Underground dreams. Uncertainty, risk and anticipation in the gold production network

Sara Geenen
Institute of Development Policy (IOB), University of Antwerp, Research Fund Flanders (FWO), Prinsstraat 13, 2000 Antwerpen, Belgium

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ABSTRACT

Gold, precious yet painstakingly extracted, fuels the dreams of diggers, traders, managers, investors and consumers at the local and the global level. But gold extraction and trade are characterized by much uncertainty, related to the commodity’s fixity in the underground, its embeddedness in national states and local institutions and its connections to markets. Focusing on the gold production network in Eastern Democratic Republic of Congo, this article reinforces earlier arguments about risk: first, it operates ‘at the intersection of capital and rule’; second, it obscures the uneven distribution of capitalism’s negative impact, as well as corporate actors’ active role in producing such impact. Moreover, it argues that the production of risk (expected costs) and anticipation (expected gains) by corporate actors conceals and devalues the ways in which other actors in the gold production network deal with the extreme uncertainty that characterizes the market and the institutional environment in which they operate, as well as the resource’s materiality. It concludes that an analytical focus on uncertainty, risk and anticipation enhances our understanding of relations and conflicts in the gold production network.

1. Introduction

During my first visit to an artisanal gold mine in Eastern Democratic Republic of Congo (DRC) I took a picture of two gold miners standing in front of their mine shaft. Above the entrance, a piece of corrugated sheet with the slogan: Qui cherche, trouve/Those who seek, shall find. Other shafts were named Kitumainiya kesho/Tomorrow’s hope,1 or Bana Espoir/They have hope.2 Seven years later I recorded the words of a village chief in an industrial gold concession in the same region:

“I was the first to ask my children [the villagers, including artisanal miners who had been working on the concession] to leave. They asked me: But how are we going to live? I told them: Banro [the multinational mining company operating the concession] will take you as workers. They made a lot of promises when they arrived. But they haven’t taken them as workers”.

Banro Corporation is a Canada-based mid-tier gold company operating two concessions in Eastern DRC: Twangiza and Namoya. Four months after I recorded the words of the village chief, the company announced it was moving into commercial production in Namoya. About fifteen months later a series of violent attacks prompted Banro to evacuate its staff and suspend its operations.4

This article is about ‘underground dreams’ – dreams fueled by mineral riches - in a context of profound uncertainty. It is about how people deal with this uncertainty; how they hope, anticipate and fear the future. The case I am presenting is the gold production network. I look at this network, following Henderson et al’s (2002: 445) global production network (GPN) approach, as “the nexus of interconnected functions and operations through which [gold] is produced, distributed and consumed”. The global gold production network involves, among others, artisanal miners, producer organizations, multinational mining companies, traders, refineries, jewelers, consumers, and e-waste workers, but also national and regional economies embedded in concrete socio-political contexts. ‘Underground dreams’ drive all actors in this network: artisanal miners hoping to strike it rich, community members awaiting employment, mining corporations advertising new discoveries to investors, consumers tempted by the promise of wealth, and African governments celebrating mineral-led growth. But these dreams can also turn into nightmares: forced displacement, environmental pollution, armed mobilization against large-scale mining, the
resource curse.

My empirical endeavor is to combine a GPN lens with an in-depth case-study. First of all I want to move beyond the common rigid analytical distinction between the artisanal and industrial production modes in gold mining and consider market actors as well as state actors, but also the resource’s materiality itself – which I take from GPN theory. I also frequently refer to global network dynamics. Yet at the same time the issues under study require in-depth qualitative data – hence the case study approach. The case of Eastern DRC is a textbook example of a place where underground dreams turn into nightmares (think about the coltan boom and the role mineral resources played in the 1998–2003 war, Vogel and Raeymaekers, 2016). The region has historically known periods of colonial industrial mining, post-colonial nationalized mining, artisanal mining, militarized mining and neoliberal industrial mining (Geenen, 2015). The current situation is characterized by very high degrees of uncertainty in several domains, including security (continuous presence of armed groups and new armed mobilization), politics (president clinging on to power and an uncertain transition period) and economy (sharp inflation since 2016) (Nyenyezi et al., 2017; Berwouts, 2017). In the mining sector, artisanal and industrial production are in many ways entangled and boundaries – physical as well as legal, social, economic and political – are difficult to draw. Therefore I study the actors and activities involved as part of one gold production network. My analysis is based on a range of interview data, documents and observations, collected during more than 18 months of fieldwork in five different gold mines. I will draw upon the empirical material gathered over the years (2008–2015) to illustrate my argument.

