

Introduction

“Madaraka” is the Swahili word for self-determination. Article 2 of the United Nations 1960 Declaration on the Granting of Independence to Colonial Countries and Peoples states: “all peoples have the right to self-determination; by virtue of that right they freely determine their political status and freely pursue their economic, social and cultural development.” However, the conditions of economic development and democracy have been profoundly and adversely affected by “economic globalization”, particularly due to the tremendous increase in the power of corporations relative to that of communities and labour.¹

Corporations are presently “the dominant institutional force at the centre of human activity and the planet itself.”² A 2002 report from the Institute of Policy Studies revealed that fifty-one of the top one hundred economic units in the world are corporations, not countries, while the world’s top two hundred corporations account for almost a quarter of the total measured economic activity of the entire world.³ Hence, economic globalization may be more aptly referred to as “corporate globalization.”

However, corporate globalization poses serious problems for communities and the environment, largely due to “the lack of constraints and accountability that current political economic models favour.”⁴ Large-scale projects generally subordinate the rights of those affected to “the agendas of corporate interests and the logic of the market.”⁵ Transnational corporations (TNCs) often pay lip service to the guidelines contained in legislation, while many governments are either unable to ensure that these companies comply with regulations or wilfully turn a blind eye to infractions, thereby “leaving affected communities with no recourse or access to justice.”⁶

Such impunity arises from what has been called the “governance gap” – or “enforcement vacuum”⁷ – which is defined as a lack of sanctioning and reparation.⁸ The “governance gap” is also referred to as the “regulatory gap,” which results from the lack of binding rules or

¹ Leadbeater, D. (2008). *Sudbury’s Crisis of Development and Democracy*. In Leadbeater, D (ed) *Mining Town Crisis: Globalization, Labour, and Resistance in Sudbury*. Black Point, NS: Fernwood Publishing

² Cavanagh, J., & Mander, J (eds). (2004). *Alternatives to Economic Globalization: A Better World Is Possible*. A Report of the International Forum on Globalization. San Francisco, CA: Berrett-Koehler Publishers, Inc. p.272

³ Anderson, S., & Cavanagh, J. (2002). *The rise of corporate global power*. Institute for Policy Studies.

<http://fwww.rojasdatabank.info/top200.pdf> (Accessed on February 10, 2014)

⁴ Oliver-Smith, A. (2010). *Defying Displacement: Grassroots Resistance and the Critique of Development*. Austin, Texas: University of Texas Press

⁵ *Ibid*

⁶ Rebbapragada, R., & Kalluri, B. (2009). *The Samatha judgement: Upholding the rights of Adivasi women*. In Mehta, L (ed) *Displaced by development: Confronting marginalization and gender injustice*. New Delhi, India: Sage

⁷ Campbell, B. (2008). Regulation & Legitimacy in the Mining Industry in Africa: Where does Canada Stand? *Review of African Political Economy* (35)117, 367-385. The “governance gap” or “enforcement vacuum” has also been referred to as the “regulatory gap,” which results from the lack of binding rules or regulations, especially at the global level – due to economic globalization [Re: Bexell, M., & Morth, U (eds). (2010). *Democracy and Public-Private Partnerships in Global Governance*. New York, NY: Palgrave MacMillan]

⁸ Ruggie, J.G. (2008). *Protect, respect and remedy: A framework for business and human rights. Report of the Special Representative of the Secretary-General on the issue of human rights and transnational corporations and other business enterprises*. A/HRC/8/5 7 April

regulations, especially at the global level.⁹ A key part of the problem is the legal framework that regulates the activities of corporations, whereby parent companies and their subsidiaries are considered to be distinct legal entities, generally rendering the former not liable for wrongs committed by the latter.¹⁰

Corporations are generally structured to remain free of any legal responsibility to operate in moral, humane, or any other ways that are beneficial to communities, workers, or the environment.¹¹ Corporations are institutions that are based on three main principles: the absolute need to make profits; the need to grow continuously and expand in terms of territory and functionality; and their need to remain as unrestricted as possible in their operations.¹² In fact, corporations not only exist exclusively to maximize returns to their shareholders,¹³ they are designed to extract and concentrate this wealth into the hands of a few.¹⁴

In addition, rather than generating substantial and uninterrupted revenue flows at predictable levels, or providing employment and infrastructure that can help build nationally integrated markets to meet domestic requirements, resource dependence has primarily served the interests of TNCs.¹⁵ Indeed, “the dynamics of imperialism, promoted by TNCs in the political and economic internationalization of capital, continue to shape the relations between mineral economies and the international economy.”¹⁶ In the context of economic globalization – characterized by liberalisation, privatisation and deregulation – extractive projects mainly enable wealthy TNCs to extract resources and profits from poor nations.

