Linking Mining with Sustainable Development in Afghanistan: The Value of Community-Based Monitoring

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Abstract

This research attempts to show that community-based monitoring in the mining sector is rooted in the unease about the negative social and environmental impacts of mining operations in developing countries where mining intersects with the legacies of civil strife, colonialism, as well as localized dynamics of poverty and conflict. Given, the mining sector’s role in perpetuating conflict in Afghanistan, this paper considers the value that community-based monitoring can have in empowering local communities and spurring sustainable development in Afghanistan’s emerging mining sector.

Keywords: Community-based Monitoring, Afghanistan, Mining, Sustainable Development, Human Rights, Conflict

Introduction

Given Afghanistan’s turbulent history where the natural resources sector in general and the mining sector in particular have often played a key role in facilitating and prolonging violent conflict, the prospects of peace in the country in many ways depends on sustainable development of the country’s considerable mineral wealth. Around the world, community-based monitoring (CBM) in the mining sector has emerged as a localized regulatory response to protect local communities and enable long-term sustainable development.
This study links community-based monitoring as a local response to be intimately linked to the history of malcontent with the performance of the mining sector particularly in developing and conflict prone countries. Furthermore, community-based monitoring because of its emphasis on local rights and protection of local assets and sources of livelihoods resonates heavily with the discourse on sustainable development as articulated initially by the Brundtland report in 1987 and later promulgated in the United Nations Sustainable Development Goals.

Furthermore, this research provides a structural analysis of the mining sector in Afghanistan and provides critical information about the country’s nascent mining sector governance apparatus, and an analysis of the conflict dimensions of the mining sector in Afghanistan. Our research shows that Afghanistan is a country with extremely weak institutional mechanisms for the protection of human rights and local communities. Moreover, given the links between the mining sector and the protracted conflict in Afghanistan, top down regulatory responses have fallen short is managing the country’s extractive resources sector.

The need to protect local communities and environments has propelled communities, and governments to institute approaches that rely on empowering local communities to mitigate the negative impacts of mining. Within the context of the historical position of the mining sector as a source of degradation at the community level, this research shows that community-based monitoring has gained wider acceptance globally in the extractive sector because of its emphasis on protecting community rights.

Afghanistan’s historical isolation and pervasive conflict has meant that the country has largely escaped industrial level exploitation. Nonetheless, the country is bound to experience significant growth in foreign investment as the demand for mineral resources continues to increase around the world. Community-based approaches have assisted local populations around the world to protect local assets and environments in the face of disruptive mining activities and may prove valuable in Afghanistan.

Community-based Monitoring: A Conceptual Overview

Community-based monitoring represents a particular theoretical framework that attempts to address community rights through local engagement in the oversight and monitoring of mining activities by local institutions and individuals (Bowen, 2010). At the heart of the concept is an emphasis on facilitating inclusive decision making and community empowerment on issues that are important to the community. Matthew Himley describes the rise of community-based approaches in mining as “illustrative of broader trends toward participatory or collaborative approaches in environmental governance.” (Himley, 2014)

In many ways, community-based monitoring is one variant of ‘collaborative and participatory’ approaches to economic, social, and environmental activities in local communities. The emergence of community-based approaches runs parallel with “shifts occurring in development policy away from ‘top-down’ or ‘expert-driven’ interventions and
toward collaborative or community-based approaches” (Himley, 2014). Corroborating Himley’s research, a study by Kemp and Owen on community relations in the mining sector postulate that the rise of community-based approaches in the mining sector stems from widespread discontent with the performance of the sector on social and environmental issues. (Kemp, 2013)

Community-based approaches to monitoring of natural resource extraction according to Ian Marshall is partly premised on the inherit “sense of entitlement” of local population over the natural resources available in their communities. This sense of entitlement is particularly acute in contexts where the national government is somewhat alienated from the local community or region (Marshall E. I., 2001). Marshall’s work on corruption issues in mining demonstrates that in many developing countries, governments continue to have serious capacity constraints to effectively manage and equitability distribute mineral wealth. In many cases the burden falls on communities to demand their rights and protect their livelihoods. Local participation becomes imperative to prevent open conflict, articulate development needs, and oversight environmental and local asset protection.

