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Can Africa's poor inherit the earth and all its mineral rights?

Critical and thoughtful analysis of the plunder of Africa's human and natural resources has lost its way either in eclectic, syncretic debates on Africa's development and predicament, or in uncritical transposition of 'development models' and theories from outside the continent[1] in recent decades. Over the years, the main focus of studies and explanations has been on international economic development and the dismal performance of some countries/regions. Journalistic interpretations, Non-Governmental Organizations (NGO) reportage and 'expert views' of 'consultancy firms'/'consultants' have been elevated to the position of 'respectability', by being transformed into the epigones of the nationalist and radical social and political stances grounded on political economy, reminiscent of the pre-1980s. Studies in the form of search for paradigms or alternative ways of organizing societies in a humane way in Africa have become less chic. Instead, the dominant ones are those dealing with projects of poverty alleviation, participatory poverty assessment, market and entrepreneurial practices for self-employment/informal sector, etc.

Development itself as a concept expressing human progress in the past 500 years has metamorphosized itself from enslavement of Africans as "Christianization of the savages/barbarians/primitives"; colonization as a "Civilizing Mission", to imperialism and neo-colonization as modernization and development respectively. The conquest and division of African territories, which led to the larger process of bringing non-Western peoples into the world economy—in most cases as exporters of agricultural products or minerals and importers of manufactured or processed goods—and the conversion of Africans to Christianity, was that "Civilizing Mission". Imperialism, then, was a respectable epitaph and an empire builder was one who sought to transform the African 'traditional' societies into 'modern' ones (i.e. western).[2] With the independence of most African countries, this modernization process metamorphosized itself into sensibilities of "development as a management of a promise" (Pieterse 2000)—of economic growth through adopting commodity-based forms of production with accumulation as the overriding logic and possibilities of the outcomes of the benefits trickling to the poor.

Against the problems of global inequality, exploitation and global pillage raised by revolutionary Africans, such as Frantz Fanon, Kwame Nkrumah, Patrice Lumumba, Leopord Senghor, Gamel Nasser, Ben Bella, Julius Nyerere, Sheikh Anta Diop, Amilcar Cabral, Agostinho Neto, Walter Rodney, and many others, and the Dependency School (Frank 1967; 1969) in general in the 1960s and 1970s; in a bid to remain relevant, 'development' processes were re-conceptualized by the late 1970s. Early reformulation in the 1970s was in terms of Alternative Development or Another Development, which focused on the lack of popular participation. Another one was Human Development which addressed the question of the need to invest in people. All these conceptions were taking up challenges that were thrown up by the radical African nationalists, Dependency School, ecological critiques and eco-feminism (Mies 1986; Shiva 1988; Sachs 1992). Within this context, a multitude of development conceptions emerged over the years: self-reliant development, endogenous development, participatory development, integrated development, autonomous development, popular development, equitable development, sustainable development, local development, micro-development, endo-development, etc.

The tucking of these adjectives to development not necessarily altered the fundamental logic of the process—i.e. accumulation and commodity (market) based forms of production. In all these instances, attempts have been directed at dealing with what are considered to be the bad effects of development (or as some have called it mal-development), by involving issues of culture, nature, gender, and social justice. Development has increasingly become a qualified process—human, social, political, engendered, etc. Sustainable development, for example was launched in the Rio Conference in June 1992, in the midst of implementation of Structural Adjustment Programmes (SAPs) in the third world countries and the triumph of neo-liberalism throughout the world. Here, the most important mythology that was created was: development did not only concern the South countries but also the North. Behind this myth, was the same economic logic: accumulation of capital and extraction of surplus value on a world-wide scale.

In fact, "where colonialism left off, development took over". (Kothari 1988: 143) In these conceptions of development, class relations and antagonisms have on the main been hidden and emphasis has been on the existence of shared 'values'—progress, universalism (globalism), conquering of nature, quantifying rationality, etc. These models and theories have been mainly based on economic assumptions. "The mathematisation of economics (or its reliance on mathematical models) has been one of the most powerful techniques used to abstract contemporary reality from the present, past and future." Depelchin (2004: 114) noted, and, "Thus from being a science which tries to explain how to resolve economic problems for society as a whole, economics has developed

[1] See critical articles on the latter in Mkandawire & Soludo 1999.

[2] Walt Witman Rostow's 'Stages of Growth' and his metaphor of 'traditional' societies of 'taking-off' to 'modern' ones—like an airplane was the best summation of this conception.

into [one of] how to resolve problems for those who most profit from the system.” Researches—macro and micro conducted and evidence collected are dictated by policy agendas. It was claimed by these ‘new’ development perspectives that those who are poor are in that condition because they are work-shy, they cannot budget, save and invest; and not because they are exploited, powerless, dominated, persecuted and marginalized.

Economists and their pundits had created the illusion that instead of “global pillage” what existed was a “global village” by 1990s. Rather than a neo-colonial stage of imperialism, the world had entered the stage of “globalization”, under which exploiters had been transformed into “investors” or better still, “the vital force of our nations”. The selling of public and national rights in the form of privatization was re-baptized: “injecting sound economic policies”—economic “flexibility” or “deregulation”. A company or institution that fired its workers was “downsizing”, “retrenching” or “slimming” (sports like, since slimness is a sign of a healthy body). And sacking workers was supposed to be a “bold move”, given the new economics, which dictated that either you “compete or you go under”. Accordingly, it was possible for every one to be self-employed (so-called informal sector), if given the skills of entrepreneurship. Thus, the unemployed were said to be in the “informal sector”. The alliance of the workers and peasants was substituted by the “partnership between the state, donors, private sector and NGOs”—smart partnership.

Contemporarily, the myth of globalization has become powerful and a conquering one. Globalization is presented as a system that offers “opportunities and challenges”. It is proclaimed, “There Is No Alternative” (TINA—á la Margaret Thatcher, who went as far as declaring that there is no such a thing as society, but only individuals and families!) since the world has reached the “end of history” (á la Francis Fukuyama). Globalization is presented in such a way that one is made to “either adapt to it or perish”, since there is no other future for the world. To take advantage of the opportunities, the world is told, important ingredients are “individualism” and entrepreneurship, which would ensure that citizens have an unhampered freedom to pursue their interests (given the illusion of the unlimited possibilities of the “informal sector” to make an entrepreneur of everybody who is “resourceful”); “human rights”, which would safeguard the individuals property rights; “good governance”, which would establish the rule of law and take care of corruption; multiparty democracy and “free and fair” elections, which would ensure that citizens exercise their right of choosing who should govern them; a vibrant “civil society” with Non-Governmental Organizations (NGOs—local and international) flourishing without major hindrances; and an “enabling environment” to attract funds from donors and investors.