My argument speaks to the literature on uncertainty, risk and anticipation. Uncertainty is defined as when something is not fixed, not determined, vague, subject to change, ambiguous or dependent on unpredictable factors. It is an inherent feature of life. In this article I show how different actors in the Congolese gold production network deal with the extreme uncertainty that characterizes the market and institutional environment in which they operate, but also the production process and the gold itself. I demonstrate how these shapes practices, norms and relations between people. Corporate actors, however, tend to ‘calculate’ this uncertainty in terms of expected costs or gains. In doing so, they force other actors to operate under the conditions they set. In making this argument I draw on the existing literature on risk, more particularly the Geoforum articles by Emel and Huber (2008) and Stanley (2013). These authors argue that risk operates at the intersection of capital and rule, masking the uneven distribution of the negative impacts of production as well as capital’s active role in producing these impacts. I add that not only ‘risk’, but also ‘anticipation’ is produced and used as a mode of rule by corporate actors. If risk is about calculating the probability of costs or losses, anticipation is about measuring and making concrete expected gains. In addition I argue that the production of risk and anticipation by corporate actors conceals and devalues the way in which other actors in the gold production network deal with uncertainty. Focusing on this helps to better understand network relations, more particularly between mining corporations and local communities. In this sense, this article also speaks to the growing literature on conflicts between artisanal and large-scale mining, company-community conflicts and social mobilization against large-scale mining (Bebbington, 2012; Larmer and Laterza, 2017; Conde and Le Billon, 2017).

In the next section I position these arguments within the literature on risk and anticipation. Section three develops the case of Eastern DRC, analyzing (a) how uncertainty shapes practices, norms and relations in the gold production network, (b) how risk and anticipation are produced by corporate actors and (c) how this is used to mask the uneven distribution of negative impacts as well as corporate actors’ active role in producing these. Section four concludes.

2. Conceptualizing uncertainty, risk and anticipation

2.1. Risk

The uncertainty, unpredictability, unreliability and unknowns of life are generally taken as a given, yet social scientists from disciplines as diverse as psychology, behavioural economics, sociology, anthropology, geography and political economy have all addressed the question how people deal with this. If ‘uncertainty’ is just a neutral and inherent feature of life, it can have a positive connotation (when we speak of luck or good fortune), or a negative one (when we speak of risk) (Boholm, 2003: 167).

In mathematical terms, risk is defined as the “statistical probability of an outcome in combination with severity of the effect construed as a ‘cost’” (Boholm, 2003: 160). By using sufficient data and statistical models, the likelihood of (un)desired outcomes can be predicted and hence made ‘manageable’. Calculated uncertainty in the form of ‘risk’ thus informs most current prevention or management strategies, for example in environmental (Stanley, 2013) or security governance (Amoore, 2013). Yet psychologists and behavioural economists have since long acknowledged that decision making is not merely informed by rational choice and cost/benefit calculations (Tversky and Kahneman, 1986). Moreover, anthropologists have shown that risks are socially and culturally constructed (Alaszewski, 2016). Much of this latter research is tributary to Mary Douglas’ work (1996; Douglas and Wildavsky, 1983) in which she distinguishes between ‘danger’ (which all societies face) and ‘risk’ as those dangers societies choose to worry about and respond to through the use of magic and supernatural forces. In the literature on risk in modern societies sociologist Ulrich Beck’s (1992) concept of ‘risk society’ has been most influential. Beck argues that the complex nature of modern industrial development produces more unforeseen (often disastrous) consequences than ever, exposing us to a high level of risk. Although compelling as a notion, the flaw in Beck’s argument seems to be the universal, inevitable and almost apocalyptic character that is ascribed to the global market in producing these risks.

In response to this, critical geographers and political economists have focused their attention on who produces these risks and for what purpose. Citing Dillon (2008) and Martin (2007) who made the argument in the domain of security studies, Anna Stanley (2013) sees environmental risk as operating at the intersection of capital and rule. It is a knowledge practice

“integral to the workings and arrangements of power and legitimacy present in liberal capitalist political economy, as well as a mode of rule onto itself—a technique for enabling, managing, and producing populations, bodies and circumstances that helps to constitute the forms of action associated with liberalism and capitalism” (idem: 7).

As a knowledge practice, risk also obscures uneven geographies and “accounts for unevenness and dispossession as natural facts of aleatory phenomena” (idem: 13), the lives that become dispossessed, or that bear the most detrimental health effects, being seen as “existence’s unlucky numbers” (idem: 10). In their Geoforum article on the mining sector, Emel and Huber (2008) argue that the prevalence given to ‘neoliberal risks’ (financial and market risks borne by corporations) in contract negotiations leads to a highly uneven distribution of benefits. This is a political decision, prompted by the World Bank pushing African governments to offer attractive fiscal conditions to corporate capital. As Emel and Huber (2008: 1397) put it:

“Capital takes risks and it has the numbers to prove it. Meanwhile, those commonly experienced, but stubbornly unquantifiable and un-price-able, social and ecological risks borne by local communities are seen as merely the ‘externalized’ costs of doing business.”

In other words, only capital’s expected costs are framed as risks in need of an anticipatory response. The potential social and ecological
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