

INCORPORATING INDIGENOUS FORMS OF GOVERNANCE IN THE  
MANAGEMENT OF NATURAL RESOURCES:  
The Case of South Africa's Royal Bafokeng

by

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Submitted in partial fulfillment of the requirements  
for the degree of Master of Arts

at

Dalhousie University

Halifax, Nova Scotia

August 2015

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## **DEDICATION**

*To my family, for being my pillar of strength and my inspiration*

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## ABSTRACT

South Africa's Royal Bafokeng community is often cited as an example of community based mineral resource ownership that ought to be considered as an alternative to the central state. This claim is made against the background of failed state management of oil, diamonds, or platinum resources in Africa, which resulted in the "resource curse" hypothesis. It is also made within the global narrative of "decentralization" and "participation," whereby grassroots-based policy and institutional frameworks are regarded as alternatives to global and national institutions. However, scholars often neglect the relationship between ownership structures and political and economic outcomes. This study considers the extent to which the Royal Bafokeng's ownership structure ought to be considered as an alternative to the state in the management of mineral resources. It finds that firstly, decentralised ownership structures should not be conceived as an *alternative*, since they do not automatically guarantee preferable developmental outcomes. It also shows that the Bafokeng's mineral ownership structure is a result of historical factors, best described through the concept of "*longue duree*," not deliberate state policy outcomes. It also argues that this ownership structure is not easily transferrable, due to the contending power dynamics that make it infeasible in other contexts in sub-Saharan Africa and beyond.

## **LIST OF ABBREVIATIONS USED**

RBN	Royal Bafokeng Nation
RBH	Royal Bafokeng Holdings
PGM	Platinum group of minerals
RUF	Revolutionary United Front
MPLA	Popular Movement for the Liberation of Angola
UNITA	National Union for the Total Independence of Angola
FNLA	National Liberation Front of Angola
SLST	Sierra Leone Selection Trust
SSA	Sub-Saharan Africa
CSI	Corporate Social Investment
ANC	African National Congress
CONTRALESA	Congress of Traditional Leaders of South Africa
CODESA	Convention for a Democratic South Africa
NUM	National Union of Mineworkers
COSATU	Congress of South African Trade Unions
HMS	Hermannsburg Mission Society
NP	National Party
NPO	Non-Profit Organisation



## GLOSSARY

<b>Kgosi</b>	Tswana king, chief
<b>Diskosana</b>	Headman, clan head ( <i>pl</i> )
<b>Bannakgotla</b>	A group of ward men who assist the headman in discharging duties
<b>Kgotha khothe</b>	Bafokeng community town hall, which meets twice a year
<b>Difaqane</b>	A period of inter-tribal conflict and migration in the early 1800s in Southern Africa
<b>Bafaladi</b>	Foreigners, non-ethnic Bafokeng
<b>Mephato</b>	A Bafokeng tribal system of initiating youths into adulthood
<b>Voortrekkers</b>	Afrikaners who migrated from the Cape Colony following the Anglo-Boer War
<b>Boers, or Afrikaners</b>	Descendants of the Dutch who settled at the Cape Colony in 1652
<b>Lekgotla</b>	Bafokeng chief's council
<b>Mofokeng</b>	A member of the Bafokeng ethnic or tribal group

## **ACKNOWLEDGMENTS**

My most sincere gratitude to my supervisor, Dr. Peter Arthur and thesis committee members, Drs David Black and Robert Finbow, and the Department of Political Science staff for their support in this research and academic development in general, Professors Keith Breckenridge (Witwatersrand, South Africa), and Olufemi Vaughan (Bowdoin, United States) for the invaluable advice, my friend and mentor, Professor Thomas Cushman (Wellesley, United States) for his unwavering support and faith in my potential, Dr. Gary Kynoch and the Southern African Student Education Programme (SASEP), for the generous funding that made it possible for me to study at Dalhousie; and above all, to the Lord God Almighty for His blessings and grace that have sustained me on this journey

## **CHAPTER 1:**

### **INTRODUCTION**

Several countries in sub-Saharan Africa are endowed with a variety of extractive mineral resources such as diamonds, platinum and oil, among many others. However, despite realizing substantial revenue from the export of these natural resources, this has not always translated to favourable developmental outcomes. Instead, they often experience high levels of poverty, weak and undifferentiated economies, social inequalities, poor governance, and political instability, and in some cases, armed conflict. The ‘resource curse’ or ‘paradox of plenty’ hypothesis aims to capture this phenomenon, showing the different ways through which resource wealth often coexists with poor developmental outcomes.<sup>1</sup> For instance, the ‘Dutch Disease’ seeks to explain a situation where a government’s singular focus on the resource-sectors results in poor internal economic differentiation that makes the economy vulnerable to cyclical boom-bust cycles in global primary commodity markets.<sup>2</sup>

Another example is the ‘rentier state’ mechanism, whereby a country’s reliance on export revenue instead of domestic revenue sources results in non-transparent and minimally accountable political rule.<sup>3</sup> This is because, since the government depends on externally derived income instead of internal sources like taxes, it lacks an incentive to build strong state institutions that facilitate transparent state-society relations. However, the validity of

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<sup>1</sup> Jeffrey D. Sachs And Andrew M. Warner, “The Curse Of Natural Resources,” *European Economic Review* 45, No. 4 (2001): 827–38.

<sup>2</sup> Ibid.

<sup>3</sup> Hazel M. Mcferson, “Extractive Industries And African Democracy: Can The ‘Resource Curse’ Be Exorcised?” *International Studies Perspectives* 11, No. 4 (2010): 11.

the the resource curse hypothesis has been challenged on several fronts<sup>45</sup>. For instance, it mostly uses statistical approaches that do not adequately take into account various context-specific factors in African resource-rich states. The resource curse hypothesis also dwells on studies that have been done during specific historical phases of the development of the juridical state on the continent (1960s-1990s), and thus some of its claims are based on conditions of those times. This study thus takes a more critical approach to its claims, instead using more holistic, historical and case-based approaches that capture the complex interplay of factors that influence outcomes with resource management on the continent.

Furthermore, at the core of resource curse literature is the idea that the state is responsible for all the negative consequences of resource wealth, either by commission or omission. However, this singular focus on pathologies of the state in the resource curse literature is a weakness.<sup>6</sup> Instead, academic research ought to focus on ownership structures as well, and how they influence outcomes in mineral resource management. Focusing on ownership structures can yield insights on how power and group interests influence policy outcomes. The main types of ownership structures include state-owned public corporations or parastatals, private corporations, community investment vehicles and individual ownership. Nevertheless, most of the conventional ownership structures in Africa typically exist at a more macro-level, with minimal inclusion of local communities in whose localities minerals are extracted. Local communities seldom benefit from resource wealth,

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<sup>4</sup> Jean-Philippe C. Stijns, "Natural Resource Abundance And Economic Growth Revisited," *Resources Policy* 30, No. 2 (2005): 107–30.

<sup>5</sup> Christa N. Brunnschweiler, "Cursing The Blessings? Natural Resource Abundance, Institutions, And Economic Growth," *World Development* 36, No. 3 (2008): 399–419.

<sup>6</sup> Pauline Jones Luong And Erika Weintal, "Rethinking The Resource Curse: Ownership Structure, Institutional Capacity, And Domestic Constraints\*," *Annu. Rev. Polit. Sci.* 9 (2006): 241–63.

while harmful environmental effects of mineral resource extraction often disrupt their livelihoods. As a result, several development studies scholars and practitioners have often promoted decentralization and participation as the best alternative to central state ownership of extractive natural resources.<sup>7</sup> Therefore, this research investigates the extent to which community-based ownership structures can be considered as an alternative to the state in the management of these resources. Indigenous communities in sub-Saharan Africa are typically organized around traditional forms of governance and function alongside local municipalities, which are the “modern” local administrative arms of the state. Thus, these decentralized ownership structures can also be modeled around indigenous forms of governance, which are a form of grassroots based political and economic organization.

The case of the Royal Bafokeng Nation (hereafter, the “Bafokeng” or RBN) in South Africa provides an important case study in this regard. Located in South Africa’s North West Province, the Royal Bafokeng community consists of 29 villages that fall under the Rustenburg Municipality. A “*kgosi*,” or traditional chief presides over the communal area, together with a council of headmen for each village. The chief and headmen, or “*dikgosana*” constitute the community’s Supreme Council or traditional legislature.<sup>8</sup> The community is situated at the site of the world’s largest proven source of platinum group of minerals (PGM), the “Bushveld Igneous Complex.”<sup>9</sup> The platinum deposits were discovered during colonial rule in the early 1920s. Through a protracted historical process

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<sup>7</sup> Cecilia Luttrell Et Al., *Understanding And Operationalising Empowerment* (Overseas Development Institute London, UK, 2009).

<sup>8</sup> Susan E. Cook, “The Business Of Being Bafokeng,” *Current Anthropology* 52, No. S3 (2011).

<sup>9</sup> Andrew Manson And Bernard Mbenga, “‘The Richest Tribe In Africa’: Platinum-Mining And The Bafokeng In South Africa’s North West Province, 1965-1999\*,” *Journal Of Southern African Studies* 29, No. 1 (2003): 25–47.

and the agency of various actors that will be outlined and analysed in this paper, the Bafokeng have come to own a substantial portion of the rich platinum deposits. The indigenous leadership established a corporate entity, the Royal Bafokeng Holdings (RBH), with the rest of the Bafokeng community being regarded as de facto shareholders, while the chief represents their interests on the company's board as the Chief Executive Officer. Currently, it owns assets and investments beyond the platinum industry and earns substantial revenues that directly accrue to the RBH, instead of the central state.<sup>10</sup>

The RBN is thus a unique case that provides a practical example from which to derive important observations regarding community involvement in mineral resource management. Although other communal groups in the same Rustenburg area, such as the Bakgatla-Bakgafela, baKubung ba Mmonakgotla and baKwena ba Mogopa also control platinum wealth, the scale of their income is much lesser than the Bafokeng, and it also intimately shares the community's historical experience. The RBN case also exemplifies the co-existence of "modern" and "traditional" governance structures, which is a common feature in several post-colonial sub-Saharan African states. However, it is unique in that as a sub-state group, it has legal ownership of high-value extractive mineral resources. As alluded to above, several historical, contextual and agency-driven factors account for this scenario. For instance, unlike most indigenous communities in sub-Saharan Africa and other parts of the world, the RBN legally owns the platinum deposits in their locality due to a combination of various factors since the formative years of colonial rule in South Africa. This empowered the tribal chief, instead of the central state to directly negotiate

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<sup>10</sup> Bridget Horner, "The Royal Bafokeng Nation: Cultural Identity And Spatial Expression," Accessed June 7, 2015,

mining exploration, royalty, and share deals with mining companies. The Bafokeng traditional chiefs' actions also played a considerable role in these processes of land and mineral ownership through engaging with colonial and post-colonial regimes in South Africa. Another crucial factor is the country's negotiated transition from settler colonial rule, that resulted in the post-colonial state making several policy concessions to the apartheid-era mineral claim holders and thus an inability to command control over mineral resources in the country at large, which is not common in sub-Saharan Africa.

