



## Original article

## The Extractive Industries Transparency Initiative (EITI): The latest attempt at governing the extractive industries in Chad

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## ABSTRACT

For over a decade, Chad has embraced the Extractive Industries Transparency Initiative (EITI), one of the most widely-adopted interventions aimed at improving knowledge of revenue distribution in the mining and oil and gas sectors worldwide. In Chad, the EITI provides a foundation for dialogue between various stakeholders and has thus become an important entry point for examining the social and economic impacts of oil in the country. This paper provides an extended analysis of the EITI experience in the country, focusing specifically on how it has influenced the governance of oil revenue, the role played by civil society organisations in this area, and the responses of the government to the intervention.

## 1. Introduction

Chad has featured regularly in reports on the latest crises in central and northwestern Africa. The location of significant internal violent conflict, drawn out over the breakdown of Libya and the separation of the two Sudans, Chad has become a strategic partner for Western leaders and coalitions in the fight against terrorism in the countries which it borders. One reason for this may be Chad's financial liquidity, brought about by a decade of oil revenues that allow the government to invest heavily in political infrastructure and military support for the benefit of its struggling neighbour states.

These oil revenues, however, have failed to improve the lives of the country's citizenry, catalyse improved access to infrastructure and create economic opportunities, manifestations of a resource curse have been widely discussed (Behrends, 2008; Frank and Guesnet 2010; Hoinathy, 2013a,b; Scott 2009). Little is known about the internal political effects of Chadian oil exploitation, particularly in relation to the emergence and political empowerment of civil society groups (CSGs), which mobilised *en masse* in an effort to prevent a resource curse-type scenario from surfacing. This mobilisation legitimised the role of civil society in the management of an oil governance model introduced by the World Bank. More importantly, this mobilisation has also helped to establish civil society as a key cog of the Extractive Industries Transparency Initiative (EITI) in Chad. This paper explains

how, drawing upon findings from research conducted among Chadian civil society organisational networks and their international political partners.

The EITI is a policy framework which emerged in response to the resource curse, a phenomenon first popularised by Auty (1993). Since the author's coining of the concept, it has been widely-debated by scientists, politicians and media worldwide. Several subsequent studies (e.g. Mross 2012; Karl, 1997; Behrends et al., 2011) have highlighted the paradoxical connection between resource abundance on the one hand, and the deterioration of populations, mapping economic stagnation, the breakdown of social systems and the outbreak of conflicts related to power and resource access in affected states on the other hand. Statisticians and economists have been criticised for making sweeping generalisations about the resource curse based on quantitative data such as GDP. In response, research has increasingly incorporated other criteria, including the quality of institutions in host countries and political 'infrastructure'. In petro-states, researchers have focused on stakeholder entanglements, governance and processes of social change, as well as analysed socio-political ruptures (e.g. Appel et al., 2015).<sup>1</sup> Increasingly, Chad and neighbouring states, the 'new-comers' to oil production in sub-Saharan Africa, have featured in the literature on the resource curse. These studies cover subjects such as social changes (Behrends and Hoinathy, 2017; Hoinathy, 2013a,b), relations and ambiguities between Chinese and African oil economies

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(Magrin, 2013; Schmitt, 2016a,b), the looting and securing of oil and oil production facilities, and the politics of naming, blaming and claiming in oil conflict settings.<sup>2</sup> The main theme underpinning all of this work, however, is governance.

The term ‘governance’ is, of course, not of unanimity in the social sciences; it covers various meanings. Out of this plurality, a regular reference is made to Michel Foucault’s concept of governmentality (Foucault, 1994). It represents a set of techniques and knowledge deployed by the state to organise society and individuals to render them governable or manageable. The result is then the disposition of people and things rendered ‘right’ through technical organisation, knowledge and security apparatus deployment. Our perspective in this article diverts from this approach, drawing attention to social dynamics and centring more on actor networks, logic and interaction than on rules and formal rhetoric.

Major players in international development, such as the World Bank, have their own conceptualisations of governance. For the World Bank, governance is ‘the way power is exercised in a country to manage its national economic and social resources for development’ (World Bank, 1992). This carries normative assumptions that underpins the World Bank’s actions towards the advent of ‘governance’ deemed ‘good’ or ‘better’ than what the Bank’s analysts perceive as running in developing countries. This observation concurs with Hufty (2007), who argued that ‘At the World Bank, governance has become more of a political tool to transform societies than an analytical approach. Its usage refers to what “should be” and not what “is”’ (p. 1). Such an interpretation, however, becomes problematic when it comes to anthropological analysis of the issue of governance because it carries an obvious bias.