As far as mining in Africa is concerned, for example, the main focus is on its role and contribution to “sustainable development” (see, for example, World Bank 1989; 2002; Kulindwa et al 2003). The picture that is painted is: mining benefits the countries that are encouraging investments in the sector in terms of economic growth, creation of employment, generation of tax revenues, increased exports and increased contribution to the GDP over time. The World Bank, for example, has argued over the years that there are vast opportunities in the world market especially in gold, diamonds, gemstones, industrial minerals and rare earths. Harnessing of these resources is only possible with the involvement of foreign private corporate interests. It is within such a policy framework that Tanzania’s mineral exports are reported to have increased substantially in recent years, to the extent that the country is holding a third position in Africa after South Africa and Ghana.

As a result of the increased investments in mining in Tanzania, it is claimed that, there has been in improved economic performance, benefits in terms of capital and technological inflows, employment creation, poverty alleviation, improvement of infrastructure and provision of social services to communities around the mining areas. Accordingly, all these have meant income generation for individuals, companies and the government; the problems of leakage in revenues notwithstanding, since these can be dealt with policy responses and improved legal and administrative structures (Kulindwa et al ibid). The claims are: it is with the repeal of Tanzania’s Mining Act, 1979 with the introduction of the Mining Act, 1998, in response to the severe economic crisis, and the implementation of the World Bank and International Monetary Fund (IMF) sponsored Structural Adjustment Programmes (SAPs), that Tanzania has become a success story. SAPs insisted on the liberalization of the economy, reliance on market forces and less state intervention in the economy and provision of social services and infrastructure as a means to overcome the crisis. In this regard, the state was supposed to maintain law and order while at the same time providing an ‘enabling environment’ for efficient functioning of entrepreneurs and market forces.

Minerals found in Tanzania so far include: precious metals (gold, silver and platinoid); base metals and other metals (zinc, lead, copper, nickel, tin, tungsten, uranium, cobalt and beach sand minerals); Ferrous metals (iron and chromium), and precious stones and gemstones (diamonds, rubies, Tanzanite, gem garnets, emeralds, tourmaline, spinel, alexandrite, agate, amazonite, apapatie,diopside, enstatite, kernerupine, kyanite, moonstone, opal, rhodonite, scapolite, spodumene, topaz, turquoise, zircon, sapphire and peridot). Also found are industrial minerals (graphite, mica, kaolin, bauxite, etc), energy minerals (coal, gas, uranium, petroleum etc) and evaporites (salt, soda ash, gypsum limestone, etc). Investors from all over the world are being cajoled to take advantage of these resources and invest, so that the country can develop.

Diggers, Adventurers and Monopolies: The Initial Phase

Historically, it is common knowledge that in the development of the various forms of exchange of commodities, gold, silver and other metals have always served as ideal measures of value because in the process of exchange they established themselves as money-commodities (exchange value) locally and internationally—the hard cash. In other words, gold, as a means of circulation has historically been determined by the sum of the prices of commodities that have been produced. Its function as coin is completely independent of its metallic value, to the extent that paper notes, that are without value can serve in its place. Gold and silver, thus, have historically been social expressions for wealth. Accumulation of wealth/capital has always been made possible through such metals as universal money alongside their aesthetic form they possess. It is in this way that there were created constantly extending markets for gold and other metals, unconnected with their functions as money. Gold and other precious metals have always also been used in the transference and accumulation of wealth from one country to another. The history of mining in Africa and Tanzania in particular forms part of that history.

When Europeans started to venture south as far as the coast of West Africa in the 1440s, they were hunting for gold, precious stones and spices. It was the lust for riches that drove the explorers to Africa, a lust fired by the legendry myth of the Christian King, Prester John, who supposedly ruled a vast empire in the interior of Africa, and lived in a palace of translucent crystal and precious stones, possessed tables of solid emeralds, and was generous enough to share his riches with his fellow Christians and help them find their way to the fabled wealth of India. It was in this way that the Afro-European slave trade began in 1441 when a Portuguese Prince, Henry the Navigator, sent Antonio Gonsalves, to the west coast of Africa near Cape Bojodor to investigate about the wealth of the continent. Gonsalves brought gold dust and ten Africans back to Lisbon for the Prince, as a display of Africa's wealth. The Prince gave the Africans to the Pope as trophies from Africa. The Pope in turn, granted Henry a title to lands discovered east of Cape Blanco.

After their arrival in Congo in 1500, the Portuguese turned the territory into a huge lucrative market for African slaves, who were to be put to work by millions in Brazil's mines and plantations. More slaves were to be shipped to the Americas to work in the huge silver deposits of North America (Rocky Mountains) and Mexico. In Marx's (1974: 703) formulation: "The discovery of gold and silver in America, the extirpation, enslavement and entombment in the mines of the aboriginal population, the beginning of the conquest and looting of the East Indies, the turning of Africa into a warren for the commercial hunting of black-skins, signalized the rosy dawn of the era of capitalist production. These idyllic proceedings are the chief momenta of primitive accumulation. On their heels treads the commercial war of the European nations, with the globe for a theatre." By 1800s, Africa had become the source of raw materials for the Industrial Revolution and precious metals.

South Africa was to dramatically quicken the expectations of the colonization of Africa after the discovery of huge deposits of diamonds in Kimberly in 1867 and gold in several places some two decades later. Money for expensive mining equipment began to flow from foreign investors eager to make profits, and settlers also began to increasingly own mines. Cecil Rhodes, through his British South Africa Company (BSAC), was one of the biggest owners of diamond and gold mines, and became one of the Prime Ministers of the Cape, declared that he would annex the planets if he could, and made attempts to pave the way and finance the colonization of the continent from Cape to Cairo. Zimbabwe, where gold had been mined for centuries, and had reached the coast of eastern Africa through Sofala and Kilwa became the next victim in the chain of countries to be colonized by Rhodes and his gangsters.

Tanzania (formerly German East Africa and Tanganyika since 1920s) was initially colonized through a German chartered trading company, Deutsch-Ostafricanische Gesselschaft (German East African Company—DOAG), founded in 1885 with a capital of 7,128,000 Marks financed by German bankers, a company which was to establish the Central African Mining Company. German colonizers were involved in the purchase of minerals from the very beginning, since mining activities in Tanzania already existed during the pre-colonial era. Some of the known activities at this time consisted in the mining and working of iron, copper and salt. Gold was also exploited on some scale by Arab traders (Parker 1992; Iliffe 1979; Koponen 1986; Kjekshus 1977). These activities became significant during the German colonial period (1884-1917), with renewed interest in gold and the discovery of other minerals, including mica, garnet, coal and uranium. Just before the First World War, there were six mining companies, which were backed by finance capital (Frankel 1938: 164).