This research finds that the Bafokeng's case is the culmination of close to two centuries of historical developments, instead of a deliberate, state-sanctioned policy objective of decentralisation and participation. It is thus unlikely that other resource-rich sub-Saharan African countries can replicate this decentralised ownership structure. Considering this case as a "template" for other countries is thus erroneous. In addition, it also represents the triumph of rural landed elite interests, instead of grassroots demands for inclusion in the management of mineral resources. As a result, there is continual contestation between the Bafokeng community and tribal elites due to a disjuncture between elite policy interests and the sub-groups' needs and expectations. Furthermore, this study finds that considering decentralisation and participation as alternatives to the state in development policy is a flawed approach. The idea of an *alternative* means the displacement of the state, and this will unlikely happen, since the state remains the primary actor in the governance of mineral resources in Africa. Instead, decentralisation and participation can only effectively function as elements of the central state's policy framework. In addition, decentralisation and participation inevitably create winners and losers instead of achieving universal gains, thus

necessitating a focus on mechanisms of transferring benefits between different social groups. On the whole, this study finds that power relations are at the centre of resource ownership structures, and the central state remains the primary actor in the management of extractive natural resources. In this way, this research corrects various misconceptions made concerning decentralisation and participation in general and the case of the Bafokeng in particular.

In addition, this research uses a Historical Institutional analytical framework, which emphasises the use of historical analysis in explaining the establishment and function of political institutions. Instead of focusing on the state in Africa and ownership structures as functional and discrete entities, it looks at the origins, incremental growth, shifts and changes through the process of historical development, and the roles played by various actors at each stage.<sup>11</sup> Cumulatively, these factors explain the formation and function of political institutions and in this case, the state in Africa and experiences with natural resource management. Nevertheless, the Historical Institutionalist approach does not sufficiently capture the nature of power and its dynamics in the formation of political institutions and state-society relations. The Power Cube theoretical framework is used in this regard, in order to shed light on the extent to which political actors deploy various forms of power, in different spaces and places in order to attain specific political outcomes.<sup>12</sup> With regards to the notions of decentralisation in particular, it shows how the

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<sup>11</sup> Kathleen Thelen, Sven Steinmo, and Frank Longstreth, "Structuring Politics," *Historical Institutionalism in Comparative Politics*, 1992.

<sup>12</sup> John Gaventa, "Reflections on the Uses of the 'power Cube' approach for Analyzing the Spaces, Places and Dynamics of Civil Society Participation and Engagement," *Prepared for Dutch CFA Evaluation 'Assessing Civil Society Participation as Supported In-Country by Cordaid, Hivos, Novib and Plan Netherlands*, 2005.



assumed effectiveness of community involvement in policymaking and in institutions of governance fails to automatically translate to preferable outcomes due to the dynamics of political power.

## **SECTION 1: RESEARCH QUESTION**

The case of the Bafokeng facilitates an examination of the relationships between the state, communal groups, and mining companies. It also leads to an analysis of the relationship between state building and sub-Saharan African countries' political economies. It shows the importance of colonial rule as the genesis of the Westphalian state in Africa, and how state and economic institutions have evolved since then. It will also show the various continuities and dynamics of state-society relations in the management of extractive natural resources. The research question addressed in this study is as follows:

*Based on the case of the Bafokeng, should community investment vehicles organised according to indigenous forms of governance be considered as an alternative to the state in the management of mineral resources in sub-Saharan Africa?*

### **Sub questions**

*Does decentralisation and participation guarantee more efficient and transparent management of resource revenue and result in the improvement of standards of living in the community? Can these community investment institutions exist parallel to modern state institutions? Will the community-level management of natural resources minimise the*

*negative effects of mineral exploration? Is the Royal Bafokeng's resource management model transferrable?*

### **Hypothesis**

Community investment vehicles modelled along indigenous forms of governance, instead of the state should be the primary domestic actor in the management of mineral resources. This will result in the improvement of human and physical development in areas where minerals are extracted.

### **Independent Variable(s)**

*Community investment vehicles:* This is operationalized as institutions through which local peoples can directly invest in specific economic sectors and directly receive revenues.

*Communal, (or "traditional") forms of governance:* This is operationalized as indigenous forms of political organisation, such as local chiefs and headmen whose claim to power is hereditary and based on customary practices. This differs from "modern" structures of governance that are constituted by elected officials and based on rational-legal or Weberian forms of organisation.

### **Dependent Variable(s)**

*Regimes of resource management:* This shall be operationalized as models and institutions of resource governance, such as parastatals (public-private ownership), private ownership and community-based investment vehicles or corporations.

## **Purpose of research**

This research contributes to new approaches on mineral resources management in sub-Saharan Africa. Instead of the conventional state-centred models whose analytical purview tends to be limited, it develops a nuanced understanding of the applicability of concepts of decentralisation and deconcentration of mineral resource governance in sub Saharan Africa, through analysing the extent to which they function within the framework of resource rich states' historical, political and social structures. By using a critical and historically grounded approach, this study avoids the romanticisation of the Bafokeng's case as a "template" of successful decentralisation, with traditional forms of governance being regarded as an *alternative* to the state. Instead, it shows the primacy of the state in resource management, the centrality of power relations, the agency of specific actors functioning within specific historical eras, spaces and places, and mobilising specific forms of power to attain preferred results. The results of this study will thus have both academic and policy-making implications in the areas of mineral resource management and community based development.

## **CHAPTER 2: METHODOLOGY AND THEORETICAL FRAMEWORK**

### **INTRODUCTION**

This chapter outlines the methodological and theoretical structure of this study, which is a qualitative, comparative project. It also employs Historical Institutional and Power Cube theoretical approaches. The former primarily focuses on tracing and explaining the evolution of the state in Africa and the Royal Bafokeng's resource management model, while the latter facilitates a nuanced view of the feasibility of decentralisation and participation as policy buzzwords,<sup>13</sup> with political power play being the ultimate determinant of policy outcomes. Using both approaches will result in more nuanced conclusions in explaining the formation and function of political and economic institutions.

### **SECTION 1: RESEARCH METHODOLOGY**

This paper uses a case-based comparative qualitative analytical framework.<sup>14</sup> As a qualitative project, it uses a non-quantitative, descriptive and exploratory analytical approach that seeks to unpack factors behind political phenomena under investigation, revealing nuances and complexities that underlie each subject of study. Comparative analysis entails either juxtaposing one case against others, or placing a case within the context of a meta-narrative in an attempt to show differences and interpret them through scholarly investigation and analysis. In this case, the Royal Bafokeng's community based

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<sup>13</sup> Andrea Cornwall and Karen Brock, "What Do Buzzwords Do for Development Policy? A Critical Look at 'participation', 'empowerment' and 'poverty Reduction,'" *Third World Quarterly* 26, no. 7 (2005): 1043–60.

<sup>14</sup> David Collier, "The Comparative Method," Ssrn Scholarly Paper (Rochester, NY: Social Science Research Network, 1993).

mineral management ownership structure is juxtaposed against conventional, state-centric ownership models in sub-Saharan Africa in order to show the extent to which it can be considered as an *alternative*. The Bafokeng case is also analysed in light of other sub-Saharan countries which have had “resource curse” outcomes, and which also use state-centric models of mineral resource governance. It also uses a deductive, or theory testing approach. This entails applying an established theory or generalisation to case studies, thus determining its analytical and explanatory value.<sup>15</sup> In this case, it applies Historical Institutional and Power Cube approaches (elaborated below) in explaining the evolution, effectiveness and transferability of the Bafokeng’s ownership structure and positioning decentralisation and participation in natural resource management.

Furthermore, this study uses process tracing to determine causal mechanisms that account for particular outcomes with resource endowment in the case of the Royal Bafokeng. Process tracing is one of the most crucial tools of qualitative research, and can be defined as, “the systematic examination of diagnostic evidence selected and analysed in light of research questions and hypotheses posed by the investigator.”<sup>16</sup> It is also, “an analytic tool used for drawing descriptive and causal inferences from diagnostic pieces of evidence, often understood as part of a temporal sequence of events or phenomena.”<sup>17</sup> In inferring causal relationships in a qualitative study, process tracing facilitates the careful description and analysis of various phenomena through guiding the key steps and areas of observation in a process that would be a subject of a study. In this case, it is used to conduct a detailed

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<sup>15</sup> Kenneth F. Hyde, “Recognising Deductive Processes In Qualitative Research,” *Qualitative Market Research: An International Journal* 3, No. 2 (2000): 82–90.

<sup>16</sup> David Collier, “Understanding Process Tracing,” *Ps: Political Science & Politics* 44, No. 04 (2011): 823–30.

<sup>17</sup> *Ibid.*

analytical and historical account of the Royal Bafokeng's resource ownership structure, showing various critical points of change and transition that incrementally resulted in the present day institution of resource management. In conducting this research I used primary and secondary data, including official company and government records, journal articles, books, newspaper articles and other periodicals. I secured scholarly works that offered nuanced and critical accounts of the Bafokeng's experience with natural resource management, in a bid to clarify claims made in common narratives on the case study.

### **Measuring “development”**

Scholars and development practitioners use several instruments of measurement to determine what “development” is. For instance, the Gross Domestic Product (GDP) measures countries' total economic output and is used to divide countries into development categories.<sup>18</sup> This usage of a wealth measure to represent development is based on the assumption that with greater wealth comes other benefits as health, education, and better quality of life.<sup>19</sup> The Human Development Index (HDI), which was conceived by the United Nations Development Programme (UNDP) in 1990, is an additional measure of development focuses on more humanistic indicators such as life expectancy, literacy, and standard of living. The assumption is that higher HDI indicators, which depict a generally higher quality of life, translate to higher levels of development.<sup>20</sup> Furthermore, the UNDP also used the Gini Coefficient is to measure development based on social inequality.<sup>21</sup> The assumption is that the higher the gap between the rich and the poor in a particular country,

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<sup>18</sup> Katie Willis, *Theories And Practices Of Development* (Taylor & Francis, 2011), 4.

<sup>19</sup> *Ibid.*, 11.

<sup>20</sup> *Ibid.*, 8.

<sup>21</sup> *Ibid.*

the less developed it is. However, these measures are limited in investigating “development” both on state and sub-state levels, primarily because it is impossible to apply universal measures to different countries that have variance in historical, cultural and other contextual factors. This paper thus considers development, as broadly encompassing the conventional indicators that are based on financial income, infrastructure, and the specific needs of actors in a particular territorial setting as they are expressed by these respective communities.