Another ‘trend’ has been is to use the concept as an analytical variable to capture the discourses and practices of ‘governance’, as deployed in the South by aid agencies.<sup>3</sup> We follow the proposition put forward by Olivier de Sardan (2009) and envisage governance in a descriptive, analytical and empirical perspective: ‘as any organized form of goods’ distribution and public or collective services delivery, following specific standards and logics’. This perspective deflects from the former approaches’ normative orientation and allows for a casting of a critical eye on the diversity of modes of governance that may exist or coexist, in recognition that ‘each organized form of this delivery or each institutional arrangement, operate according to specific norms, and implements specific logics’ (Olivier de Sardan, 2009: 6). In relation to oil, we will subsume this set of management mechanisms, institutions and rules under the label ‘oil revenues’ modes of governance’.

Worldwide notions and claims related to the idea of ‘good governance’ have been driven and accelerated by global political and social ‘trends’, enhanced by the effects of globalisation in the 20th century. In an attempt to operationalise this view, debates and discussion platforms, guidelines and norms addressing questions of equity and social responsibility have been formulated, many of which involve the participation of an ultimately target the private sector. A case in point is the UN-Global Compact, established in 1999 jointly by the United Nations and industry. By subscribing—and displaying their membership—to the UN-Global Compact, enterprises commit to upholding human rights and labour rights, as well as protecting the environment. In 2004, a 10th principle was added to the manifesto covering the fight against corruption in a bid to draw attention to how it poses a major obstacle to achieving sustainable development.<sup>4</sup> The focus of this paper is on the EITI, one major initiative that has emerged in the spirit of this 10th principle.

Before exploring at greater length how this initiative has been

implemented in Chad, it is instructive to explore briefly the issue of ‘translation’. Efforts to globalise ethical standards, through international codes, policy frameworks and practices such as the UN Global Compact, begs the question: how can principles and norms emphasising improved responsibility and equity be transferred from one nation, place or group of actors to another? The transfer of knowledge and ideas between societies has been debated heavily in the social sciences. We contribute to this debate by examining the efficacy of *travelling models*, tracing and explaining how global ideas such as *good governance*, and more precisely, the idea of *transparency* as a means to good governance, are being translated from one location to another, in this case from the international level to Chad. Translation is understood here as the continuous movement of an idea or a conception of reality from one spatial and/or temporal context to another. It is a process of disseminating cultural forms, such as neo-liberal modes of governance, religious beliefs or discourses (Behrends et al., 2014). Our research examines the work and involvement of CSGs as agents that controls—and translate the ideas underpinning the agendas of—institutions in the context of resource-related governance. In the language of ‘travelling models’, measures developed to change social practices in the field of anti-corruption campaigning in the oil sector can be viewed as ‘social technologies’ related to production and revenue distribution. These ‘technologies’ put into practice travelling models, thereby spawning new social and political dynamics at different levels.

Focusing on locally-based CSGs, we have been able to trace in how actors use the ‘Alternative Governance Initiative’ (AGI) to further their own agendas and legitimise their groups’ claims. Focusing on local dynamics around the terms of the AGI, our paper scrutinises the creativity and practice of local actors and the way they use models to create new social and political roles for themselves and others. This approach also reinforces the position of Mosse (2005) and Merry (2006), who maintain that NGO workers ‘map the middle’ as local- and national-level intermediaries and translators of global ideas or travelling models. They frame local needs and problems according to the stated aims of international agencies (Neubert, 1996). As such, they are social engineers or ‘entrepreneurs’ whose actions in the public sphere, which, in the case of the oil debate in Chad, create ‘socio-political re-composition processes’ (Le Meur, 1996: 5) that deserve close attention (see also Bierschenk et al., 2000).

We also take a step back, evaluating briefly the European-based institutional contexts which gave rise to the ideas underpinning the global transparency agenda in a bid to understand the impetus behind the EITI framework and how it has been adapted for use in other geographical locations.

## 2. The World Bank and oil production in Chad

Under the direction of the World Bank, a specific strategy for governing oil revenues was installed in Chad about a decade ago. The organisation’s actions in developing countries are premised upon the view that to alleviate poverty, ‘good governance’ and robust public institutions are needed. In Chad, one of the poorest countries in the world, oil production was expected to catalyse investment in public and basic social services, therefore facilitating development (Hoinathy, 2013a,b). Committed to its principles, namely that governance is ‘the way power is exercised in a country to manage its national economic and social resources for development’ (World Bank, 1992), the Bank insisted that there was transparency and participation throughout the development phase. Moreover, the Bank required the deployment of certain legal and institutional reforms as a guarantee to ensure ‘good governance’ of oil resources in the country. At the heart of this mechanism is Law 001/PR/99, implemented on 11 January 1999, specifically to facilitate effective oil revenue management. According to this law, 10% of revenues are to be deposited into an offshore escrow account at Citibank in London for future generations and 90% is to be paid into the Chadian

<sup>2</sup> For further reading, see publications of the DFG-funded project Oil and Social Change in Niger and Chad on <http://www.spp1448.de/projects/oil-and-social-change/> (Accessed 20 November 2015).

<sup>3</sup> See Bierschenk and de Sardan (2014).

<sup>4</sup> For further information, see [www.globalcompact.org](http://www.globalcompact.org).

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