Mining Industrialisation in the African Periphery: Disruption and Dependency in South Kivu, DRC

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Abstract

Over the last few decades, a group of 20 gold-endowed, African low-income countries (GALICs) has undergone a process of gold sector (re)industrialisation, led by transnational corporations (TNCs). Theoretically, the process has been sustained by an ‘African Minerals Consensus’ uniting international financial institutions, international and African development agencies, African governments, Western advocacy organisations and various strands of the academic literature. The consensus is founded on the general premise that GALICs should leverage their comparative advantage in minerals to drive productivity growth through TNC-led mining (re)industrialisation, and that the resultant distribution of value from these productivity gains can raise living standards and stimulate the structural transformation of local and national African economies.

Based on fifteen months of fieldwork conducted in 2016 and 2017, and a return to and adaptation of some of the classic critiques of peripheral development either ignored or misrepresented by consensus proponents, this thesis empirically investigates the theoretical foundations of the African Minerals Consensus as they relate to the GALIC group. It does so through a detailed case study of gold sector (re)industrialisation in South Kivu Province of the Democratic Republic of the Congo (DRC), which seeks to understand how this process has influenced labour relations and the trajectory of local and national processes of capital accumulation and structural transformation associated with the sector.

The main empirical argument advanced by the thesis is that mining reindustrialisation was, in fact, already underway in South Kivu, independent of TNC tutelage. The locally-owned and led process of artisanal mechanisation driving this reindustrialisation had also been contributing to a number of the outcomes theorised by consensus proponents, including increasing productivity via capital formation and improved living standards via raised local wages. Furthermore, a high proportion of the end value of production was being retained and distributed domestically, overseen by an emerging proto-capitalist class that employs labour and invests in productive accumulation. Yet TNC entry into South Kivu has disrupted this process, replacing it with a foreign-managed, externally-oriented and enclaved mining economy that has reproduced (and in some cases accentuated) historically-rooted forms of peripheral marginalisation, polarisation and conflict.

Drawing from the findings, three interrelated critiques of the African Minerals Consensus are made. First, consensus wisdom of overlooking the potential of artisanal mining based on assumptions about its low productivity and inefficiency is challenged. Second, the heightened disarticulation of industrial mining operations from the local and national economy refutes the claim by consensus proponents that new mining industry practices render enclave concerns obsolete. Third, the consensus assumption that modern corporations will be more efficient and effective at leading mining industrialisation than the state-owned enterprises that preceded them, or existing artisanal alternatives, is questionable. Rather, structural impediments to mineral-led development occur irrespective of ownership and management structures. While remaining cognisant of these impediments, supporting locally-managed processes of artisanal gold sector mechanisation offers a less enclaved and more inclusive mining industrialisation strategy for GALIC governments to follow, than the currently dominant but disarticulated and disruptive TNC-led model.
The theoretical foundations upon which the African Minerals Consensus has been built are, then, rather fragile, while the conceptual lens of peripherality (and its associated lineage of scholarship) continues to hold relevance for exploring and understanding industrialisation processes – mining or otherwise – in the global South. Through this lens, it can be seen how TNC dominance in key industries might be less a means to overcome African peripherality, than an explanatory cause. This holds important implications, at a time of increasing TNC expansion and infiltration into societies and economies across the poorest regions of Africa.