products to buyers of its own choice (quoted in Schrijver, 1997: 43).

In the climate of the cold war struggle to make the globe safe for capital, the United States responded to Uruguay's resolution coolly – "The resolution may be interpreted by private investors all over the world as a warning to think twice before placing their capital in under-developed countries" (quoted in Schrijver, 1997: 48). As these comments illustrate, the question of "foreign capital" is presaged in discussions of resource sovereignty.

Over the next decade, it became clearer that the debate over sovereignty itself was the debate over the tension between a kind of economic "self-determination" and the rights and capacities of multinational capital. A year before the official declaration of 1962, the Soviet Union voiced exasperation with all the discussion of the "protection" of foreign investors from nationalization and expropriation:

> The commission's function was not to accommodate the foreign and domestic economic policies of the under-developed countries to the interests of foreign investors or to help foreign companies to gain control over still more of those countries' natural resources. Its function was to promote the development of the under-developed countries' economies and to strengthen their sovereignty over their natural resources (Schrijver, 1997: 62).

Clearly, this conception of sovereignty is framed in absolute antagonism to foreign capital. In the end, despite the ideals of self-determination, the final declaration clearly makes a nod to the rights of private foreign investors – "Foreign investment agreements freely entered into by or between sovereign States shall be observed in good faith" (United Nations, 1962).

Of course, the postcolonial period characterized by this now codified "permanent sovereignty over natural resources" is a mixed blessing at best. Hardt and Negri (2000: 132) discuss the transition away from colonial sovereignty as "the poisoned gift of national liberation" creating its own uneven forms of power, domination and injustice. After a period of more inward looking "national" development based around sovereignty and self-determination, the majority of independent postcolonial states commenced a widespread liberalization of their economies that, rather than seeking to keep foreign capital outside, actively constructed a set of legal, fiscal and political *incentives* to attract foreign direct investment toward the development of internal resources. At the supranational scale, the World Bank promoted entities like the Multilateral Investment Guarantee Agency, which provided "risk insurance" for investors.