To encourage private companies to exploit minerals, the German colonial government introduced the concession system, whereby companies were given exclusive mining rights to large areas that were auriferous. By 1910, there were also some 76 prospecting fields (of various minerals with gold dominating) on which 111 claims had been pegged (Lemelle 1986: 54). By 1914, the Sekenke Mine in Mwanza had extracted gold to the value of GBP 250,000 and a 15 rupee piece known as the Tabora Sovereign was minted by the colonial state (ibid). British rule (1918-61) was associated with a resumption and intensification of mineral prospecting. For Britain, the 1920s were characterized by a crisis of accumulation as a result of which there was intensification of exploitation of agricultural raw materials and minerals—particularly gold for the Central Reserve Bank—from the colonies (Brett 1973:285). Between 1920 and 1925 gold prices rose dramatically. These prices led to adventurers rushing to the colonies in search of gold and quick wealth. By 1920s, gold had been found in Mwanza, Musoma and Lupa districts.

There were no big companies operating in mining in the early 1920s, since these had been confiscated as "enemy property". It was basically artisanal miners who became central in these years. By 1923 there were nearly 150 European small-scale miners in Lupa, all in search of alluvial gold. This number rose to 300 by the end of 1931 and to over 1,000 miners by 1936. During the same period, the number of Exclusive Prospecting Licenses increased from 75 to over 400 (Lemelle op cit: 291; Oates 1934: 48). The total labour force at Lupa grew from 5,000 to over 20,000 over the same period. By 1936, African small-scale miners constituted a permanent force, and they had already started displacing Asians (Roberts 1986). These were operating independently on a group basis, relying on the Asian local merchant class as an outlet. Some of the relatively rich African miners were employing about 200 to 300 workers, and a substantial number of children for panning. There were 32,000 Africans employed in the mining sector by as a whole by 1938, of which 27,580 were employed in gold mining. This number did not include the host of people involved in numerous other activities—including food suppliers (so-called native food buyers) etc. By late 1936, there were 58 Africans with prospecting rights on the Lupa gold fields (54 "natives" and 4 "Somalis"—known by the name *pata mali* (get rich)). Out of the 93 alluvial gold miners in Lupa in 1951, 51 were Africans; and by the time Tanganyika achieved independence in 1961, Africans were the only significant group in mining (Khamsini 1978).

By 1925 awareness of the presence of a reef in the Lake area was widespread. Despite this awareness, large investors were not enthusiastic about Tanganyika or its supply of gold (Lemelle ibid: 79). Among the reasons for this state of affair was the fact that for most investors, the field was primarily an alluvial gold one fit mainly for small-scale miners, and also the fact that these reefs were not proven to any depth. Other reasons were that after 1925 the price of gold had been fixed at USD 4.86 and that the weakness of the colonial state apparatus made it unable then to facilitate capitalist production on a large enough scale to make it profitable. (Lemelle ibid: 79; Frankel op cit p.259) Government's attempts in the 1920s to encourage large scale concerns to invest in mining in these years did not yield much. A South African company, Serenge Concessions, took interest in Lupa in 1927, but it was hampered by the low prices of gold and lack of state sponsored incentives. It wound up its activities within a few months. A London based Indian miners' syndicate made the same attempts in 1928, but left immediately because of the same problems. The same thing happened to another South African company, the Central Mining and Investment Corporation in 1930. The latter company was not only affected by the fixed price of gold, but also the impact of the world economic recession.

Scramble in the earnest in mining by large companies began in the 1930s with the depreciation of the sterling pound in relation to gold. Sekenke, which had been taken over by the South African Central gold mines Company in 1928, became the most important gold mine in the late 1930s. Considerable investments were made in reef mining which by 1938 produced 70 percent of total production of some 82,000 ounces of gold. Domination of finance capital had become blatant during this period. Reef mining became the exclusive preserve of British and South African based monopolies. There were several large mining concerns in Tanganyika by 1938, which were directly or indirectly owned by British finance capital, and within this context, Oppenheimer represented a share and loan capital of STG 93,136,000. These companies were: East African Gold Fields, Kentan gold Areas, Tanganyika Central Gold Mines, Tanganyika Concessions, Tanganyika Diamond and Gold Development, and, Tanganyika Minerals. Kentan Gold Areas and Tanganyika Concessions, with a capital share of STG 12,500,000 and STG 68,180,000 respectively were the largest companies. Tanganyika Concessions, a company which had been registered in 1899 in London, was a part of a giant conglomerate operating all over Africa, especially in the South (Shivji 1986: 88). Other companies were: Anglo-Transvaal Consolidated Investment Co. (South African) and South Nyanza Development Co. (British).

These mining monopolies were interconnected in that, for example, Tanganyika Concessions and Kentan Gold interests were represented by the developing mines owned by Geita Gold Mining Companies and other concessions, such as those that were held by Saragura development Company Limited. Tanganyika Concessions had shares in Kentan, which in turn had shares in Zambesia Exploring Company and also in Rhodesia-Katanga Company. Beyond that, Tanganyika Concessions had interests in other companies in the country such as Eldoret Mining Syndicate Limited, Uruwira Gold-fields Limited, East African Concessions Limited, Saragura Development Company and Geita Gold Mines Limited. Tanganyika Diamond and Gold Development Company was a subsidiary of the Anglo-American octopus based in South Africa and was involved in the prospecting of diamonds towards the end of the 1930s. By 1938, gold mining was second only to sisal in terms of workers employed (around 28,000) and its contribution to exports. The industry was almost under complete sway of finance capital (ibid).

By the early 1940s gold was well established as the most important economic mineral and its production had peaked at an average of four tons a year. There was hardly any local big capital (which was exclusively of immigrant nationalities such as Asians, British, Germans, Greeks and other Europeans) operating in the mining industry by this time. The few that existed were such as Nanak Chande, who was among the wealthiest Indians in the Lake Victoria area, who owned two mines managed by a South African Boer. There was also the Soriano Group from Asia with interest in Philippines, which took over a major mining reef previously developed by the East African Gold Field in Lupa (Roberts op cit). It was the Asians, who by late 1930s comprised of the skilled labour found in the mining industry. The one local large venture was the Williamson Diamond Limited, which came into existence with the discovery of diamonds at Mwadui in Shinyanga.

Dr. J.T. Wiliamson, a geologist with Tanganyika Diamonds and Gold Development Company, which had withdrawn in 1938 from prospecting, had stuck diamonds at Mwadui in 1939. Production of diamonds was able to rise steadily as it was backed by a "number of Indian merchants in Tanganyika and a task force of Italian prisoners of war.... By 1946 [there were] 6,000 workers.... with their families..., and over 200 armed guards" at Mwadui (Epstein 1982: 89). Active government support for diamond mining, including taking up equity in the private companies and even proposing nationalization (in 1946), was due to the fact that diamonds "earned at that time more foreign exchange for (the colonial government) than almost any other export, and the British...(were) understandably concerned with preserving its value" (ibid: 90). After Williamson's death in 1958, the company was brought under the sway of finance capital with the buying off of half of the shares by the De Beers Empire.