Furthermore, this research is delimited by several conceptual intentions. Firstly, it does not purport to provide an alternative to the Bafokeng’s resource ownership structure, or give universal solutions to challenges faced by resource rich African countries. Instead, it shows how flawed the assumptions made about the Bafokeng’s ownership structure are, and attempts to provide an improved understanding of the nature of state-society relations in resource-rich post-colonial African states, particularly showing the considerable influence of historical factors and power relations in shaping sub-Saharan Africa’s political economy. In addition, it takes a holistic view of “development”, as encompassing several factors like levels of income, growth in infrastructure, and but most importantly as a response to human needs as articulated within the specific community under study as alluded to above. It thus avoids the analytical flaw of imposing an externally contrived yardstick for development, instead focusing on the specific community’s expressed needs in tandem with the conventional indicators of development.

## SECTION 2: THEORETICAL FRAMEWORK

### Historical Institutionalism

This study shall use a Historical Institutionalist theoretical framework, which is an offshoot of New Institutional theory. Its background lies in the state-centred approaches that grew in political enquiry in the early 1980s, which initially regarded the state as an autonomous entity independent of influence by social classes.<sup>22</sup> This eventually evolved into a realisation that the concept of the state is too broad, and that it was imperative to unpack the variety of institutions that made up its seemingly homogenous nature and how each of the constituent elements influenced political outcomes.<sup>23</sup> In addition to studying political behaviour alone, New Institutionalists advocated for analyses that concentrated on institutions in understanding the ways through which they influenced political actors as well.<sup>24</sup> Despite their sub-state approach, New Institutionalists still saw the state as a crucial institution that shapes political developments within states that deserves consideration in studying political phenomena.<sup>25</sup>

Therefore, this paper applies Historical Institutionalism in order to explain the development of the African state, its record of resource management in general and historical factors that shaped the Bafokeng's mineral resource ownership structure as the case study. Historical Institutionalism is based on approaches that took more macro-sociological and power-oriented analyses that concentrated on state-society relations in various contexts and

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<sup>22</sup> Sven Steinmo, J. S. Neil, And B. B. Paul, "Institutionalism," 2001, 12, [Http://Philpapers.Org/Rec/Stein-8](http://Philpapers.Org/Rec/Stein-8).

<sup>23</sup> Steinmo, Neil, and Paul, "Institutionalism."

<sup>24</sup> Ellen M. Immergut, "The Theoretical Core Of The New Institutionalism," *Politics And Society* 26 (1998): 6.

<sup>25</sup> *Ibid.*, 3.



historical periods.<sup>26</sup> It employs historical analysis as the primary source of understanding political phenomena, although this is considered in the context of the role of human agency and ideational factors.<sup>27</sup> It also regards institutions as intervening variables that facilitate political outcomes in specific historical settings; and also the locus of political engagement, and contestation between varying interests and ideas.<sup>28</sup> Furthermore, Historical Institutionalism contends that institutions and subsequent policies are shaped by complex, or dense interactions of various economic, social and political factors functioning within different environments and prone to peculiar influences.”<sup>29</sup>

In addition, it facilitates a more holistic approach that echoes Durkheim and Weber’s sociological traditions, which inevitably resonate with the constructivist tradition in several ways. For instance, it promotes the idea that political actors develop interpretations of interests and goals that deviate from those predicted by means-ends rationality, otherwise regarded as alternative rationalities.<sup>30</sup> This view emphasises the fact that there are limits on human rationality, and thus political phenomena are best understood through an examination of historical developments. As alluded to above, it holds that political phenomena are a product of the complex interplay of factors that can only be determined through historical approaches, and that causality between variables is contextual, instead of being regarded as universally discernible over different contexts. This contradicts functional and rational actor approaches that regard political variables as discrete units of

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<sup>26</sup> Ibid., 17.

<sup>27</sup> Ibid.”

<sup>28</sup> Ibid.

<sup>29</sup> B. Guy Peters, Jon Pierre, And Desmond S. King, “The Politics Of Path Dependency: Political Conflict In Historical Institutionalism,” *Journal Of Politics* 67, No. 4 (2005): 1282.

<sup>30</sup> Peters, Pierre, and King, “The Politics of Path Dependency.”

study that can be best understood through purely scientific analysis. Furthermore, Historical Institutionalism argues that political outcomes are substantially shaped by contingencies of history, with chance, fateful developments and accidental combinations of factors having decisive influence over institutional outcomes.<sup>31</sup>

Historical analysis also prioritises timing and temporality in politics, instead of equilibrium, order or functionalism that characterises other approaches. It regards political institutions as products of various components that emerge at different times, and out of peculiar historical configurations.<sup>32</sup> Another critical feature of historical analysis is its emphasis on the *origins* rather than the function of the various components that make up institutions.<sup>33</sup> Given the above, this approach is befitting for this paper since it undertakes a historical analysis to establish the nature of the post-colonial state in Africa in general, and factors underlying the formation of the Bafokeng's present-day mineral ownership structure in particular and the implications for present-day developmental outcomes. The strength of Historical Institutionalism in this regard lies in its relative fluidity and flexibility, and the emphasis on the centrality of historical process in the development of institutions, instead of regarding them as merely discrete and functional entities.<sup>34</sup>

Despite its considerable analytical strength, Historical Institutionalism has several theoretical flaws, some of which paradoxically lie in some of its strengths as well. For instance, it may potentially consider historical development as following a logical

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<sup>31</sup> Peters, Pierre, And King, "The Politics Of Path Dependency."

<sup>32</sup> Ibid., 382.

<sup>33</sup> Ibid., 383.

<sup>34</sup> Kathleen Thelen, "Historical Institutionalism in Comparative Politics," *Annual Review of Political Science* 2, no. 1 (1999): 381.

trajectory. This ‘retrospective rationality’ can view historical developments as products of path dependent processes, instead of prioritising points of disjuncture.<sup>35</sup> This could result in the emphasis of meta-narrative conceptions of historical development, which may downplay the extent to which institutions develop out of considerable uncertainty and complex interplay of factors. An additional consequence of this weakness would be potentially focusing on political institutions as being composed of discrete processes over time, at the expense of drawing a balance between acknowledging both continuity and disjuncture in incrementally shaping the growth of institutions.<sup>36</sup> In addition, although it considers themes of power and interests, it does not have a comprehensive model that shows the configurations of power as the primary factor underlying the formation of political institutions. Nevertheless, it still provides a strong explanatory and analytical framework that is used in this study, which traces the development of states in Africa in general, and the Bafokeng in particular as alluded to above.

### **The “Power Cube” Approach**

In order to account for the inadequacy of Historical Institutionalism as far as power configurations are concerned however, this research thus applies the Power Cube framework. This will particularly work as a critique to assumptions made in literature on decentralisation and participation, although it also applies to the rest of the paper. At the centre of debates concerning ownership structures and the management of mineral resources lies the notion of *power*. Political power has been defined in several ways, such

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<sup>35</sup> Peters, Pierre, and King, “The Politics of Path Dependency,” 1278.

<sup>36</sup> Ibid.

as Harold Lasswell (1950)’s “who gets what, when, and how”<sup>37</sup> and Robert Dahl (1957)’s concept of power as a relational process between various actors.<sup>38</sup> Gaventa (2003) formulates a nuanced view of how power operates between three main continuums, given as follows: *place*, which refers to the levels of engagement, *space*, which focuses on the creation of arenas of power and *power*, which focuses on the forms and degrees of its visibility (elaborated below).<sup>39</sup>

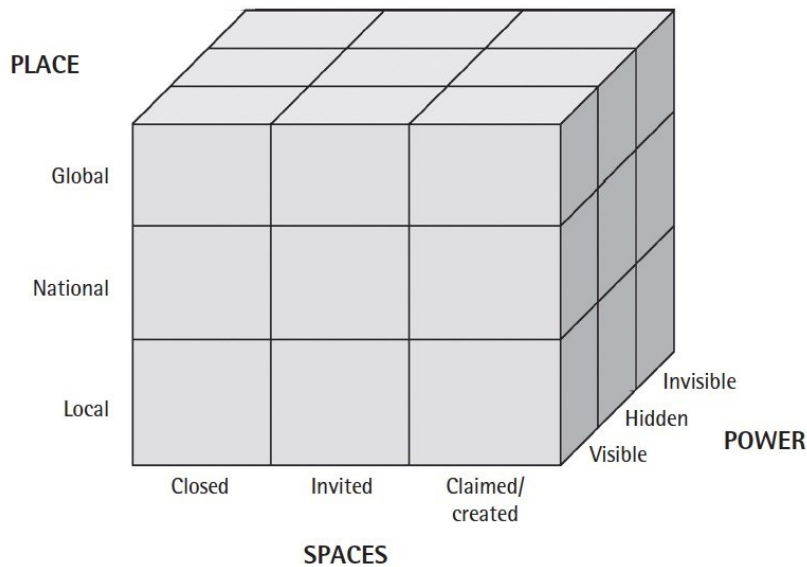


Fig. 1: The “Power Cube” approach<sup>40</sup>

This approach provides an insight into the creation, structure, function, and processes of decision-making in political and economic institutions. For example, despite the increase

<sup>37</sup> Harold Dwight Lasswell, *Politics: Who Gets What, When, How* (P. Smith New York, 1950).

<sup>38</sup> Robert A. Dahl, “The Concept Of Power,” *Behavioural Science* 2, No. 3 (January 1, 1957): 201–15.

<sup>39</sup> John Gaventa, “Reflections On The Uses Of The ‘Power Cube’ approach For Analysing The Spaces, Places And Dynamics Of Civil Society Participation And Engagement,” *Prepared For Dutch Cfa Evaluation ‘Assessing Civil Society Participation As Supported In-Country By Cordaid, Hivos, Novib And Plan Netherlands*, 2005.

<sup>40</sup> *Ibid.*, 11.

of participation, decentralisation, and inclusion as buzzwords in policy processes, this does not necessarily denote a shift in the locus of power from the traditionally dominant sectors (such as the political centre and other influential sub-state groups) to the grassroots.<sup>41</sup> It is thus necessary to look at the distribution of power in order to determine the extent to which preferred policy (and developmental) outcomes can result from decentralisation and participation.

The Power Cube's features can be summarised as follows. Firstly, political and policy spaces can be closed, invited, or claimed, and they are neither neutral nor "organic," but shaped by power relations. *Closed spaces* denote decision-making processes where sets of influential actors work behind closed doors, with minimal to no inclusiveness.<sup>42</sup> This includes global, state, and non-state political elites.<sup>43</sup> *Invited spaces* refers to decision making processes that entail the inclusion of other actors by those indicated above, through different forms of "invitation", or participatory governance. Often, the inclusion of other actors is part of a process of "co-option" and legitimating the status quo, instead of facilitating dynamic or revolutionary changes.<sup>44</sup> *Claimed spaces* refers to instances where less powerful actors establish autonomous systems of activity, such as social movements and community based organisations, usually formed to reject the conventional or dominant social forces working in specific spaces.