The history of conflict between communities and mining companies is well documented in the literature (Boege, 2012). Stakeholders in the mining sector often experience a range of situations, from open violence to protests movements, and battles in the judiciary, and international tribunals. It is within this context and history of conflict in the sector that communities, companies, and governments have increasingly turned to participatory approaches that relies on community participation to better protect local communities’ interests and environments.

Community-based monitoring has gained wider acceptance in the extractive sector because of its emphasis on protecting community rights. The mining sector around the world is characterized by human rights abuses particularly against Indigenous peoples, women, children, and laborers. Research by Handelsman shows that human rights abuses in mining sector are more prominent in settings where the state institutions are weak (Handelsman, 2002). In such settings, community based approaches enable local populations to mobilize.

Furthermore, research on human rights’ in the mining sector indicates that abuses occur at specific stages of mining operations. The human rights literature in the mining sector also notes that there are often specific contextual elements such as cultural, religious, and economic practices that influence how mining impacts human rights. According to a report on human rights in the mining sector by the International Institute on Environment and Development (IIED) human rights abuses occur at four key stages of mining operations:

- Exploration – involving access to land, and displacement of population;
- Development –Distortion of the local economy, Health concerns with imported labor, disproportionate impact on women;
- Operations – workers’ rights, environmental rights and protection, security concerns with insurgent and group violence;
- Closure –environmental rehabilitation.
Against the backdrop of historical injustices and abuses propelled by the mining sector around the world, since the 1980s, the mining sector has also witnessed intense pressure to address its adverse impacts especially in developing countries. The mining industry has increasingly adopted robust rules to protect human rights and have implemented CSR approaches to contribute towards local development (Idemudia, 2009). Despite these positive developments, there continues to be significant human rights abuses and wider community impacts in the sector, particularly as the sector continues to expand to more fragile settings where mining activities interacts with existing sources of local conflicts.

While extensive attention is paid to industrial scale mining, human rights abuses also occur at lower levels of the mining sector. While the majority of global mineral output is through industrial scale mining, approximately 90% of the global workforce involved in the mining sector work in Artisanal and Small-Scale Mining (ASM), producing 10% of global mining output (Veiga, 2010). ASM refers to small-scale mining operations often operating illegally which are characterized by operations that are more intimately linked to local community expertise, labor, and environment amplifying the impact of mining on local communities. ASM is highly susceptible to human rights abuses and women and children are disproportionately impacted (Gifford, 2010).

Concerns about the adverse impacts of the ASM sector especially over the past two decades have led to growing calls for actions to protect local communities. Expectations from the mining sector have evolved to include sustainable local development to achieve poverty reduction, ensure environmental protection, and instigate long term local development. These expectations have also resulted in broader shifts in collaboration between international development efforts and mining operations including CSR activities by mining companies. (Gifford, 2010) Often in mining communities in developing countries, international development efforts and mining activities by multinational companies converge (Muthuri J. N., 2009).

At industrial mining levels, companies are widely expected to undertake activities that remedy and offset the disruptive nature of mining activity. In many countries including in Afghanistan, a ‘Community Development Agreement’ now accompany mining contracts. Community-based approaches feature heavily in such agreements and have also found a convergence with CSR models promoted by mining companies (Marguis, 2009).

Community-based approaches have emerged as the preferred modal of undertaking development activities by mining companies, development agencies, and governments (Gifford, 2010). Companies often engage local communities finding it preferable to corrupt local governments and seeing strategic sense in the public relations value of such activities. (Haysom, 2009) The current situation is in contrast to a history of violence and conflict that characterized the interaction between companies and communities particularly in developing countries.