Diamond exports accounted for the single largest component of export value by 1945 and gold production had declined to an average of two tons a year. The price of gold during this period had remained low, since it was mainly purchased by the financial institutions (such as the Bank of England), which had a low demand for the commodity by 1940s. As a result, the government invested little in the industry, either in the form of labour recruitment, provision of infrastructure or economic protection. The result of which the monopoly companies were withdrawing from gold production, and instead, local medium and small capital (basically of the immigrant communities), which had existed since 1920s, is the one that remained dominant during this period. Their activities were consolidated further by the re-entry in the activity some European employees who had lost their sources of livelihood as a result of the closure of the monopolies (as exampled by Williamson) or farmers who found it impossible to make a living by the sale of their crops. The small-scale producers who had emerged in the 1930s using labour intensive methods, and whose activities were articulated with merchant capital, were also still in operation. Some of those who had been previously employed by the mining companies that were closing down joined the ranks of "artisanal" miners, barely surviving on the activity.

Minerals contributed a record 3 percent to GDP by 1950. At around 15 percent of total exports by value, their overseas earnings were nearly as much as those of coffee or cotton. Diamonds accounted for roughly two-thirds of mineral production by 1960. The Three Year Development Plan for Tanganyika (1961-1964) which had been prepared by the World advised the government to modify its mining policies "as necessary, to increase the attraction and (give) encouragement to further prospecting by private interests"; chiefly through providing favorable tax incentives in the early stages of mine development. However, this encouragement was being done at a time when there had already been relative unimportance of gold in the international monetary system since late 1940s. Gold coin standard, which was the most stable monetary system of the capitalist system since 1820s, had collapsed for the first time during World War I. It was at this time that gold coins went out of circulation and gave way to the depreciating paper money. The 1922 Genoa Conference recommended the gold exchange system as a world monetary system and gave gold a lifeline for sometime and hence the importance of the small-scale miners in the 1920s and attempts by large concerns to invest in 1930s. The Monetary Conference in Bretton Woods in 1944 confirmed the position of gold bullion as the universal equivalence.

However, this proved impossible because the USA stopped exchanging dollars for gold; instead, as a world imperialist power, it substituted the dollar for gold, given its role in the reconstruction of the post World War II devastated Europe. It is this aspect which kept the prices of gold low up to 1970. Throughout the period prior to 1970, the gold price stood at below USD 35 per ounce. In the case of Tanzania and many other countries, this period was unprofitable for large companies and monopolies to develop gold mining. Most large scale mines were already closed by 1950s, and the only big mine that continued to operate until the early 1960s and produced well over half of total gold production was Tanganyika Concessions at Geita. It remained the largest company in East Africa, employing around 2,200 workers. The unprofitability of the industry was exacerbated further by labour shortage, absenteeism and strikes in the sector since 1940s. Workers in the sector staged strikes in 1947 and 1948 and also between 1957 and 1962 under the African Mine Workers' Unions. Another problem was, since many of the companies were South African based, trade sanctions on South Africa from 1961 made it impossible for them to operate in Tanzania irrespective of the tax regime. Those that were not South African were also disadvantaged by the fact that they could not import cheap mining inputs from South Africa.

Commercial gold mining declined rapidly before and soon after independence from three tons per annum in the early 1960s to 10 kg in the 1970s. It officially ceased entirely in 1972. However, the disappearance of large-scale operations and officially recorded production did not eliminate gold mining and other mining activities. The large number of skilled people experienced in loaming (setting charges), gold prospecting and underground mining methods who were laid off by the companies which closed down increasingly moved into "self employed" mining. "Artisanal" mining relied on the market provided by Asian, Arab and Greek merchants, which existed throughout the period when large-scale mining companies ceased to operate. Most of the gold produced in this way was smuggled into Kenya (Jones 1981: 113&122) before being trans-shipped elsewhere. Intensification of "Artisanal" production further increased with the laying off of more miners in 1976 as a result of a decline in diamond production.

All that Glitters must be Plundered: The Current Phase

The claim made by the economists as far as the relative decline of the mining industry after independence in Tanzania is concerned is, the adoption of a central planning system and the crowding out of the private sector with the attempts to build a socialist society were at the heart of the problem. It is further claimed that it is with adoption of IMF/World Bank sponsored adjustment programmes in the 1980s that the mining industry was able to attract foreign investors and growth of the sector was made possible (Kulindwa et al op cit). But the above narrative demonstrates otherwise, given the international scene as far as gold production and its importance is concerned. In fact, rather than the 1980s, as it is claimed, the international scene in regard to gold demand began to change from 1969. From this year, the demand for industrial gold began to rise by 12 percent per annum. Simultaneously, there was a huge increase in the US budget deficit as a result of the war in Vietnam and a corresponding decline in US gold stocks, which created a crisis in confidence in the dollar as a universal currency. Consequently, the price of gold began to rise from 1971. Further price increases were to be fuelled by a surge of speculation on the free gold market, as a result of which the price rose to USD 49.25 per ounce by 1972 (Green 1987: 3).

The international financial chaos of 1973 together with the inflationary fears accompanying the threatened devaluation of the dollar sent the price of gold to USD 132 an ounce, where after it fluctuated inversely with movements in the US dollar value. The price rose dramatically from USD 330 to USD 850 in 1980 and fell to USD

507 an ounce in 1982, before collapsing in early 1985 to USD 300. Later in the year it sharply rose again, only to ease back to USD 400 after 1986 (Green ibid: 3-4). Since 1986 it has fluctuated between USD 300 and 400 an ounce. Currently, it is fluctuating between USD 500 and USD 510 per ounce. By 1995, the World Gold Council estimated that the global demand for gold stood at over 3,642 tonnes, as against the previous record of 3,573 tonnes in 1992, and was rising at 7 percent per year, with surging demands investment demand in the jewelry sector. At the same time, demand for platinum group of metals has been on the rise over the years since 1987. The price for platinum has risen to USD 1,000 an ounce in recent years, while that of palladium had shot up to around USD 270 an ounce. Once again, gold is seen as a safe haven against high inflation in the world.

With the opening of a free market in gold from 1971, the nature of the gold market also substantially altered. While two-thirds of gold had been bought by the monetary authorities between 1948 and 1965, which in turn had kept the price of gold and its supply constant or below its value, 60 percent of gold coming into the market by 1986 went into jewelry, 14 per cent to industry and 14 per cent to private bar hoarding, while bullion coins took up the balance (ibid: 5). Switzerland emerged as the fulcrum of the European industry, with a concentration of private bank-owned small refineries. Major markets included the Middle-East and India, where there was very high demand for jewelry. Therefore, there was a renaissance in gold mining internationally from the early 1970s reminiscent of the nineteenth century boom.