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<sup>41</sup> Ibid., 5.

<sup>42</sup> Luttrell Et Al., *Understanding And Operationalising Empowerment*, 16.

<sup>43</sup> Ibid.

<sup>44</sup> Ibid.

Secondly, *places* and *levels* of participation can be local, national, and global, and often there is contestation between these three loci of power.<sup>45</sup> Although participation is often regarded as the most preferred policy alternative, national and global processes still have a considerable bearing on processes that occur at local levels, and there are continuous shifts and movements of power between these three levels.<sup>46</sup> Third, the *forms* and *visibility* of political power vary across places and spaces, and this shapes decentralisation and participation processes.<sup>47</sup> Visible power refers to the clear and discernible aspects of political power, such as formal institutions, authorities, rules and regulations, and decision-making procedures.<sup>48</sup> This resonates with pluralistic and democratic processes.

Powerful actors can also exercise hidden power through controlling the processes of agenda setting and decision-making. This occurs at various levels and spaces of operation, and considerably influences expressions of “visible” power.<sup>49</sup> Invisible power refers to the ideological and often psychological dimensions of political processes. It describes the processes of influencing the discourse and consciousness of actors involved.<sup>50</sup> Powerful actors can mobilise forms of social capital such as belief systems, culture, and tradition through political socialisation in order to attain specific outcomes.<sup>51</sup> These various

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<sup>45</sup> Gaventa, “Reflections On The Uses Of The ‘Power Cube’ approach For Analysing The Spaces, Places And Dynamics Of Civil Society Participation And Engagement.”

<sup>46</sup> Luttrell Et Al., *Understanding And Operationalising Empowerment*, 17.

<sup>47</sup> Gaventa, “Reflections On The Uses Of The ‘Power Cube’ approach For Analysing The Spaces, Places And Dynamics Of Civil Society Participation And Engagement,” 14.

<sup>48</sup> Maro Pantazidou, “What Next For Power Analysis? A Review Of Recent Experience With The Powercube And Related Frameworks,” *Ids Working Papers* 2012, No. 400 (2012): 17.

<sup>49</sup> Gaventa, “Reflections On The Uses Of The ‘Power Cube’ approach For Analyzing The Spaces, Places And Dynamics Of Civil Society Participation And Engagement,” 15.

<sup>50</sup> Pantazidou, “What Next For Power Analysis?,” 16.

<sup>51</sup> Gaventa, “Reflections On The Uses Of The ‘Power Cube’ approach For Analyzing The Spaces, Places And Dynamics Of Civil Society Participation And Engagement.”

categories are not static, but dynamic, and there are considerable shifts and movements between them. Although this approach does not historicise the notion of political power, it gives invaluable insight into the dynamics of its distribution and function within political institutions and at the main tiers of operation in the global political economy.

## **CONCLUSION**

The Power Cube and Historical Institutional approaches thus have a complementary function in this study. Historical Institutionalism facilitates a more holistic and constructivist analysis that regards institutions as products of multiple components generated from historical experiences over time. In this study, it supports the tracing of the African state from pre-colonial to post-colonial eras, as well as the development of the Royal Bafokeng's mineral resource ownership structure. For instance, the resource curse literature regards the state as having a harmful function in the management of natural resources on one hand, and resources having a harmful influence in developmental outcomes, on the other. In addition, the Royal Bafokeng is regarded as an example of successful decentralisation and participation, which ought to be emulated and adopted elsewhere. However, these arguments lack the analytical nuance that can only be attained through historical analysis, which will be done in this paper. It will thus reveal that the state in Africa is a product of a specific historical process (colonialism), and this affects post-colonial governance, including managing resource wealth. It will also show how the Royal Bafokeng's mineral ownership model is a result of several complex factors over a century and a half, instead of simply a result of a policy of decentralisation and participation.

Although it considers how actors' choices shape the development of political institutions, Historical institutionalism does not comprehensively address the configurations of power. It does not adequately show the various forms of power that actors deploy, specific contexts and the relational dynamics between actors. The Power Cube approach addresses this weakness, by presenting a simplified yet comprehensive framework of the configuration of power, which can be applied to various forms of human interaction. The Power Cube will show that state and non-state institutions are not always oriented towards producing ideal and universally beneficial outcomes, but for the most part reflect the triumph of dominant socio-political and economic interests. It will also show that decentralisation and participation do not automatically guarantee favourable outcomes for the community, because of the power relations at the local, national and global levels. In this way, it brings to light the power relations that shape the development of institutions and the conduct of politics at various levels. Although it lacks a historical dimension, the Historical Institutional approach accounts for this weakness. Both theoretical frameworks will thus facilitate a more nuanced understanding of the dynamics of state-building and resource ownership and management structures, as well as implications for development.



## **CHAPTER 3: NATURAL RESOURCE GOVERNANCE AND THE STATE IN AFRICA**

### **INTRODUCTION**

This chapter explores literature on the natural resource curse, state-building in sub-Saharan Africa, and ownership models in the management of natural resources. The “resource curse” literature is divided into two main opposing camps. On one hand, several scholars confirm linkages between resource endowment and political and economic outcomes, while several studies challenge these findings, on the other hand. However, the resource curse theory is largely based on a specific time period (late 1960s to 1990s), and makes deterministic conclusions about the effects of resource wealth on the state. This debate is also state-centric, and preoccupies itself with analysing consequences of state involvement in resource management. The resource curse hypothesis also generalises experiences in resource rich African countries, thus necessitating a more holistic Historical Institutional approach that shows the various historical and context specific factors that influence outcomes associated with resource ownership.

Therefore, my study investigates how sub-state actors function differently from the state, through analysing ownership structures. The management of natural resources is also intimately connected with state-building in Africa, since political and economic processes are rooted in it. This discussion reveals the peculiar nature of state institutions in sub-Saharan Africa, and how the actions of various political actors at the three main levels (global, national and local) directed the evolution of Africa’s political economy from pre-colonial to post-colonial eras. Ownership models are explored as a critical area of focus in

resource management, since they directly impact outcomes and show the power relations that influence the nature and function of institutions of resource management.

## **SECTION 1: CRISES IN RESOURCE MANAGEMENT**

The “resource curse” hypothesis is a result of various works that link high-value extractive natural resources, such as oil and diamonds, with adverse outcomes like weak economic growth, authoritarian rule, and violent conflict through various mechanisms.<sup>52</sup> The primary economic mechanism through which resource wealth is argued to negatively affect the economy is the Dutch Disease, which mainly highlights fiscal and industrial effects of incomes within an underdeveloped but resource rich economy. About fiscal effects, the influx of vast resource income results in the currency becoming stronger, stimulating an increased consumption of higher quality, cheaper and well-marketed imports, at the expense of locally manufactured commodities.<sup>53</sup> When this happens over an extended period, it lures resources into the revenue-generating sector instead of driving growth in other non-resource related areas of the economy. In the event of the resources either getting finished or a drop in global demand, the resultant reduced incomes cause economic shocks that shrink the economy and diminish growth rates significantly.<sup>54</sup> Given the weak and undifferentiated economy, social consequences like poverty and unemployment rates will increase sharply.

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<sup>52</sup> Rod Alence, “Where Did Africa’s Resource Curse Go?,” *Politics* 53, No. 3 (2001): 5.

<sup>53</sup> Jeffrey D. Sachs and Andrew M. Warner, “The Curse of Natural Resources,” *European Economic Review* 45, no. 4 (2001): 6.

<sup>54</sup> *Ibid.*, 7

Proponents of the resource curse literature also argue that political violence is an additional manifestation of the curse. Econometric studies have found that resource-rich countries whose GDP substantially depends on revenue from resource exports have a higher risk of political conflict.<sup>55</sup> At the core of this argument is that the presence of vast resource wealth creates the both the funding and incentives for violence. This occurs through various mechanisms, such as the “greed and grievance” hypothesis, that regards conflict to be a result of armed non-state actors’ economic motivations, or greed, and their use of existing grievances to justify conflict, usually framed as “revolution,” against the state. The presence of resource wealth allows armed non-state actors to sustain conflict against the state using resource rents.<sup>56</sup> Since prolonged warfare is very expensive to fund, resources such as diamonds are credited with causing protracted civil wars in Africa. Grievances are also caused by high levels of poverty and marginalisation among other social groups in the midst of resource wealth, and often become push-factors that assist rebel movements to recruit militants.<sup>57</sup> For the most part, violence is a result of some of the political and economic causal mechanisms highlighted in this section.

The location and type of the natural resource is also argued to influence political violence in several ways.<sup>58</sup> If diamond mines or oil wells, for instance, are located within reach of the national capital, this diminishes the opportunities for successful seizure by armed

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<sup>55</sup> Paul Collier and Anke Hoeffler, “Greed and Grievance in Civil War,” *Oxford Economic Papers* 56, no. 4 (2004): 563–95.

<sup>56</sup> Philippe Le Billon, “Diamond Wars? Conflict Diamonds And Geographies Of Resource Wars,” *Annals Of The Association Of American Geographers* 98, No. 2 (2008): 345–72.

<sup>57</sup> Collier and Hoeffler, “Greed and Grievance in Civil War,” 564.

<sup>58</sup> Assis Malaquias, “Making War & Lots Of Money: The Political Economy Of Protracted Conflict In Angola,” *Review Of African Political Economy* 28, No. 90 (2001): 521.

groups because the central state would be able to establish firm control over the areas. However, if they are located far from the political centre, along the territorial borders for instance, this increases the likelihood of non-state actors seeking to seize control of the mines, as was the case in Sierra Leone and Angola.<sup>59</sup> In these two cases, rebel groups used diamonds to fund and sustain armed conflict and in the former, this was one of the leading causes of civil war. This becomes worse, where a weak state that does not have complete monopoly over the legitimate use of violence over the territory faces armed contestation from non-state actors. In some cases, the violence takes the form of secessionist movements where natural resources are located in peripheral regions. The attempted secession in the Democratic Republic of Congo's copper-rich Katanga region from 1960-1965, for instance can be viewed in this light.<sup>60</sup>

In addition, diamonds are frequently associated with political violence and other negative outcomes, compared to platinum or gold, for instance. This is because they are "lootable", or easy to transport and trade, and given their high value, have often been associated with civil wars. This gave rise to the notion of a "diamond curse," or the idea that "diamonds are a rebel's best friend" since they purportedly induce violence.<sup>61</sup> Kimberlitic diamonds are found deep in the earth's crust, thus requiring specialised technical methods of extraction, which tends to be capital intensive and attracts fewer actors. Alluvial diamonds, on the other hand are found much closer to the earth's surface and extracted through

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<sup>59</sup> Ibid., 19.