Consequently, the most significant impact of corporate globalization has been excessive inequality worldwide. Almost half of the world’s wealth is owned by the richest 1% of the population. Even within the industrialized countries, the rich-poor gap continues to grow. For example, the United States is the world’s richest country, yet it has the widest gap between the rich and the poor.¹⁷ Moreover, according to the U.S.’s Central Intelligence Agency (CIA), economic/corporate globalization will create an “even wider gap between regional winners and losers than exists today.”¹⁸

⁹ Bexell, M., & Morth, U (eds). (2010). *Democracy and Public-Private Partnerships in Global Governance*. New York, NY: Palgrave MacMillan

¹⁰ Ruggie, J.G. (2010). *Governing Transnational Corporations*.

<http://www.internationalrelations.com/2012/09/30/ruggie-governing-transnational-corporation/> (Accessed on February 10, 2014)

¹¹ Cavanagh, J., & Mander, J (eds). (2004).

¹² *Ibid*

¹³ Bakan, J. (2005). *The Corporation: The Pathological Pursuit of Profit and Power*. London, U.K: Constable & Robinson Ltd. See also: Rowland, W. (2012). *Greed, Inc.: Why Corporations Rule the World and How We Let It Happen*. Markham, ON: Thomas Allen Publishers

¹⁴ Korten, D. (2002). *Predatory corporations*. In Evans, G., Goodman, J., & Lansbury, N (eds) *Moving Mountains: Communities Confront Mining and Globalisation*. London, U.K: Zed Books

¹⁵ Bush, R. (2010). *Mining, Dispossession, and Transformation in Africa*. In Fraser, A., & Larmer, M (eds) *Zambia, Mining, and Neoliberalism: Boom and Bust on the Globalized Copperbelt*. New York, NY: Palgrave MacMillan

¹⁶ *Ibid*. p.254

¹⁷ International Labour Organization of the United Nations (ILO). (2004). Cited in: Cavanagh, J., & Mander, J (eds). (2004).

¹⁸ Central Intelligence Agency (CIA). (2000). *Global Trends, 2015*. Langley, VA: Central Intelligence Agency (CIA)

Pursuant to the above, the entire structure of modern civilization is derived from or depends on the use of natural resources; which include land, water, minerals, fossil fuels, forests, marine resources, and biological resources. Without them, we would have no skyscrapers, no planes, no ships, no cars, no bridges, no weapons, no electronics, no consumer products, no central heating, no air-conditioning and none of the provisions of running water and sewage disposal that we take for granted.¹⁹

Corporate globalization depends on the Earth's natural resources for its very existence, thus opening up the natural resource market to satisfy increased volumes of global trade, transport, communication, and the increasing affluence that it creates.²⁰ Furthermore, since corporate globalization is solely based on the principle of economic growth, corporations must constantly produce and sell products, as well as continually prowl the marketplace in search of profits, in order to achieve continual growth.²¹

However, one feature of resource extraction is that all reserves are inevitably depleted over time, as their output gradually declines. Extractive companies must therefore continually discover or acquire new reserves in order to sustain a fairly stable output during the course of their operations.²² As resource extraction intensifies, the total available supply of many key materials will also diminish, leading to a corresponding increase in prices and increased conflict over critical resources such as oil, uranium, and certain rare earth metals.²³

Community resistance is then framed as a security threat that can potentially interrupt access to strategic resources – an argument that often informs the penchant to label those who mount such resistance as “terrorists.”²⁴

¹⁹ Lanning, G., & Mueller, M. (1979). *Africa Undermined: Mining Companies and the Underdevelopment of Africa*. Harmondsworth, U.K: Penguin Books Ltd.

²⁰ Blanco, E.M., & Razaque, J. (2011). *Globalisation and Natural Resources Law: Challenges, Key Issues and Perspectives*. Cheltenham, U.K: Edward Elgar Publishing Limited

²¹ Gibbs, T., & Leech, G. (2009). *The Failure of Global Capitalism: From Cape Breton to Colombia and Beyond*. Sydney, NS: Cape Breton University Press

²² Ali, S.H. (2003). *Mining, the Environment, and Indigenous Development Conflicts*. Tucson, Az: The University of Arizona Press

²³ Klare, M.T. (2002). *Resource Wars: The New Landscape of Global Conflict*. New York, NY: Henry Holt and Company, LLC

²⁴ Obi, C.I. (2010). Oil Extraction, Dispossession, Resistance, and Conflict in Nigeria's Oil-Rich Niger Delta. Special Issue - Rethinking Extractive Industry: Regulation, Dispossession, and Emerging Claims. *Canadian Journal of Development Studies* (30)1-2, 219-236.