The body of knowledge on the preferred approaches to community development by mining
companies describes several approaches that significantly rely on community participation in conducting CSR activities. John Owen and Deanna Kemp in their research outline a taxonomy of approaches to community development in mining and how they are situated in CSR models promoted by mining companies (Kemp, 2013). These approaches in various ways heavily rely on local community participation in order to engage in local development. The ‘Public Relations Approach’ emphasizes the value of keeping local populations and corporate shareholders satisfied, Risk Mitigation and Opportunity Orientation, and the Five Capitals Model, are some of the other approaches that have been tried by mining companies (Owen, 2012).

In an effort to strengthen attempts to draw clearer pathways between mining and sustainable development outcomes, scholars have increasingly advocated for a more genuine partnership with local mining communities. A study of 10 large mines in Latin America, Canada, and Spain on the socio-economic and environmental impacts at the local level concluded that the development of “a tripartite relationship between government, the community and company” as integral to the prospects of sustainable development in mining projects (Mate, 2002). Community-based monitoring may represent one form of such a tripartite relationship that could support sustainable development in mining operations particularly in settings where regulatory agencies lack the necessary capabilities to protect local communities and environment.

The Mining Sector in Afghanistan

While, geological data on the mineral potential of Afghanistan is still scarce and huge swaths of the land still need to be surveyed and studied, preliminary estimates by the US Geological Survey value Afghanistan’s potential mineral deposits at around $1-3 trillion at current market prices (Global Witness, 2016). The country holds substantial subsurface resources including “precious and semi-precious gemstones, uranium, common metals (copper, lead, chromite and iron), rare-earth metals (such as lithium and niobium) and precious metals such as gold and silver” (Blankenship, 2013). The country also contains considerable semi-precious gemstones, and significant reserves of fossil fuels in the form of gas, oil, and coal.

Currently, the mining sector impacts a considerable number of communities in Afghanistan. A recent report commissioned by German development agency GIZ revealed approximately 200,000 – 450,000 people work in various upstream and downstream business related to mining activities, this constitutes roughly 3 to 6 percent of the total labor force in Afghanistan. Furthermore, in terms of the sector’s geographic coverage approximately 3000 villages are involved to some degree in mining related activities, this also constitutes roughly 15% of the total villages in the country (Samuel Hall, 2016).

There are enormous challenges that confront the growth of a vibrant and sustainable mining sector in the country. Afghanistan’s landlocked position, and impenetrable mountainous terrain due to limited investment in infrastructure over the past several decades, make exporting of large quantities of raw materials very expensive. According to the World Bank “a major mine developed in the country will have some of the longest lead times, capital requirements, and highest operating costs of any global investment” (Global Witness, 2016). The challenges are
not limited to Afghanistan’s relative isolation, inadequate governance apparatus, links to conflict, and pervasive corruption further inhibit the growth of a sustainable mining sector in the country.

**Mining Sector Governance in Afghanistan**

A review of the Afghanistan mining sector governance apparatus indicates that the country’s mineral wealth is governed by the country’s constitution, specifically Chapter 1, Article 9 stipulates that all mines and subterranean resources shall be the property of the state. Furthermore, two major legislations govern mineral development in the country, the Mining law of 2014 and the Hydrocarbon Law of 2009, additional laws and regulations that impact mining sector governance include the Mining Regulations of 2010, Hydrocarbon Regulations 2013, Income Tax Law 2009, The Customs Law and Customs Code, and the National Environmental Protection Act of 2005.

The institutional framework for mining sector governance is highly centralized, which is not a big surprise given the centralized government model that has traditionally been in place in Afghanistan. Nonetheless, there are a number of stipulations in the exiting mining law for community participation in mining decision making. Article 92 addresses community development in local mining communities and proposes a Community Development Agreement to be developed as part of the mining operation in consultation between the license holder and local communities. The Community Development Agreement is to be part of the mining contract and is to contain an environmental and social impact assessment or screening report and an Environmental and social management plan for different phases of the mining operation.