<sup>60</sup> Tim C. Wegenast And Matthias Basedau, "Ethnic Fractionalization, Natural Resources And Armed Conflict," *Conflict Management And Peace Science* 31, No. 4 (September 1, 2014): 449.

<sup>61</sup> Le Billon, "Diamond Wars?" 85.

artisanal mining.<sup>62</sup> Kimberlitic diamonds, platinum, and oil can be described as “point source,” while alluvial diamonds as “diffused” resources, and this has a direct bearing on the propensity for conflict, in particular.<sup>63</sup> Point source minerals attract few, specialised actors; in most cases these are private corporations working with the state and thus easier to control for the government.<sup>64</sup> Diffuse minerals, on the other hand, attract multiple actors, and increase the likelihood of smuggling, corruption, and violence.<sup>65</sup>

Natural resource wealth can also cause far reaching political consequences, such as minimising the state’s incentives to enact prudent policies that foster sustainable resource-led development.<sup>66</sup> Ideally, amidst the influx of substantial revenue the state ought to establish sovereign wealth funds, for instance, that would minimise the harmful effects of global commodity cyclical boom/bust cycles by acting as a national revenue reserve. Resource-rich states’ central banks can also apply currency controls in order to prevent the appreciation of the exchange rate, which would trigger increased imports of cheaper commodities causing the aforementioned Dutch Disease.<sup>67</sup> Import and export controls would also protect domestic industries against competition from cheaper imports in such resource-rich states. However, in the absence of such prudent policies, the reduction of resource wealth in the event of a “bust” would trigger various socio-political and economic crises, as alluded to above. This is what occurred in the aftermath of the OPEC crisis and

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<sup>62</sup> Philippe Le Billon, “Natural Resources And Corruption In Post-War Transitions: Matters Of Trust,” *Third World Quarterly* 35, No. 5 (May 2014): 345.

<sup>63</sup> Jonathan Isham Et Al., “The Varieties Of Resource Experience: Natural Resource Export Structures And The Political Economy Of Economic Growth,” *The World Bank Economic Review* 19, No. 2 (2005): 141–74.

<sup>64</sup> Le Billon, “Diamond Wars?” 61.

<sup>65</sup> Le Billon, “Natural Resources And Corruption In Post-War Transitions,” 346.

<sup>66</sup> Collier and Hoeffler, “Greed and Grievance in Civil War.”

<sup>67</sup> Sachs And Warner, “The Curse Of Natural Resources,” 2001.

global recession, where several African states that depended on primary commodity exports experienced economic and political instability. This included cocoa and coffee dependent Ivory Coast, which experienced global economic bust-related political violence in the late 1980s, and copper-exporting Zambia, which bore the brunt of depressed copper prices, triggering internal conflict and demands for multiparty politics in the late 1980s.

The resource curse literature also regards autocratic rule as another political consequence of resource wealth. The “rentier states,” mechanism hypothesises that governments’ dependence on income from natural resource exports reduces the likelihood of domestic state administrative capacity.<sup>68</sup> In addition, since the state earns vast resource rents, it would not develop tax infrastructure for revenue collection. Resource rents are relatively easier to conceal and embezzle than tax revenue, and the absence of accountability lessens the state’s consideration of popular opinion or developmental needs. This has twin effects of undermining the accountability of public officials and weakens public administrative institutions.<sup>69</sup> The rentier state is also able to undermine political opposition through funding patron-client relationships that guarantee political support for incumbents and marginalise dissenters.<sup>70</sup> Comparatively, countries that lack such high rent generating resources, it is argued, have tended to develop stronger government institutions that facilitate accountability, tax systems for revenue collection, and higher levels of economic

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<sup>68</sup> Hossein Mahdavy, “The Patterns And Problems Of Economic Development In Rentier States: The Case Of Iran,” *Life* 1000 (1970): 1.

<sup>69</sup> Mahdavy, “The Patterns And Problems Of Economic Development In Rentier States.”

<sup>70</sup> Richard M. Auty, “Patterns Of Rent-Extraction And Deployment In Developing Countries,” 2006, 21.

differentiation since they need to maximise opportunities for domestic revenue generation, which in turn strengthens state-society relations.<sup>71</sup>

Furthermore, oil is particularly argued to induce the most adverse political, economic, and social conditions mentioned above, especially autocratic governance and civil war, since it is the world's most lucrative and high-value natural resource.<sup>72</sup> As hypothesised above, the accrual of substantial amounts of revenue directly to the state diminishes the state's accountability to the masses, giving rise to conditions that undermine democratic rule.<sup>73</sup> Several oil rich countries in Africa and the Middle East that have had either authoritarian governments or political violence substantiate this fact.<sup>74</sup> Apart from providing incentives for political violence, influencing autocratic rule, oil can induce "anti-modernisation effects," whereby the lack of diversified economic growth stifles the growth of a middle class invested in the quality of political governance, which is regarded as a necessary driver of a vibrant democracy.<sup>75</sup> Overall, it can be argued that these causal mechanisms ultimately rest on the nature and quality of political governance. In sub-Saharan Africa, this rests on historical and contextual factors that can be better understood through historical and case based analysis that this paper employs.

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<sup>71</sup> Hazel M. Mcferson, "Extractive Industries And African Democracy: Can The 'Resource Curse' Be Exorcised?," *International Studies Perspectives* 11, No. 4 (2010): 335–53.

<sup>72</sup> Le Billon, "Diamond Wars?," 60.

<sup>73</sup> Nathan Jensen And Leonard Wantchekon, "Resource Wealth And Political Regimes In Africa," *Comparative Political Studies* 37, No. 7 (2004): 816–41.

<sup>74</sup> Michael L. Ross, "Does Oil Hinder Democracy?," *World Politics* 53, No. 03 (2001): 325–61.

<sup>75</sup> Le Billon, "Natural Resources And Corruption In Post-War Transitions," 326.

## **The “Resource Curse” In Context: Angola, Sierra Leone, And Botswana**

A brief discussion of these three cases will put several claims made in the resource curse literature into context. This will establish that historical and institutional factors that resulted in deficiencies in governance mostly account for the failure by resource rich SSA states to translate resource wealth to development. For instance, oil-producing Angola experienced civil war just after independence in 1975, having been a Portuguese settler colony formally since 1951.<sup>76</sup> Oil production commenced before independence in the mid 1950s through the colonial parastatal ANGOL; thus, state ownership of oil began before the end of colonial rule in Angola. At the attainment of independence in 1975 after a coup in Portugal, three armed groups (MPLA, FNLA and UNITA) had begun conducting anti-colonial military insurgencies from as early as 1961.<sup>77</sup> The nationalist groups broke away from a transitional government facilitated by the Portuguese in 1975, and a protracted civil war pitting MPLA against UNITA followed. The MPLA, led by Augustino Neto (and later, Eduardo Dos Santos) had managed to seize control of the state, and became the de- facto government. UNITA, led by Jonas Savimbi, retreated into the hinterland and created a “parallel state” through the enclaves that it controlled within the country’s borders.<sup>78</sup>

UNITA funded the armed insurgency against the MPLA primarily through the sale of diamonds looted from mines that fell under its control.<sup>79</sup> The MPLA state, on the other hand relied on oil revenues channelled through the state parastatal, Sonangol. The civil war

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<sup>76</sup> Guus Meijer, *From Military Peace To Social Justice?: The Angolan Peace Process*, 15 (Conciliation Resources, 2004).

<sup>77</sup> Justin Pearce, “Control, Politics And Identity In The Angolan Civil War,” *African Affairs* 111, No. 444 (2012): 446.

<sup>78</sup> Le Billon, “Diamond Wars?”

<sup>79</sup> *Ibid.*, 56.



was also driven by Cold War proxy conflict between Cuba and the Soviet Union on one hand (supporting the left-leaning MPLA), and the United States and South Africa on the other (supporting the right-leaning UNITA). Since the civil war ended in 2002 with the death of Savimbi, Angola experiences autocratic rule under the MPLA government. The incumbent president, Eduardo Dos Santos, leads a patrimonial regime that monopolized oil and diamond mining and other lucrative economic sectors. This elite state capture significantly limited the distribution of oil rents to the rest of the country to facilitate equitable development.<sup>80</sup>

Diamond-rich Sierra Leone also suffered a similar fate of post-colonial resource related conflict. Unlike Angola, Sierra Leone was a British protectorate, and thus did not experience settler rule, although the British arbitrarily established the colony in 1896.<sup>81</sup> Nevertheless, diamond extraction had commenced in 1934 through the colonial state monopoly, Sierra Leone Selection Trust (SLST).<sup>82</sup> Sierra Leone's diamonds are alluvial, and were located in the country's peripheral eastern regions, such as Kono and Kenema, thus attracting numerous internal and external actors from the West African region and several international fortune seekers. Internally, traditional chiefs remained determined to benefit from diamonds despite the SLST's monopoly, facilitating external prospectors' access into diamond areas under their jurisdiction in exchange for payments.<sup>83</sup> Sierra Leone

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<sup>80</sup> Ricardo Soares De Oliveira, "Business Success, Angola-Style: Postcolonial Politics And The Rise And Rise Of Sonangol," *The Journal Of Modern African Studies* 45, No. 04 (2007): 595.

<sup>81</sup> Daron Acemoglu, Tristan Reed, And James A. Robinson, "Chiefs: Elite Control Of Civil Society And Economic Development In Sierra Leone" (National Bureau Of Economic Research, 2013).

<sup>82</sup> Sigismond Ayodele Wilson, "Diamond Exploitation In Sierra Leone 1930 To 2010: A Resource Curse?," *Geojournal* 78, No. 6 (2013): 1005.

<sup>83</sup> Marilyn Silberfein, "The Geopolitics Of Conflict And Diamonds In Sierra Leone," *Geopolitics* 9, No. 1 (2004): 213.

attained political independence in 1961, and the slide to state collapse and war occurred under the second post-independence government led by Siaka Stevens (1967-1985).<sup>84</sup>

Under his rule, the state centralized diamond production, with an entrenched patron-client system being established from the grassroots (chiefs) to the central state. State institutions collapsed due to the government's rentier policies, leading to economic decline and high poverty rates.<sup>85</sup> This provided an opportunity for the Revolutionary United Front (RUF), a militia led by Foday Sankoh and supported by Liberia's Charles Taylor, to invade the country's diamond districts in 1990. A brutal, protracted civil war ensued, ending with the defeat of the RUF in 2002. It began ostensibly as a revolutionary movement aimed at removing a corrupt government out of power, but eventually revealed its brutally criminal financial objectives.<sup>86</sup> Like Angola's UNITA, the RUF also relied on illicit diamond trade to fund the rebellion. Both Angola and Sierra Leonean civil wars led to the establishment of the Kimberly Certification Process aimed at curbing the trade of conflict, or "blood diamonds."