The Tanzanian government's own attempt to take advantage of the new profitability of gold through the establishment of the State Mining Corporation (STAMICO) proved to be doomed. STAMICO took over the Buck Reef Mine in Geita in 1971 (although production recommenced a decade later) and attempted to reactivate production of gold from alluvial sources by using large-scale production techniques (Jones, op cit: 111). Both efforts failed. At Buck Reef, eight years of production officially yielded only just 800 kg of gold, including only 116 kg in its last year of operation (1989). Irrespective of the other problems faced, such large-scale operations required a massive injection of capital from the government if they were to bear fruit. This was not possible at a time when the state had already begun to face a fiscal crisis. Attempts by STAMICO to attract large capital in the 1970s and early 1980s in the form of aid or joint public-private investments also failed, even with the new government mining law which came into operation in 1979. Under the 1979 law, government participation in such ventures was no longer mandatory, and local small-scale miners could legally peg claims and work on them. There were also provisions on foreign exchange controls which restricted repatriation of earnings from the country without the investor acquiring an "approved status". The terms of protection of private companies (local and foreign) were stipulated in the Investment and Protection Act of 1963. This Act guaranteed full and fair compensation in case of nationalization.

Activities of the small scale miners in gold mining in Tanzania which continued in the 1960s at a reduced scale were being undertaken at old mines and areas where known alluvial deposits existed up to the early 1970s. With the rise in gold price, their number increased substantially in the early 1970s and it experienced a spectacular boom in 1976 with the discovery the hitherto unknown large gold deposit at Bulyanhulu in the southern part of Lake Victoria and the influx to it of workers who had been laid off in diamond mining (Bills et al 1991: 292). Since then, small scale miners continued making totally new discoveries in many parts of the country every year, to the extent that by 1992 it was estimated that there were about 500 gold mining sites and about 300 gemstone sites operated by small scale miners. Officially, there were 1,440 small scale claim holders and 480 prospecting certificate holders in 1993. At a very conservative estimate of 10,000 people per site, there were about 900,000 people involved in small scale mining and auxiliary activities.

Gemstone mining in Tanzania essentially began in the 1960s-70s with the mushrooming of the jewelry trade in Europe and Asia. The awareness of colored stones and stone jewelry increased exponentially even in the USA during this period. It was in these years, for example, that small scale miners discovered the famous tanzanite mines in Mererani (Arusha) (1964), ruby mines in Matombo and Mahenge in Morogoro (1970s), ruby/ mines in Longido--Arusha and ruby/emerald mines of Umba River in Tanga. Given the proliferation of uncontrolled gemstone mining and dealings in the 1960s, the government proclaimed a Gemstone Industry (Development and Promotion) Act in 1967. It was introduced for purposes of protecting the gemstone industry and establishing a gemstone marketing department to encourage and promote the industry. This Act attempted to curb illegal dealings, including smuggling to Kenya and other neighbouring countries in gemstone mining. According to the Minister, about 60 percent of gemstones were being smuggled out of the country at this time, resulting into losses of foreign exchange, royalties and taxes. By late 1970s, among colored minerals that were known to be mined in Tanzania were: tanzanite, ruby, emeralds, gem varieties of quartz cordierite, garnet and scapolite. Others were: beryl, opal, chrysoberly, spinel, topaz, zircon, tourmaline, obsidian, perodite, moonstone, chrisoprase, and amethyst.

A fundamental change of direction emerged with the 1979 legislation mentioned above, well ahead of liberalization in other sectors. The 1979 Act vested ownership of all mineral resources in the state and set out a framework for licensing all prospecting and mining activities. In essence, it was designed to once more encourage large scale mining operations in the country, although it also made provisions for small scale mining activities. The 1979 was unequivocal to the effect that state participation in mining ventures was not mandatory. Even if the state was supposed to acquire some shares in each venture, according to this Act, it could only do so on negotiated terms. This Act was complimented by the Small Scale Mining Policy Paper of 1983, which encouraged participation of Tanzanians in mining activities alongside their other activities. This framework was liberalized further in 1987-89, when gold and gemstone trade rationalization policy—allowing for privatization of minerals trading activities—was introduced. Associated with the introduction of this policy, the Bank of Tanzania itself entered the gold buying market on the basis of offering world market prices with "no questions asked."

The passing of the National Investment (Promotion and Protection) Act (NIPP) of 1990 and the creation of the Investments Promotion Centre (IPC) represented another step in the liberalization of mining policy. Two important, aspects of mining policy underwent crucial changes: the complete removal of government monopoly in mining; and, removal of government intervention in mining operations even if the government held some shares. The 1990 Act was replaced by the Investment Act of 1997, which created the Tanzania Investment Centre (TIC) to replace the IPC, as a means to hasten the processing of applications from investors. Alongside this, was legislation on fiscal package specific to the mining sector: Financial Laws (Miscellaneous Amendments) Act, 1997. In the same year, the government come out with a Mineral Policy, which stressed a private sector-led mineral development and the role of the government as a regulator, facilitator and promoter. To show that the government was committed to the policies it had promulgated, it passed a new Mining Act in April 1998.

Eventually, the Ministry for Energy and Minerals prepared regulations to accompany the Mining Act, which required small-scale miners to acquire licences and extend their rights over claims from one year to five years. The government believed that by doing so, it wouldl be possible to reduce their sporadic movements, put greater investments in technology and safety and eliminate environmental problems associated with small-scale mining. According to the Ministry, this policy was necessary because Tanzania counted among countries with one of the largest small-scale mining sector—estimated to be employing about one million people. "This is a large constituency the government, donor agencies and non-governmental organizations cannot pretend it does not exist", The Minister for Energy and Minerals is reported to have said. (*Financial Times* 07.10.1998)

These legal and policy framework changes started taking place when, officially, mining was hardly contributing anything to the economy, even though the "informal" activities of the small scale miners were known to exist. According to official figures, mining accounted for only 0.5 percent of GDP and 0.8 percent of formal wage employment (i.e. 8,500 people) in 1988 (Jourdan 1990: 2) In 1989, the sector officially grew by only 1.1 percent, and yet two years later the sector, it was claimed was growing at an annual rate of 20 percent and gold was on its way to becoming the major foreign exchange earner, following the adoption of a government policy of buying gold at parallel market prices, without asking questions. In the wake of this decision, cumulative official gold purchases increased from 116,000 grams (1989) to 1.65 tonnes in 1990, 3.6 tonnes in 1991, 7.24 tonnes in 1992 and 11.2 tonnes in the first half of 1993. At the value of USD 29.2 million in 1991, the official export value of gold had already surpassed the value of coffee (the major traditional export). In 1992, total mineral export earnings were USD 53.1 million, of which gold accounted for 76 percent, diamonds for 15.6 percent and other gemstones for 6 percent. Nevertheless, the bulk of high value minerals continued to be smuggled out of the country.