The community development provision of the mining law attempts to promote “sustainable local economic development, the general welfare and quality of life of the local communities, recognizing and respecting the rights, customs and traditions of local communities” (Ministry of Justice, 2014). Local consultation with community is placed at the heart of the stipulated process for preparing Community Development Agreements. While, this has provided a meaningful facility for guiding interactions between local communities and license holders; the law is however light on addressing the plethora of issues that constrain communities’ capabilities to effectively participate in mining decision making.

Various provisions in the mining law address important issues such as dispute resolution, provincial funding allocations, and population resettlement. There is little to no attention paid to issues such as women’s rights, child labor, and destruction of sources of livelihoods especially in the case of population resettlement effects. Nevertheless, the emerging legal framework in Afghanistan for the most part has been designed with international best practices in mind and provides a solid regulatory framework for mining sector governance in the country. However, the persistence of violence and pervasive corruption in the government apparatus in the country has thus far inhibited the full application of the legal framework.
The Conflict Dimensions of Mining in Afghanistan

While the conflict in Afghanistan has its roots in factors that extend well beyond the presence of natural resources in the country, the country’s natural resources in particular its mineral wealth has integrated into the conflict cycle in providing valuable financing to perpetuate the conflict in the country. This situation has had direct bearing over natural resource governance in the country or lack thereof. The historical development of conflict and the presence of accessible mineral resources has provided fertile ground for the emergence of a ‘mining oligarchy’ according to Javed Noorani a prominent Afghan Mining expert, where powerful elites at national and local levels have formed a quasi-monopoly over the mineral resources of the country, particularly at small and medium level operations (Javed, 2015).

Research on the links between the mining sector and conflict for the most part postulate that the presence of natural resources is never the sole source of conflict in any particular setting, but their presence, exacerbates the risks of conflict and makes it harder to engage in successful conflict resolution (Haysom, 2009). Studies have shown that revenues from mining have financed conflicts in Africa, Asia, and Latin America throughout the 20th and 21st centuries (Bannon, 2003). The links between mining and conflict is not limited to national level violent conflict, conflict in mining also occurs at low intensity levels in mining locations, between companies and communities and communities and local and national authorities (Billon, 2001).

According to Philippe Le Billon there are two major manifestation of the relationship between armed conflict and natural resources: how armed conflicts are motivated by the control of resources? and how resources integrate into the financing of armed conflicts? Le Billon further postulates on the relationship of conflict and natural resources that “While it would be an error to reduce armed conflicts to greed-driven resource wars, as political and identity factors remain key, the control of local resources influence the agendas and strategies of belligerents” (Billon, 2001, p. 580).

Beyond motivating or financing conflicts, resource availability and the “levels of dependence, conflictuality, and lootability of a resource can also increase the vulnerability of societies to armed conflict” (Billon, 2001). Resource Lootability features prominently in the discourse on the relationship between natural resources and conflict. Access to geographically fixed resources with the application of limited amount of labor or capital is seen to be directly linked to conflict as both causing conflict and perpetuating existing conflicts.

Beyond the political economy perspective, an additional dynamic that impacts the relationship between natural resource endowment and the armed conflict is the socio-political context that prevails in conflict affected settings. According to research conducted by Volker Boege and Daniel Franks, post-conflict settings are characterized by a state of ‘fragility and hybridity referring to the varying degrees of political order that prevail in post-conflict settings.

In a fragile state government institutions suffer from a state of incapacity to uphold the law, or provide basic services, or manage resources. In this state, political representation and
citizen participation is inhibited, and state institutions generally suffer from a lack of legitimacy. A hybrid political order combines traditional societal structure with elements of the modern nation state and institutions and movements with their origin in the preceding conflict (Boege, 2012). The existing socio-political conditions in Afghanistan mostly resonates with a hybrid political order where the state is only one of the actors among others vying for legitimacy and control.