On the other hand, Botswana's case reveals the central role of state building in the management of natural resources. Like Sierra Leone, Botswana was a British protectorate, although in this case Botswana traditional chiefs requested British patronage against impending Afrikaner encroachment from Afrikaners in South Africa and Namibia.<sup>87</sup>

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<sup>84</sup> Chris Coulter, *Bush Wives, And Girl Soldiers: Women's Lives Through War And Peace In Sierra Leone* (Cornell University Press Ithaca, NY, 2009), 41.

<sup>85</sup> Silberfein, "The Geopolitics Of Conflict And Diamonds In Sierra Leone," 216.

<sup>86</sup> *Ibid.*, 155.

<sup>87</sup> Andreas Danevad, "Development Planning And The Importance Of Democratic Institutions In Botswana," 1993, 6.

Unlike Angola and Sierra Leone, Botswana was poor and impoverished at the attainment of political independence. Cattle ranching and agriculture were its most productive economic activities. It attained political independence in 1965, which was the culmination of negotiations between British colonial authorities and indigenous elites, led by Seretse Khama's Botswana Democratic Party. The party also won the first post-independence election in 1965 (and all subsequent elections to date). Seretse Khama is credited with astutely establishing a strong democratic post-colonial state, modelled around the British Westminster system and based on pro-capitalist economic policies.<sup>88</sup>

The political system was also substantially influenced by the Tswana "kgotla" traditional ethos of democratic, interactive, and transparent political governance.<sup>89</sup> Since Khama was also a traditional chief, this led to an elite corporatist system whereby traditional chiefs were co-opted into parliament as an advisory and non-legislative structure.<sup>90</sup> Unlike Angola and Sierra Leone, diamond extraction only commenced after independence in 1967, with the government adopting a joint ownership structure with De Beers to establish the country's diamond parastatal, Debswana. Although its economy is yet to be as differentiated as South Africa's, for instance the country has consistently pursued a policy of diversifying away from diamonds in the last decade, to include trade in copper, nickel, coal and beef exports.

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<sup>88</sup> David Sebudubudu And Mokganezi Zara Botlhomilwe, "The Critical Role Of Leadership In Botswana's Development: What Lessons?," *Leadership* 8, No. 1 (2012): 33.

<sup>89</sup> Danevad, "Development Planning And The Importance Of Democratic Institutions In Botswana," 7.

<sup>90</sup> Daron Acemoglu, Simon Johnson, And James A. Robinson, "An African Success Story: Botswana," 2002, 18.

As a result, Botswana avoided the political and economic aspects of the resource curse to a considerable extent, primarily due to historical and rational leadership factors. The kimberlitic nature of Botswana's diamonds is also a contributory factor, since this limits the number of actors involved and thus strengthens state control. This case lends credence to the idea that the state is the primary actor as far as development is concerned, and resource management in particular. The timing of the extraction of natural resources was also an essential factor. If, for instance, diamond production had commenced before the granting of political independence, it is likely that Botswana may have experienced authoritarian rule, rentier state, or the Dutch disease, which would be consistent with a Historical Institutionalist explanation.

The history of colonial rule has a primary influential effect in this regard, because it shaped the conventional ownership models in resource-rich states in Africa, where resource revenue is concentrated in the state. The type of colonial transition is also important in shaping post-colonial developments. For instance, Botswana had a non-violent, negotiated transition, while Angola already had armed non-state groups before independence and this catalysed the outbreak of civil war. Therefore, the failure by resource rich sub-Saharan states to translate resource wealth to development is based on such historical aspects of state building. Most importantly, the ownership structures established during and after colonial rule account for the negative outcomes with resource endowment, to a significant extent.

## **Challenging The Resource Curse Theory**

Although several plausible linkages between extractive natural resources and poor developmental outcomes can be discerned, the resource curse hypothesis is flawed in various respects. It is often disproved as a weak hypothesis that generalises experiences in African countries and that exaggerates the adverse effects of possessing valuable mineral and fuel resources.<sup>91</sup> For instance, Stijns (2005) found that the proposition that natural resource production directly undermines the growth of non-revenue generating economic sectors, especially manufacturing, is based on conventional growth regressions that do not capture the complex interaction of various factors within resource rich countries.<sup>92</sup> Haber and Menaldo (2011) also used a more sophisticated statistical approach that employs unique historical data sets, time-series centric techniques instead of data sets with relatively shorter time dimensions, to conclude that resource wealth does not undermine democracy, or undermine transitions from authoritarian rule to democracy.<sup>93</sup> They also established that dependence on oil and mineral resources does not always directly result in weak democracies and authoritarian regimes.<sup>94</sup> Similarly, Fearon (2005) also applied statistical research to challenge Collier and Hoeffler (2004)'s findings, concluding that the empirical linkages between natural resource exports and outbreaks of political violence were neither strong nor robust.<sup>95</sup>

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<sup>91</sup> Alence, "Where Did Africa's Resource Curse Go?"

<sup>92</sup> Stijns, "Natural Resource Abundance And Economic Growth Revisited."

<sup>93</sup> Stephen Haber And Victor Menaldo, "Do Natural Resources Fuel Authoritarianism," 2007.

<sup>94</sup> Ibid., 31.

<sup>95</sup> James D. Fearon, "Primary Commodity Exports And Civil War," *Journal Of Conflict Resolution* 49, No. 4 (2005): 483–507.

Furthermore, Alexeev and Conrad (2009) dispute the argument that a negative relationship exists between extractive mineral resources and political institutions, with a particular focus on oil.<sup>96</sup> Using an approach that measures long term growth per capita through GDP per capita levels, instead of calculating growth rates over a specific time period, which Sachs and Warner (1995) used in their seminal study, they find that oil and mineral resources have enhanced rather than undermined the quality of institutions in resource endowed countries.<sup>97</sup> Furthermore, Brunnschweiler (2006) used newer statistical measures of natural resource wealth that estimate natural capital per capita and institutional quality, and found no evidence of a negative correlation between resource wealth and economic growth.<sup>98</sup> Instead, an analysis of cross-national data between 1970-2000 showed a positive association between resource abundance and economic growth, particularly where sound institutions are present.<sup>99</sup> In addition, Di John (2011) uses a more qualitative approach to challenge the non-comprehensive nature of leading studies on the resource curse in sub-Saharan Africa, arguing that its core assumptions are not necessarily supported by comparative and historical evidence.<sup>100</sup> Most resource curse literature neglects critical qualitative factors such as the nature of the state and the resource rich countries' politics, and specific threshold factors that influence peculiar developmental outcomes.<sup>101</sup>

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<sup>96</sup> Michael Alexeev And Robert Conrad, "The Elusive Curse Of Oil," *The Review Of Economics And Statistics* 91, No. 3 (2009): 586–98.

<sup>97</sup> *Ibid.*, 586.

<sup>98</sup> Brunnschweiler, "Cursing The Blessings?"

<sup>99</sup> *Ibid.*, 14.

<sup>100</sup> Jonathan Di John, "Is There Really A Resource Curse? A Critical Survey Of Theory And Evidence.(Report)," *Global Governance* 17, No. 2 (2011): 180.

<sup>101</sup> Jonathan Di John, "Is There Really A Resource Curse? A Critical Survey Of Theory And Evidence," *Global Governance* 17, No. 2 (2011): 181.

In addition, the resource curse hypothesis is valid as far as it explains outcomes with resource management in Africa during a specific period, from the 1960s to the early 2000s. Instead, this paper's Historical Institutional critique focuses on the several historical developments that influenced political and economic outcomes in both resource and non-resource rich states, resulting in several outcomes conceptualised as a "resource curse." For instance, the aforementioned OPEC oil crisis and the subsequent recession affected African economies, and the Cold War (elaborated below) resulted in circumstances that influenced the process of state building and resource management in various ways. This included intra-state political violence, both in countries rich in extractive natural resources and those that did not have oil, diamonds, or platinum. Since the seminal Sachs and Warner (1995) paper that introduced the concept of the resource curse to political economy literature primarily used data from this period, the findings are heavily influenced by the conditions of the time, and do not necessarily predict automatic outcomes with resource endowment. Therefore, this paper challenges the idea of a "curse" in sub-Saharan African resource-rich states, instead focusing on case-based historical analyses that unpack the complex interaction of factors that influence peculiar outcomes in resource-rich states in sub-Saharan Africa.

An additional fact is that the resource curse debate does not adequately focus on ownership models, since it is concerned with the conventional state-centric models of resource ownership. It is necessary to analyse the dynamic interactions between the presence of natural resources and *political governance* within a particular historical and structural

context.<sup>102</sup> This would facilitate an understanding of the dynamics of power relations and subsequent influences on policy and institutional outcomes in managing natural resources.<sup>103</sup> There are various elements of political governance that influence how resources are managed, and these can be either external or internal to a particular territorial setting. Fundamentally, the interests of intra state elites, at times in tandem with external actors shape the nature of resource governance. Governance in Africa is also rooted in the history of colonial rule, which created the modern geographical and territorial structures that make up modern day states on the continent. Although state institutions and practices created during colonial rule still influence post-colonial governance, various developments on the continent are also shaped by the activities of post-colonial elites in general, and in the management of natural resources, and this is elaborated in the section below.

## **SECTION 2: THE “ARTIFICIAL” AFRICAN STATE**

The management of natural resources is intimately linked with the history of state building in sub-Saharan Africa. One of the most influential and primal aspects of the region’s history of state building is colonialism, which established the present day state structures and laid the foundation for the economic, social and cultural dynamics that have developed since the end of colonial rule. Although there are variations between different colonial experiences, this experience transformed pre-colonial African states in more or less the same way, particularly with regards to territorial and institutional changes. It is important to analyse dynamics of state building in Africa because the state is the main analytical entity

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<sup>102</sup> Paul Collier And Anthony J. Venables, “Natural Resources And State Fragility,” 2010, 9.

<sup>103</sup> Ibid., 10.



that is largely responsible for all political and economic developments on the continent.<sup>104</sup> Concerning natural resource management, colonial states were extractive, patron-client based and authoritarian, thus making the efficient management and equitable distribution of resource wealth unlikely. This persisted into the post-colonial era, and substantially accounts for the various failures in the management of natural resources in sub-Saharan Africa, as explained above. However, the present-day political and economic developments are a product of post-colonial elites' actions more than colonialism, although the latter laid the foundation for subsequent political, economic and social dynamics.