It was estimated that while the country was producing between 10 and 16 tonnes of gold annually in those years, the Bank of Tanzania was purchasing only around three or four tonnes. At the same time, about 80 percent of gemstones were being exported unofficially. The discovery of alexandrite in Tunduru, Mtwara region in Southern Tanzania, led to one of the greatest rush ever witnessed in the country. It almost paralysed the activities in other small-scale mining areas in the country. Besides Tanzanians, there were swarms of illegal miners from Thailand, Philippines, Korea, China, India, Germany and Italy. Others came from the Middle East, Senegal, DR Congo, Mozambique, Zambia, South Africa, Kenya, etc. The government banned mining in the area and some others since January 1996. It has recently allowed miners to go back, but with proper licenses and claims.

With such prospects in mining, private gold mining companies had began to appear in 1984, on the basis of the framework set by the same 1979 Mining Act (amended further in 1982-83). During the years 1989-92 the government granted eight reconnaissance licenses, 75 prospecting licenses and 17 mining licenses. By 1992 there were also 67 companies licensed in minerals drilling (*Daily News* 5.8.1992). In additional to gold these licenses covered minerals and metals such as nickel, cobalt, precious metals, diamonds, graphite, gemstones, bauxite, beach sands, etc. Areas totaling 26,000 sq km in north western Tanzania were granted to Kabanga Nickel Company and Kagera Mining Company (subsidiaries of the Canadian Romanex Internal and Sutton Resources) to explore and mine nickel, cobalt, lead, zinc and platinum.

Another large company, TANEX (T Ltd), a subsidiary of Anglo American Corporation and De Beers of South Africa, was granted a diamond mining concession area of 22,000 sq km in Mwadui. Placer Dome, a major Canadian gold mining company was granted the Bulyanhulu gold deposits which are of world class but relinquished their license in 1992 "apparently for internal reasons" (Parker, op.cit: 82). It is these mines which were to be taken by Ashanti Gold by 1999. Placer Dome wound its activities after speculating and plundering for five years, when it was exempted from taxes. The company had made enough profits for it to give way to a bigger company. There was also the RTZ Mining and Exploration (UK), with a prospecting license over a large area by 1998.

Despite the entry of these foreign companies, Tanzania was hardly gaining anything from their "operations". It was the small scale miners who remained the major foreign exchange earners up to the second half of the 1990s. Most companies were more interested in recovery operations on older sites and in various forms of 'sub-contracting' with small-scale miners. This partly reflected changes in the economics and technology of gold production. At 1998/99 price levels (USD 330-360 per ounce), deep mines were hardly economic any where in the world. On the other hand, there was already in existence of new low-cost organic chemical technologies which had been developed by then, which allowed the recovery of gold from easily accessible sites and materials which were previously considered too low grade to merit corporate investment. Some of these technologies—which were even portable—were particularly suited to "mopping up" gold from old workings of various descriptions.

It is for this reason that most foreign 'large-scale' operations which had entered the picture were not investing in production as such, and were in practice rather small operations probably incapable of large-scale investment. One such a company was the London-based SAMAX Ltd, which was granted the Mererani (Arusha) open pit graphite, being run by its subsidiary Graphtan Ltd (75 percent), African Gems of UK (17 .5 percent) and Tanzania Gemstone Industries Ltd (10 percent). The company was licensed to mine graphite, even though it was mining tanzanite illegally. This company wound up its activities and gave way to AFGEM, a South African Company, operating under the license of Mererani Mining Company Ltd, owned by a Tanzanian to mine tanzanite. Likewise Mans Mining of the UK was granted an area in Chunya where it was operating a small mechanized gold mine, but ended up involving itself in the buying of gold from small scale miners.

Other companies of similar junior nature or very junior in nature were Sampo Resources (US), Reunion Mining (UK), RTZ Mining and Exploration(UK), Tancan Ltd (Canada), New Era Mines Tanzania, Bungu Minerals (Tanzania), Rift Valley Gold Fields (Australia), East African Mines (Australia) and Portman Mining Ltd (Australia). Except in gemstone mining, interestingly, none of the foreign companies that were given exclusive rights in mine development since the mid-1980s opened new mines. For example, Dar Tardine Tanzania Ltd (the representative of a Swiss company) was given five licenses in 1984 to an area that covered 80 percent of the most attractive gold prospects in the northern part of the country (Mara, Mwanza and Singida). By 1988, the company had managed to shut out other investors in the area but had not explored or developed new prospects. Instead, it was involved in an experimental retreatment of the Buhemba (Musoma) dump by cyanide leaching, producing only 40 kg per annum. It was also involved in a project with STAMICO to send teams of purchasers into "illegal" gold mining areas to buy gold at open market prices (Jourdan 1990: 9). This company fell under parliamentary investigation for smuggling in the same year. By 1991, it had lost all its prospecting licenses. KONE, another international company which was operating in Bulyankulu before Placer Dome was finally granted exclusive rights and was also kicked out of the country for the same reasons.

Companies that introduced mechanized gold production operations in Tanzania to some extent by early 1990s were Tan-Can Gold Ltd, in Nzega, Ashanti Gold Mines in Bulyanhulu and Mans Mining in Lupa. Even these were unable to produce any substantial amount of gold officially in those years. Mans Mining in Lupa, for example, produced only 8.2 kg in 1992/93. Companies that came into stream later on were such as: Ashanti Goldfields, Amercosa, Kahama Mining Corporation, Afrika Mashariki Gold mines, Pangea Minerals, Tanganyika Gold Mines, Arusha Planters and Traders, Golden Pride Project (run jointly by Resolute Company of Australia and SAMAX), Bulyanhulu Gold Mine. There were also some officially medium and small-scale companies which were granted concessions mostly to mine gemstones. By 1992 about 14 such companies with foreign participation or wholly foreign owned had been registered to mine gemstones. The influx of foreign gemstone mining companies began in 1990 following closure of mines in the major producing countries such as Malaysia and Thailand.

The Golden Project (in Geita) started production in early 1999 and Bulyanhulu Gold Mine (a subsidiary of Sutton Resources) and Ashanti Gold Mine in 2000. Others which started around the same time were: Africa Mashariki Gold Mines in Tarime and Golden Ridge in Shinyanga. Golden project was able to extract a six kilogram piece of gold worth some USD 600,000 in this year and its area had an estimated reserve of 78 tons. Thus, it was in 1999, when gold finally dominated the mineral industry in Tanzania. After growing by 9.1 percent in 1999 and 27.4 percent in 2000, the value of output in the mining sector nearly doubled from 1996 to 2000, owing to substantial increases in gold and diamond production. Gold exports increased from USD 3.34 million in 1998 to USD 120.53 million in 2000. During the same period, diamond exports increased from USD 12.11 million to USD 45.75 million, and gemstone exports increased from USD 8.13 million to USD 18.50 million. During the same period, exports of tanzanite totaled USD 32 million.