In the context of Afghanistan’s protracted conflict and periods of fragile and hybrid political order, the mining sector has featured heavily as causing and perpetuating conflict in the country. As the country plunged into incessant conflict in the late 1970’s, mining contributed significantly in sustaining violent conflict in the country (Dupee, 2012). In the 1980’s the Afghan fighters resisting the Soviet occupation of the country utilized revenues generated from the country’s gemstone industry to finance their war efforts (Dupee, 2012).

In the 1990’s this trend continued albeit in a more pernicious manner as the various groups who were engaged in the resistance of the Soviet occupation turned on each other and a full-blown civil war ensued in the country. These groups leveraged their militias to control mining operations in their spheres of influence and also battled each other over control of these resources. During this period, the mining sector fueled armed conflict, environmental degradation, human rights abuses, and an illicit economy that also encompasses the notorious drug trade and weapons smuggling (Dupee, 2012).

Since the removal of the Taliban in 2001, mining continues to play a key role in the persistence of violence in the country. Whilst the government has attempted to institutionalize the country’s natural resources sector through legislation, capacity development, and promotion of private sector investment, government attempts are challenged by a well-established informal mining economy that interacts closely with the insurgency and criminal networks in the country (Global Witness, 2016).

A recent report by Global Witness on mining in Badakhshan province illustrates collusion between government officials, insurgents, and local elites to capture revenues from the local mines at the expense of the state. The Taliban are also shown to earn significant amounts of revenue from mining in the province, although data to these effect is difficult to ascertain but it is mentioned that mining is only second to narcotics as a source of revenue for the Taliban. These interactions often result in breakout of violence placing Badakhshan’s gemstone mines at the heart of the insurgency and conflict in the province (Global Witness, 2016). The situation in Badakhshan is replicated in other parts of the country, with chromite mining in the East, and oil and gas in the North of the country heavily linked to the insurgency in those parts of the country.

Despite the troubled history of the mining sector and the enormous challenges that confronts the sector, the government of Afghanistan intends to attract foreign investment to develop the country’s mineral resources; several large scale contracts such as the Aynak Copper mine awarded to the Chinese conglomerate MCC have been concluded over the past decade and smaller concessions are offered regularly to domestic operators. Afghanistan’s Resource
Corridor strategy articulates an elaborate and expansive desire to leverage the country’s natural resources sector to spur wider economic growth and infrastructure development that can make Afghanistan a regional trade and energy hub.

While the mining sector is seen as holding significant emancipatory value for funding the immense development needs of the country; state governance capacity remains inadequate to effectively manage the country’s substantial mineral wealth. The persistence of the insurgency continues to pose the greatest challenge to the government’s ability to operationalize its plans for the mining sector. In the context of the country’s security environment and limited government capacity, mechanisms such as community-based monitoring that leverage local capabilities to manage the country’s mineral wealth may especially prove valuable.

Conclusion

Afghanistan’s mineral resources hold great potential for spurring sustainable economic development. Similarly, the sector also carries great pitfalls in potentially instigating a ‘resource curse’ in the country. A glance at the history of the extractive sector around the world and specifically in Afghanistan indicates a troubled past with close links to conflict, poverty, and human rights abuses. Constraints in state regulatory capacity, persistence of violence that is closely linked with the mining sector, and pervasive corruption all appear to combine to prevent any measure of success in mining sector governance in Afghanistan.

This research shows that over the past two decades, global expectations around mining have evolved to include sustainable development as a necessary outcome from mining activities; this is in stark contrast to the traditional position that the sector has had in propelling social and environmental degradation. Community-based monitoring represents a particular theoretical framework that resonates heavily with the sustainable development discourse and attempts to address community rights through community engagement in the oversight and monitoring of mining activities by local community institutions and individuals.

Afghanistan’s mining sector has developed within the context of a conflict zone, often contributing, funding, and exacerbating the conflict. Given the country’s turbulent history, and the intention of the government to scale up mining projects through attracting foreign investment; the sector faces additional challenges as multinational mining companies enter the community-mining space in the country. Community-based monitoring may hold value to both communities and companies to support sustainable development in the sector.

References