### **Colonialism And The Juridical African State**

The central state is primarily an instrument for the legitimate exercise of political power within a specific territorial setting.<sup>105</sup> It possesses a comparative advantage over a territory that it oversees, which also enables it to provide public goods such as national security, protection of property rights, and the creation and maintenance of legal infrastructure, which minimises transaction costs and promotes economic growth and development.<sup>106</sup> Although it ought to function as a tool for promoting public interests in the ideal sense, social groups can also use it as a tool to further their own interests.<sup>107</sup> These can be conceptualised as contractarian and predatory views on the role of the state in development. The contractarian view regards the state as a “wealth maximiser,” which acts as an umpire between different non-state actors in order to create order, guarantees the delivery of public

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<sup>104</sup> Crawford Young, “The African Colonial State Revisited,” *Governance* 11, No. 1 (1998): 101–20.

<sup>105</sup> Christopher S. Clapham, *The African State* (Royal African Association, 1991), 91.

<sup>106</sup> Douglass C. North, “A Framework For Analyzing The State In Economic History,” *Explorations In Economic History* 16, No. 3 (1979): 249–59.

<sup>107</sup> *Ibid.*

goods, and facilitates the orderly conduct of private enterprise.<sup>108</sup> The predatory view describes the state as an agent of a specific class or social group, used to maximise the groups' own self interests despite the harmful overall impact on national development.<sup>109</sup> Postcolonial African states have tended to be more predatory than contractarian, especially as far as extractive resource revenue is concerned. This is partly because of the "artificial nature" of the post-colonial state, that is, having been born out of an equally predatory, authoritarian, extractive and self-interested colonial system.<sup>110</sup>

Peculiar forms of African social, political and economic organisation existed before colonial intrusion. Initially, pre-colonial African societies were mostly characterised by sparse population distribution, agrarian economies, and an abundance of land that made indigenous societies' nomadic lifestyles possible.<sup>111112</sup> People defined themselves politically as subjects of a particular chief or 'big man' rather than linguistically, culturally, ethnically, or as part of a "nation" or "tribe."<sup>113</sup> Political power was mostly exercised over land, instead of people, and people could freely move between different groups.<sup>114</sup> Ethnic differentiation was thus not well defined, and social identities were relatively fluid. Tribal cleavages were entrenched during colonialism and afterwards. Pre-colonial African societies were often organised as 'houses', 'villages', and some of the indigenous groups established centralised kingdoms due to various conditions.<sup>115</sup> Houses were small political

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<sup>108</sup> Ibid., 251.

<sup>109</sup> Ibid.

<sup>110</sup> Ibid., 102.

<sup>111</sup> Jeffrey Herbst, "The Creation And Maintenance Of National Boundaries In Africa," *International Organization* 43, No. 04 (1989): 673–92.

<sup>112</sup> Austin, "African Economic Development And Colonial Legacies," 5.

<sup>113</sup> Herbst, "The Creation And Maintenance Of National Boundaries In Africa," 81.

<sup>114</sup> Ibid., 681.

<sup>115</sup> Jan M. Vansina, *Paths In The Rainforests: Toward A History Of Political Tradition In Equatorial Africa* (University Of Wisconsin Press, 1990).

units formed around a leader, while a village was an aggregate of ‘houses’, and a district was an aggregate of villages.<sup>116</sup>

In addition, competition between different groups often resulted in increased centralisation, which led to the formation of chiefdoms and kingdoms in various areas. Where it occurred, centralisation led to the development of political features such as hierarchical authority, succession, the conduct of war, and justice systems.<sup>117</sup> It also facilitated the growth of more organised systems of trade and markets.<sup>118</sup> However these states did not exist in a Westphalian sense and the organisation of power was centred on patronage and kinship, since the chief or ‘big man’ owed his authority and influence to his wealth, and his ability to provide security and material benefits to his subjects and to outcompete rivals to leadership.<sup>119</sup> Although there were different variations of pre-colonial socio-political and economic organisation, this brief generalisation captures some of the most salient features of pre-colonial sub-Saharan African socio-political and economic development.

These forms of pre-colonial African organisation were extensively reconfigured by colonial occupation. The “scramble” for African colonies, which formally commenced in earnest after the 1885 Berlin Conference resulted in the rapid carving up of territories in Africa by European states, with Britain, Germany, France and Italy being the most prominent in this regard. This became the genesis of African states as territorial entities. As alluded to above, a culture of authoritarianism and maximum extraction of natural

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<sup>116</sup> Ibid., 81.

<sup>117</sup> Ibid., 154.

<sup>118</sup> Ibid., 155.

<sup>119</sup> Ibid., 148.

resources were the most easily discernible features of colonial rule.<sup>120</sup> The colonial systems depended on military force to establish their presence in subjugated territories. Economic extraction mainly occurred through taxation, and forced indigenous labour to grow various cash crops, such as cocoa, cotton, and coffee for export from settler plantations.<sup>121</sup> In addition, “direct” and “Indirect Rule” were the most common administrative strategies particularly used by the British during colonialism. The French used a policy of “assimilation” which entailed socialising colonial subjects as Frenchmen at the expense of indigenous culture.<sup>122</sup> The British were mostly associated with *indirect rule*, whereby traditional chiefs were used as local colonial agents for enforcing colonial policies, collecting taxes, and recruiting plantation and later, mine labour.<sup>123</sup> This, as elaborated later in the paper, considerably altered the nature of traditional leadership and threatened its continued relevance in post-colonial systems.

Furthermore, although the colonial state’s administrative structures were based on the western conception of the juridical state, the core ideologies underlying modern state systems, such as constitutionalism, and the rational-legal institutions that would act as custodians of these ethos in the Weberian sense were absent in the colonial state.<sup>124</sup> The colonial state was narrowly oriented towards subjugating indigenous African communities, while extracting economic resources instead of developing an overarching contractarian structure that would deliver broad based developmental interests and policies. This also continued in the post-colonial era, to a considerable extent. In addition, colonial states were

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<sup>120</sup> Young, “The African Colonial State Revisited,” 56.

<sup>121</sup> Young, “The African Colonial State Revisited.”

<sup>122</sup> Ibid.

<sup>123</sup> Ibid., 58.

<sup>124</sup> Ibid., 75.

“extraverted,”<sup>125</sup> or outward looking instead of being inward-oriented, and this spilled over into the post-colonial era.<sup>126</sup> It was initially established by external actors and aimed to expatriate profits from colonies to colonial metropolises. It thus gradually depended on income from outside sources (export markets) and seldom focused on creating strong domestic political and economic institutions and vibrant state-society relations as highlighted above.<sup>127</sup> Given the above facts therefore, the African state’s colonial roots are one of its most fundamental weaknesses. State building is an essential aspect of development, since all aspects of life within a particular territory or political entity are a reflection of its nature and competencies. African countries were thus established as externally conceived elite projects, with the state being used as an instrument of domination and extraction of natural resources, and this has significantly shaped post-colonial development.

Although colonial strategies varied between different European countries, colonies were mainly categorised as settler and non-settler. The former had larger settler communities such as South Africa, Kenya, and Zimbabwe.<sup>128</sup> Settler colonies experienced a more developed colonial state culture and extensive re-configuration of forms of indigenous social, political, and economic organisation than non-settler colonies.<sup>129</sup> In addition, settler colonies had more elaborate physical and state infrastructure, including residential and industrial buildings, roads, dams, and expanded state bureaucracies. Non-settler colonies,

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<sup>125</sup> Jean-François Bayart And Stephen Ellis, “Africa In The World: A History Of Extraversion,” *African Affairs*, 2000, 217–67.

<sup>126</sup> Gareth Austin, “African Economic Development And Colonial Legacies,” *International Development Policy | Revue Internationale De Politique De Développement*, No. 1 (2010): 11–32.

<sup>127</sup> Clapham, *The African State*, 102.

<sup>128</sup> Sue Bowden And Paul Mosley, “Politics, Public Expenditure And The Evolution Of Poverty In Africa 1920-2009,” 2012, 6.

<sup>129</sup> Bowden And Mosley, “Politics, Public Expenditure And The Evolution Of Poverty In Africa 1920-2009.”

on the other hand, had smaller settler population densities. Indigenous African communities mostly retained ownership of their land, and their indigenous forms of political, economic, and social organisation were not considerably altered.<sup>130</sup> However, they also had minimal levels of physical infrastructural development and smaller, if any, state bureaucratic structures. Examples in this regard include Ghana and Botswana. To illustrate, the latter was a British non-settler colony, or “Protectorate,” which was the main variant of a non-settler colony, and this colonial experience substantially shaped its post-colonial development, as highlighted earlier.

The legacy of colonialism was thus harmful to African communities to a considerable extent, since it created a skeletal and predatory version of the European juridical state.<sup>131</sup> Any socio-economic developments that were established during colonial rule were primarily aimed to serve settlers--especially in settler colonies like South Africa, despite its high levels of infrastructural and economic development.<sup>132</sup> Colonial rule also created internally “bifurcated” states, whereby occupied territories were divided into two regions, the developed urban and underdeveloped rural.<sup>133</sup> In some colonies, such as the Democratic Republic of Congo (DRC), infrastructure such as roads and railways followed the colonial patterns of extraction, running from areas where extractive resources like mining and plantation farming were located, to the coast for export, instead of developing internal networks that would facilitate internal economic differentiation.<sup>134</sup> Colonialism also

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<sup>130</sup> Austin, “African Economic Development And Colonial Legacies,” 10.

<sup>131</sup> Walter Rodney, “How Europe Underdeveloped Africa,” *Beyond Borders: Thinking Critically About Global Issues*, 1972, 106.

<sup>132</sup> Rodney, “How Europe Underdeveloped Africa.”

<sup>133</sup> Mahmood Mamdani, *Citizen And Subject: Contemporary Africa And The Legacy Of Late Colonialism* (Princeton University Press, 1996), 26.

<sup>134</sup> Rodney, “How Europe Underdeveloped Africa,” 209.

resulted in what Walter Rodney (1972) described as the *loss of power and removal from history* of African communities. Unlike European states, colonial subjects in Africa could not determine and shape their own trajectories of development due to colonial occupation.<sup>135</sup> The bandying together of different tribal groups under a single territory also led to the need to create the artificial notion of “nationhood”, but this has not always succeeded, given various instances of ethnic-based political polarisation in African countries.<sup>136</sup>

Nevertheless, colonialism functioned in multiple African locations, channels and mechanisms, which had a bearing on outcomes in different African states. Outcomes depended on the nature of the colonising European state, and the type of colony. For example, climatic conditions, having diffuse or centralised political structures among indigenous people, and the type of natural resources present, influenced the settler patterns and colonial infrastructure.<sup>137</sup> Some African colonies had centralised indigenous forms of governance, such as Benin, Swaziland, Botswana, Lesotho, and Zulu (South Africa).<sup>138</sup> Non-centralised states included Somalia and Sudan, while others had a mixture of centralised and decentralised states, especially Nigeria and Uganda.<sup>139</sup> South Africa had a mixture, and the Bafokeng represented a centralising tribal state. The country’s colonial history is complex in that it was occupied by two settler colonial powers (the Dutch and the British) that competed for dominance within the same territory. This complex colonial

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<sup>135</sup> Ibid., 224.

