



Back to earth

As the attentive reader may have noticed already, the cover of this issue has been used before (Vol 1 No 2). At the suggestion of one of the members of our Advisory Board we will keep this cover for all issues of Vol 7. We think there are a number of good reasons for this:

Minerals, economic growth and the environment

Recent dramatic changes in the Soviet Union and Eastern Europe have revealed many facts on the damaging effects on the environment caused by a centrally planned industrialization process in which long term national goals, with a one-sided emphasis on economic growth and full employment, have made "short term" destruction of the environment acceptable. Coal mining in Czechoslovakia, the GDR and Poland is just one example.

Resource policies in the world market economies, on the other hand, may seem more flexible, with prices acting as a corrective to the exploitation of "uneconomic" resources, which are rapidly abandoned. According to this thinking the market is automatically limiting environmental damage.

But there is ample evidence that the market and the profit motive have not been sufficient to guarantee a wise environmental policy. The present ruthless exploitation of forest resources in Africa, Asia and Latin America is just one example.

The free market has also led to a new kind of exploitation. "Restructuring" of traditional industrial sectors have eliminated aging and polluting industries in many countries, eg in the iron and steel sector in the US and Western Europe. But at the same time the policy of "restructuring" has forced millions of people to live under extremely uncertain conditions, and has created ghost towns and wasteland areas in regions flourishing just a few decades ago.

Many underdeveloped countries, finally, with ideological support from the centrally planned socialist countries, have tried to combine a national market economy with state control over key economic sectors. At the same time they have been forced by international financial institutions and the TNCs to keep their economies open to the world market. This has been the condition for obtaining loans, investment and transfer of technology.

In the mining industry the result has been substantial growth for some developing countries, but mainly in sectors restructured or abandoned by the industrialized countries. Furthermore, this growth has often been linked to investment by the TNCs in a few very rich deposits. (Cf the article on Chile on pp 50-54 in this issue).

In this way many of the environmental problems in Western Europe, North America and Japan have been exported to Africa, Asia and Latin America.

One world

Our choice of cover can thus illustrate a new and growing awareness of a number of diverse, but truly global, environmental problems, eg the greenhouse effect, the uncontrolled use of pesticides, the pollution of the oceans.

Air, water and soil are all part of a complex system which must be defended by coordinated international action. In a paradoxical way the magnitude of this challenge has also opened up new possibilities for political decentralization. Responsible international action can only be taken if national and local opinion is mobilized, and this can only be done within reformed and vitalized political systems. In our view the changes now taking place in the Soviet Union and Eastern Europe must be understood within this perspective.

The rapid fragmentation of the socialist block eliminates many of the cold war stereotypes which has allowed



Illustration from: Fight for the forest, Chico Mendes in his own words, Latin America Bureau, London 1989.

leaders in the Western industrialized world to continue the arms race. These threats to humanity have now been reduced. It is therefore time to pass from words to concrete action in all fields related to the global environment

New possibilities

Reduced tensions between East and West will also benefit the South. Leaders in these countries must now face a world in which alliances will be made in a completely new way. They will

gradually lose the possibility to base repression of local opposition on arms and advisors from one of the two parties in a global conflict. This will probably open up a democratic process with very dramatic consequences in many third world countries.

In some regions local powers may delay this process by creating conditions for a continued cold war. South Africa in Southern Africa is one such power. But even that country will step by step be forced to accept new realities.

The independence of Namibia, after a protracted war, can symbolize the irreversibility of this process.

In a series of articles on the SADCC Paul Jourdan has analyzed the mineral economies of Southern Africa. His concluding articles on Tanzania and Namibia gives a timely background to the development potential of these two countries (pp 6-49). The leaders of the independent Namibia, acting in a completely transformed international political framework, will have a unique

chance of transforming the national economy without interference from the major powers.

International cooperation or TNC control

There is a risk however, that the fading away of the two conflicting military-ideological blocks will strengthen the dominant actors in the international mineral industries, the TNCs.

If the Soviet Union and the East European countries will be forced to close down a large number of mines and metals industries, as a precondition for obtaining international financial support, raw materials for their industries will have to be secured from elsewhere. The source of supply will most probably be the developing countries. It is thus imperative for those countries to vitalize the ideas of producer cooperation, eg within CIPEC. If this is not done commodity trading with the Soviet Union and Eastern Europe will probably be taken over by the TNCs. This may not be harmful in the short term, but it is clearly a long term threat to a more active local, national and regional involvement in the defense of the environment and in the formulation of new resources policies. To mobilize broad support for a global resources policy is a major challenge for all nations during the coming decade.

In coming issues RMR Vol 7

Our analysis of the key issues for the resources industries in the 1990s has led us to give priority to five different areas:

• Strategic minerals.

Can they be identified? How will they affect international cooperation and the peaceful use of natural resources.

• Mineral contracts.

What kind of agreements are made by the increasingly powerful TNCs and the host countries. We will publish and comment upon a number of "model" contracts.

• The TNCs

We will publish extracts from the RMR database, highlighting long term trends in the powerplay between the leading actors in the mineral economy.

• Southern Africa

Major political changes are taking place in South Africa and affecting the rest of the region. We will follow this development closely.

• Integration or rivalry?

The relations between the leading industrial powers in North America, Europe and Japan will be crucial to developments in the natural resources industries. Can they cooperate or will new conflicts develop?