



RESOURCE NATIONALISM IN SOUTHERN AFRICA

Overview of the Project

INTRODUCTION

In the 2000s a wave of resource nationalism swept through leading mineral-producing countries in Southern Africa. ‘Resource nationalism’ refers to the use of discretionary policies by governments to regulate and control the resource industries with the aim of achieving economic and political benefits from the extractives sector which would otherwise not have occurred. Catalysed by several factors – including higher commodity prices, local frustration with the booming mining sector’s local development spillovers, and sharpened domestic political and social contestation – strong demands emerged for the reform of regulations governing natural resources. Governments, business and civil society stakeholders, and international development agencies increasingly focused on questions of how to harness the mineral sector’s potential.

This current wave of policy debate and innovation is distinct from a previous, ‘first wave’ of African resource nationalism that rose in the early post-independence period of the 1960s and ’70s. That first wave was marked by efforts by governments to assert greater direct control over national resources by various means, including nationalisation of mining and processing companies, the establishment of state-owned mineral marketing agencies and collective efforts by governments to intervene in transnational supply chains.

However, these interlaced strategies were eroded and challenged during the period of neoliberal restructuring in Africa in the 1980s and ’90s. In mining, privatisation of state entities and the widespread liberalisation of foreign investment and trade regimes led to a rapid transformation of the sector. Foreign actors returned, and growth strategies for the extractives sector shifted increasingly towards providing an enabling environment for foreign investors – including low tax regimes and the liberalisation of trade, social and environmental regulations. In exchange for liberalising their national

extractive sectors, governments anticipated improved revenues and secondary industrial growth to emerge from expanding production. With few exceptions these benefits failed to materialise.

The current wave of resource nationalism was catalysed by the global minerals boom of the early 2000s, when the failures of the neoliberal approach to mining development became increasingly clear. But it was also driven by the demands of multiple domestic stakeholders for greater and more widely shared local benefits from mining, during a period of heightened political competition. Reflecting both these domestic circumstances and a market-friendly international environment, the new wave features a diverse range of reforms, with little emphasis on nationalisation and state-led development, and greater attention to fostering development spillovers through strengthening forward-backward industrial linkages, improving the participation of domestic miners (especially by small-scale miners), and strengthening fiscal receipts and tax monitoring capacities of governments.

THE RESOURCE NATIONALISM PROJECT

Since the early 2000s a rich diversity of mining sector reforms has emerged across Southern Africa, underpinned by demands from national actors and using similar political vocabularies emphasizing inclusion, revenue-sharing, local beneficiation, community development and women’s empowerment. Despite the growing significance of the extractive industries for mineral producers’ economies there has been little cross-pollination among national-level debates. Comparative research on experiences and lessons from policy innovations remains weak, and evidence on best practices is anecdotal and thin.

In response to regional debates and emerging knowledge gaps, the **Resource Nationalism in Southern Africa Partnership** was established in 2020 to undertake comparative research on the current wave of policy-making in three mineral-producing countries where reforms have been prominent in the 2000s:

Tanzania, Zambia and Zimbabwe. Our research investigates the origins, trajectory and impacts of recent policy making in these countries, and includes both regional comparative studies and national-level case study analysis. The project is a partnership of African and Canadian universities, civil society organisations, independent researchers, and expert collaborators. Research was significantly delayed by the COVID-19 pandemic and was completed during 2023-2024.

To foreground the role of domestic actors in the current wave of policy reforms and understand their impacts for local stakeholders, the partnership's work is organised under three research clusters: Artisanal and Small-Scale Mining (ASM), Fiscal Linkages and Productive Linkages. Each cluster features unique configurations of stakeholders, policy demands and reform outcomes. We recognize that diverse social actors have had unequal impacts in shaping policy processes, and that structural constraints have affected different policy areas in unique ways. Nevertheless, key themes and issues have emerged from the research.

RESEARCH CLUSTERS: KEY THEMES

ASM: Development from Below?

ASM is the primary source of livelihood for more than three million miners and 18 million dependents across Southern Africa. Yet it remains characterized by precarious access to mineralized sites, high dependence on outsourced basic services, and weak access to affordable finance. The sector has also been plagued by negative environmental, social, and health-related impacts of informal extraction. While governments' resource nationalist policies have frequently expressed support for ASM, regulatory frameworks have often continued to criminalise ASM activity.

Our ASM research included a comparative exploration of community development impacts and gendered differences in our three case study countries, and an investigation of 'formalisation' initiatives aimed at accommodating ASM through legal and regulatory inclusion. A study of small-scale mechanised mining tracked states' efforts to provide financial, extension and other services in support of ASM miners.

Fiscal Linkages: Mining Taxation & Development

The boosting of revenues from mining along with the closing of tax loopholes and illicit financial flows in the sector have featured prominently in policy debates. However, the modalities for effecting positive change have been diverse, vulnerable to changing market conditions, and constrained by state capacity. Our studies investigated the challenges and innovations associated with building state institutional capacity for tax reform, compliance and collection, and explored the political and structural dynamics of transformative changes to the mining fiscal regime.

Both studies underscored the importance of consistency in the coordination and investment in state capacity, and the isolation of mineral revenue streams from short-term rent-seeking and budget deficit emergencies. Conflict with large-scale foreign miners was seen unevenly, with positive revenue impacts dependent on whether broader strategic initiatives were in place.

Productive Linkages: Political Economy of Local Content

One of the most prominent mechanisms for increasing the local accrual of benefits from minerals has been to encourage the domestication of 'productive linkages' within mining sector value chains through the enactment of local content policies (LCPs). This approach, endorsed by the African Union's *African Mining Vision* of 2009, features in resource nationalist strategies across the region, including in each case study country. But questions have emerged around LCPs' effectiveness, and the means for strengthening strategies for linking mining horizontally into local industry and building local mining supply chains.

Our research has considered the dynamics and outcomes of LCPs on small- and medium-sized enterprises, particularly women-led firms, and investigated the political impediments to fostering local industrial linkages. LCPs must be fit for purpose, with clear identification and mitigation of risks associated with patronage and low value-added procurement. To be effective LCPs must be flexible, economically viable, and coordinated across government departments.

POLICY BRIEFS & WORKING PAPERS: The Resource Nationalism in Southern Africa project's findings are summarised in this *Policy Briefs* series and presented in more detailed form in the project's *Working Papers*. To access these materials please visit: <https://resourcenationalism.ca/>



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