From a country with total official exports accounting for USD 422 million (with 46 percent being from traditional exports—basically agricultural ones) by 1991, the picture was completely different by 2003. Of the USD 1,142 million earned from exports in 2003, traditional exports (coffee, cotton, sisal, tea, tobacco, cashew nuts and cloves) accounted for 19.5 percent (i.e. USD 222.7 million) and non-traditional exports (minerals, industrial goods, fish and marine products, horticultural products (vegetables and flowers) and tourism) accounted for 80.5 percent (i.e. USD 919.7 million). Minerals earned the county USD 548.3 million (48 percent of total exports), with gold contributing USD 499 million or 43.7 percent of total exports. Industrial goods earned the country USD 99.9 million (8.8 percent), fish and marine products USD 136.2 million (12 percent) and horticultural products (vegetables and flowers) USD 13.7 million (1.2 percent). Over USD 1.4 billion had been invested in the country's mining sector up to 2004, a year when the country had reached production of almost 50 tonnes of gold a year. In the same year, gold exports were worth USD 593.2 million. Meanwhile, the government was able to collect revenues in the form of royalties and taxes to the tune of about USD 27 million only.

How have these big mining companies been able to acquire the mining areas, and to what extent are they really benefiting the country? Since most of the areas that have been acquired by the large scale mining companies were being operated by the small scale miners, the whole process has involved their displacement. This has been undertaken by force, as it was the case with Bulyanhulu (Shinyanga), where Kahama Mining Company is operating. In this case, it is alleged that more than 50 miners were buried alive during their forcible removal in 1997, and the government and other global mining interests have prevented investigation on these killings. Among the board members of this company are powerful people such as George Bush Sr., former US

President; Brian Mulroney, former Canadian Prime Minister and Andrew Young, former US ambassador to the United Nations.

There are several other instances in Geita and elsewhere where it has been reported that district, regional and zonal officials have used force to push the small scale miners to accept to sign some dubious agreements with the large scale miners, which would allow the takeover of their claims. Buck Reef Gold Mines is known to be one of the companies that have been forcing small scale miners to sign such agreements. In such instances, small scale miners have been threatened by government officials with the revocation of their title deeds if they do not sign the agreements. Thus many small scale miners have lost their claims in this way in Mugusu, Rwamgasa, Nyakagwe, Nyarugusu, Nyamtondo, etc. Consequently, there have been constant clashes between foreign large scale companies and local capitalists in the mining areas.

It is estimated that almost 85 percent of the areas under mining are locked in conflicts, with the government backing the large scale miners. In 2001, the villagers of Kakola Division threatened to sue Kahama Mining Corporation for mining illegally in village lands, unlawfully evicting the villagers and demolishing their homes. In the same year, there were violent clashes between AFGEM and the small scale miners on the one hand and the village authorities on the other, when AFGEM started branding tanzanite as a unique gemstone, so as the company to become the only monopoly in production and marketing of the gemstone in world. The Mererani conflicts had begun in the late 1980s, when the government decided to grant a large block of the area to a mining company, leaving hundreds of small scale miners in a small area. This had resulted into sporadic encroachment of the small miners in the company areas and violent conflicts. In 2001, AFGEM guards unleashed dogs at the miners and shot some of them.

The attempt by the government of Tanzania to establish a company through the army (Meremeta) in partnership with some South African mining houses to provided modern equipment to local entrepreneurs and buy gold from them in 1997 proved to be very unpopular among the large scale concerns. The equipment included water pumps, compressors, crushers, and jackhammers. These were to be supplied to villagers on the condition that the villagers sold their gold to Meremeta. With this system, production in some of those villages that were covered by the project began to increase tremendously, and many other auxiliary activities began to mushroom in the areas around the mining activities. However, what the mining companies did in such areas was to hasten the signing of contracts with those who had claims through bribing some of the officials, or blocked those with contracts with them from participating in the Meremeta project or using sophisticated equipment. Companies such as Ashanti gold Fields, Pangea and East African mines openly admitted that they stood to lose if they did not impose restrictions on the small scale miners.

Given the activities of the large scale miners and their tendency to displace the small scale miners, a large number of the more than a million people who depended on mining for their employment in the 1980s and 1990s have lost their sources of livelihood. Moreover, for those who continue to eke a living on the activity, there is very limited job security, when they are working under an employer who is under contractual obligations of a large scale miner, and has been promised compensation of his/her property. In the course of allocating prospecting licenses to large scale miners, it is not only the claim holders who have been affected, by also whole villages and their farms and even some of their dispensaries, schools and other amenities. There are also instances whereby forest reserves and gazetted areas (e.g. Mkomazi game reserve, Umba, Kigwasi, Makijembe, etc.) have been allocated to the mining companies for prospecting. An all these instances, there has ensued conflicts, in some instances, violent ones between the rural dwellers on the one hand and the companies and the government organs on the other.

While child labour has always existed in the mining areas, especially among the small scale miners, it seems, with the increased insecurity in the areas, the tendency has been for this category of workers to increase. The reason is their parents have been impoverished and there are hardly any schools to cater for them. But, there is also the other category of children who do not have parents (in some instances orphaned by HIV/AIDS) who are also to be found in the mining areas. In Mererani, the tanzanite mining area, where there have been sporadic conflicts between the South African owned AFGEM and the local miners, employers use child labour in the pits, since their small bodies allow them to move with ease when they maneuver their way around in the pits. They are popularly known as *nyoka*—snakes.

Despite the fact that there has been an increase in the number of mining projects over the years—at about 128 projects by 2000, the number of those employed in the industry has been very small, and often than not, it has been mainly foreign labour which has been employed in the areas that are considered to sensitive. By 2000, the sector had only 3 percent of the formally employed labour force—i.e. 16,134 workers. As far as remuneration in the large companies is concerned, differential treatment is accorded to local and foreign employees. In all the companies, local employees, even if more qualified than the foreign ones are paid less by three to four times than a foreign one. Even foreign junior staff is paid more than senior experienced local staff. Part of the problem relates to the fact that the new labour relations legislations hamper any possibilities of the workers to unionize. Moreover, these new labour legislations have introduced contractual and outsourcing forms of employment.

Foreign investors look upon mining as just another global investment activity, within the investment opportunities offered by the world. Therefore, the fiscal and labour regime of the mining regulations in a country plays an important part in attracting foreign investors. Governments that set out to attract foreign companies are do so because they are heavily dependent on the revenues from the mining sector for establishing legitimacy, since small scale miners cannot easily guarantee this with their nationalistic demands. Consequently, there usually struggles between the governments and the producing companies with each maneuvering to maximize the benefits. The industry is full of speculations in the world economy and the companies, with the consequence that the mining industry has to raise part of its capital on the stock market, given the pressure of growing liberalization of commercial and financial markets. Why should one be surprised that in 1997, for example, the Canadian company Bre-X led every important actor in the mining industry to believe that it had discovered fabulous gold reserves in Indonesia, when there was none present?

What mining is doing in Africa and Tanzania in particular is to contribute in the breakdown of any possible integration of the mining interests into the nation-wide economy, with the granting of monopoly to companies in keeping with the international developments. All that it is managing to do locally is to benefit some of the sections of the local elite, at the same time making the state incapable of fulfilling its developmental obligations. With the conceptions of development which have privatized and localized development process with the backing of NGOs, these companies merely end up in performing philanthropic activities, such as local provision of water, roads, classrooms and desks, etc. in the name of poverty alleviation. This is taking place when the mining companies exercise hegemony, and are involved in pure plunder of mineral resources.

Free markets in mining are pure myth, since these do not grow out of force of nature, but they are a product of institutional structures. Even the international mining companies which advocate for liberalization of the economies as a way to make mining contribute to development of the countries in question only allow the governments to have sufficient revenues to maintain law and order, and demand a taxation regime which is low enough to ensure that they reap super profits. Thus, in Tanzania, besides the tax incentives in the form of holidays and exemptions in imported goods and machinery, companies pay mining royalties that are set at only 3 percent of net sales revenue and no royalties are paid on cut and polished gemstones. No VAT is charged nor import duty and interest withholding taxes. This is unlike in countries like Canada where 7 percent VAT is charged or in Sweden where 25 percent VAT is charged, besides charging import duties. With the current incentive arrangements, Tanzania is losing a huge amount of earnings.

The situation is made worse by the fact that even the charged royalties are based on legally declared sales rather than what is actually produced by the companies. There is a lot of under-declaration and smuggling in the sector in Tanzania. This is because of the nature of secrecy shrouding the activity, and the fact that disclosure of revenues from minerals is reluctantly done by the companies and even the government itself. In September 2001, for example, three containers full of gold ore sunk in the Indian Ocean at Tanga Harbor. Kahama Mining Company, which was exporting the ore, claimed that it was sending it to Japan for testing and processing, since Tanzania lacked processing and testing facilities (i.e. non-existence of lapidary industry)! A lot of minerals are shipped outside the country in this way. Moreover, the existence of airstrips in mining areas such as Geita, Musoma, Kahama, Lupa, Kalalani, among others, coupled with reports of low flying aircrafts landing and taking off at night, are a recipe for mineral smuggling.

Is their a Way Ahead?

What can be done about this plunder of resources in Africa? The All Africa's People's Conference that was held in Ghana in 1958 considered that natural resources, metals and minerals as assets belonging to all people of Africa as a whole. Therefore, the unity of Africa was the first condition to enable the useful utilization of the resources of Africa for all the people. This was at a time when independent African states where groping for ways to unite the continent as the only way to enable development to take place. Within this context, overseas aid and foreign investments were being viewed as obstacles to the unification and transformation of the continent. Progressive leaders such as Nyerere, Nkrumah, Sekou Toure, Senghor, and others regarded aid and foreign investments, even though needed, as part of neo-colonial machination.

Nyerere, for example, was to point out in 1960 that the West was for the further balkanization of Africa rather than its unity, since it was easier to manipulate a divided Africa: "They will flatter and bribe us and produce even greater arguments for the perpetuation of the balkanization of East Africa and exploit our need for technical assistance to keep us divided." Furthermore, "The flattery and corruption of African leaders in order to keep them separated has already started. As I said earlier it will be intensified a million times when each of our capitals has the embassies of those countries in the world which find their power and prestige in the weakness and disunity of others…." (Nyerere 1969: 92)[3] Although the Organization of African Unity came into existence in 1963, African

[3] In 1963 he was to pint out that "…The nation states we have inherited are inadequate organs for the development of the full potential of Africa. Indeed, in many cases the present nations are so small or weak that they are in constant danger of the more subtle forms of domination which are generally referred to as neo-colonialism. Some national governments of Africa can only fulfill the minimum functions of government if they receive subsidies from outside their borders. Under such circumstances complete freedom is difficult to maintain for any length of time. Furthermore, a weakness of this type affects not only the country immediately concerned, it affects also her neighbors and all the other countries of Africa. No one of us is safe if any of us gets involved in the Cold War between East and West, or any otherworld conflicts which are irrelevant to our own problems.

"African unity is essential to the continent as a whole and to every part of it. Politically we have inherited boundaries which are either unclear or such ethnographical and geographical nonsense that they are fruitful source disagreements. And such disagreements, if allowed to develop, would lead to a waste of scarce resources in the building up of national armies….." (Nyerere 1969: 212) countries failed to unite, partly due to the competition among them for favors from the West and also direct intervention from the same in some instances, as it was the case with Congo, with the Congo-Ghana union or the Guinea-Mali-Ghana union.

Under the current international set-up, it seems, even the so-called defense of the indigenous capitalists within states in natural resources extraction is not working in favor of the interests of African countries, since the tendency for these is to become subordinated to monopoly capital as junior partners. What is apparent in mining, as in other sectors, Africa's economies are under complete domination of monopoly corporations of the United States, Canada, Australia, Western Europe and Japan. For the masses of African people, it is not whether the indigenous capitalists or foreign capitalists are exploiting and plundering the resources at the same time exploiting their labour, but whether Africa can achieve economic freedom. It is a question of whether the people of Africa can have rights to control and dispose their natural and mineral resources in the interest of human emancipation, within a context where there is equal and equitable distribution of resources.

As it turns out, the real resolution of the problems facing Africa, as far as the mining sector is concerned is in the organization of territorial and pan-territorial of the workers and the working people in general. In recognition of the fact that multinational corporations, whose massive equipment is lifting massive resources from the continent, and that these are declining given their life expectancy, what Africa requires is a solidarity of raw materials, on the basis of self-reliance in order to increase power over control of resources. The Africa people should fight for complete sovereignty over the natural resources and they should demand to enjoy the proceeds from these resources without hindrances from the industrialized countries and their monopolies. The African masses should be calling for the utilization of the natural resources in the development of other spheres of society, while at the same time striving to do away with exploitation and all class and gender based forms of domination, whether by indigenous or foreign companies. In other words, only national and class based forms of politics within renewal of the Pan-African spirit can enable the Africa's poor to inherit the earth and the mining rights.

Again: "Further, many of the different African countries produce, or could produce, the same kind of primary products or raw materials. We sell in competition with each other, often to the same major consumer. Thus we are all in a desperately weak bargaining position and the triumph of one nation is frequently the at the expense of another. Individual attempts to rectify national economic imbalance frequently worsens the position of another African country, and weakens Africa as a whole in relation to the industrial areas of the world. Also in the process of diversification and the attempt to build our economies, we are each of us competing against the other for small amounts of available outside capital investment and economic aid. Our competition in this respect again makes it easy for one of us to be played up against the other, and the need for each African state taken individually makes that state vulnerable to offers of assistance which have explicit or implicit conditions attached. Through these means different African states are in danger of being involved on opposite sides in quarrels which do not concern them. If there were real African unity moral blackmail would be impossible." (ibid: 213)

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