<sup>136</sup> Ibid., 227.

<sup>137</sup> Leander Heldring And James A. Robinson, “Colonialism And Economic Development In Africa” (National Bureau Of Economic Research, 2012), 3, [Http://Www.Nber.Org/Papers/W18566](http://www.nber.org/papers/W18566).

<sup>138</sup> Ibid., 8.

<sup>139</sup> Ibid.

history also produced multiple outcomes, with the main ones being a relatively advanced, diversified economy, infrastructural growth and highly developed political system over a vast territorial area. Nevertheless, the common features of colonialism such as land dispossession, racial discrimination and dualisms between settlers and the indigenous people that were found in other colonies also existed in South Africa.

### **The Cold War And “Washington Consensus” Hegemony**

In addition to colonial rule, the Cold War also affected the processes of state-building and post-colonial growth and development in sub-Saharan Africa.<sup>140</sup> The protracted war tussle between the United States and the then USSR between 1947 and 1989, was mainly conducted through ‘proxy wars’, whereby local groups were armed by either the United States or the USSR to fight each other on their home soil in Latin America, the Middle East and parts of Africa.<sup>141</sup> Proxy wars caused the several civil wars that occurred in various resource rich countries, such as Angola, Mozambique and Zimbabwe. The militarised conflict undermined the development of state institutions in various ways, particularly through the creation of externally supported warring factions within African countries. In some cases, the proxy wars led to independence from colonial rule, as was the case of Zimbabwe, while in others, there remained armed groups that perpetuated militarised contestation for the state and natural resources in the post-colonial era. In South Africa, political independence was delayed as the United States provided support to the apartheid

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<sup>140</sup> Mahmood Mamdani, *Good Muslim, Bad Muslim: America, The Cold War, And The Roots Of Terror* (Three Leaves, 2005).

<sup>141</sup> *Ibid.*, 89.



regime, which purportedly acted as a buffer state against the spread of communism in Southern Africa.<sup>142</sup>

An additional, subsequent external cause of state weakness in sub-Saharan Africa was the post-Cold War dominance of the global neo-liberal capitalist orthodoxy, championed by the Bretton Woods institutions, also referred to as the ‘Washington Consensus’.<sup>143</sup> This rose to prominence at the end of the Cold War through the global aid regime, particularly the Structural Adjustment programmes where the World Bank and International Monetary Fund provided “tied aid” to poor developing countries in exchange for the institutionalisation of neoliberal policies in their countries.<sup>144</sup> The main features of the global neoliberal system include free market competition (or the “free hand”), where the economy functions with limited state regulation, the removal of trade barriers, currency devaluation, and protection of private property through legislation. The state essentially adopts a minimal role in the economy, and relegated to providing physical and legal infrastructure and enforcing property rights.<sup>145</sup> The main effects of the structural adjustment regime in particular were the loss of control over policy by African governments, and entrenching of the outward looking nature of African economies, which had negative effects on the development of domestic institutions and state-society relations.

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<sup>142</sup> Ibid., 90.

<sup>143</sup> David N. Balaam, Bradford L. Dillman, And Pearson Education, *Introduction To International Political Economy* (Pearson, 2014), 30.

<sup>144</sup> Ibid., 31.

<sup>145</sup> Ibid., 32.

The global capitalist economic system can also be plausibly described as the continuation of colonialism by economic means, or “neo-imperialism.”<sup>146</sup> Dependency and Modern World Systems theorists conceptualise it as a division of labour between states, whereby economic activities in the South have mostly been labour intensive and extractive, especially producing primary mineral and agricultural commodities for export, while the global North concentrates on capital markets and skills intensive sectors that produce value-added, processed goods.<sup>147</sup> Although the normative neo-liberal argument is that, the globalisation of economies promotes development in the Third World, this has often resulted in economic stagnation and vulnerability to global price fluctuations.<sup>148</sup> Apart from the primary commodities’ low value, Third World exporters also lack control over the setting of processes of setting commodity prices and thus remain dependent on global markets.<sup>149</sup> Although South Africa has a more differentiated economy, mining remains the highest contributor to its GDP, and thus its economy depends on income from the global mineral market. Nevertheless, there have been various shifts in recent years, with the growth of new economies such as China and the East Asian Tigers (Hong Kong, Singapore, South Korea and Taiwan), as well as South-South cooperation. This has changed the top-down dynamic outlined by the “dependency theory” based argument discussed above. That notwithstanding, African countries maintain a relatively inferior position in the global political economy, and depend on the export of primary commodities such as agricultural produce and extractive natural resources.

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<sup>146</sup> Immanuel Wallerstein, “The Rise And Future Demise Of The World Capitalist System: Concepts For Comparative Analysis,” *Comparative Studies In Society And History* 16, No. 04 (1974): 387–415.

<sup>147</sup> Balaam, Dillman, And Education, *Introduction To International Political Economy*.

<sup>148</sup> Stephen R. Lewis, “Primary Exporting Countries,” *Handbook Of Development Economics* 2 (1989): 1541–1600.

<sup>149</sup> Balaam, Dillman, And Education, *Introduction To International Political Economy*.

The above discussion is structured along a Historical Institutional analysis that reveals the protracted and complex process of state-building in Africa. Several historical factors shape developmental outcomes in general and the management of natural resources in particular on the continent. Colonial rule laid a weak foundation for the establishment of the state and its administrative institutions in sub-Saharan Africa. It introduced an instrumental and self-interested system of central government, as a predatory, extractive, oppressive, violent yet administratively weak structure. The exercise of colonial political power was also conducted through networks of patronage, and this resulted in the embeddeness of patron-client systems into the juridical state. The Cold War also negatively influenced the development of post-colonial states. This primarily occurred through the arming of non-state belligerents, leading to militarised and protracted conflicts that were also fuelled by the presence of natural resources such as diamonds, as elaborated in the following section. Therefore, the resource curse is a product of state weakness, which is rooted in various aspects of the historical development of the African state. However, post-colonial regimes also failed to effect institutional changes that would have reversed the harmful effects of colonial rule. This was mainly because these institutional weaknesses worked in their favour, since they diminished the prospects of transparency and accountability.

### **Colonial Legacies And Elite State Capture**

A mixture of colonial legacies and the agency of political elites who use state structures for personal gain fundamentally shape the nature and function of post-colonial African state systems. This is an underlying cause of the aforementioned resource curse outcomes

in sub-Saharan African countries. Colonialism was essentially a patron-client system, where the central state functioned as a tool of extraction assisted by local agents, especially chiefs, to enforce colonial rule.<sup>150</sup> As a result, patron client politics are usually regarded as one of the most lasting institutional legacies of colonialism and a salient feature of African post-colonial politics.<sup>151</sup><sup>152</sup> This contradicts the rational legal conception of a juridical state that functions independent of various social groups' interests, since it prevents the state from functioning as an impartial and contractarian entity.<sup>153</sup> It also leads to the growth of a 'rhizome state', whereby both the state and non-state entities are extensively undermined by a socially pervasive culture of social network-based corruption.<sup>154</sup> The exclusive, sub-state distributional system creates social inequality by maintaining partial access of scarce resources within the country.<sup>155</sup> This culture of corruption is also described as '*politics of the belly*' whereby survival and spoils-based forms of social interactions direct both state society relations, and the conduct of social relations at the sub-state level as well.<sup>156</sup> This is symptomatic of social decay that emanates from patron-client politics and the weakening of political institutions.

In addition, state capture, especially in the presence of vast natural resource income leads to the use of the state as a tool for accumulation, described through the lenses of the "gatekeeper state" hypothesis. Political elites have often used institutions of the state to

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<sup>150</sup> Young, "The African Colonial State Revisited," 113.

<sup>151</sup> Michael Bratton And Nicolas Van De Walle, "Neopatrimonial Regimes And Political Transitions In Africa," *World Politics* 46, No. 04 (1994): 453–89.

<sup>152</sup> Ivar Kolstad And Arne Wiig, "It's The Rents, Stupid! The Political Economy Of The Resource Curse," *Energy Policy* 37, No. 12 (2009): 5321.

<sup>153</sup> Patrick Chabal And Jean-Pascal Daloz, *Africa Works: Disorder As Political Instrument* (International African Institute London, 1999).

<sup>154</sup> Bayart Jean-Francois, *The State In Africa: The Politics Of The Belly* (London: Longman, 1993), 219.

<sup>155</sup> *Ibid.*, 228.

<sup>156</sup> Jean-Francois, *The State in Africa*.

appropriate revenue derived from external, instead of internal sources.<sup>157</sup> As alluded to earlier, resource rich states seldom focus on raising revenue from internal taxes but rely on external sources of funding. Natural resource wealth, and other resources of income that are derived from using the state's sovereign identity and control of movement of finance and commodities across its territorial borders thus become the primary revenue sources.<sup>158</sup> State-owned corporations, or parastatals that were initially established during colonial rule, also became a key source of revenue for the post-colonial gatekeeper state, and this underlies resource curse outcomes explained earlier. As a result, gatekeeper states thus tend to marginalise large sections of the populace, resulting in high poverty rates, political instability, and eventual violent struggles for control of the state since it would be the primary tool for accumulation of wealth.<sup>159</sup>

These consequent political dynamics of state pathologies can also be described through the notion of “high political discount rates” and “short-term horizons.”<sup>160</sup> This is where opposition by both armed and unarmed but formidable non-state groups results in substantial insecurity for political elites in charge of the state. As a result, instead of concentrating on enacting policies that result in long term, sustainable and broad based development, such political leaders focus on maintaining their hold onto power. It also induces predatory behaviour, such as increased embezzlement of public funds as highlighted above, and attempts at extending their stay in office through constitutional and

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<sup>157</sup> Frederick Cooper, *Africa Since 1940: The Past Of The Present*, Vol. 1 (Cambridge University Press, 2002), 156, <https://books.google.co.za/books?hl=en&lr=&id=Fgdit4wptwec&oi=fnd&pg=pr6&dq=Africa+Since+1940&ots=Fxvfouv0dg&sig=Igb9xj4wtisxnznzqc3fnoxpjfq>.

<sup>158</sup> *Ibid.*, 1:157.

<sup>159</sup> *Ibid.*, 1:159.

<sup>160</sup> Arthur A. Goldsmith, “Predatory Versus Developmental Rule In Africa,” *Democratization* 11, No. 3 (2004): 95.

non-constitutional strategies.<sup>161</sup> This partly explains the aforementioned correlation between authoritarian state traditions and high resource endowment, as seen in Equatorial Guinea and Angola, for example. As a result, the legacies of colonial rule and post-colonial state weaknesses create a destructive matrix that undermines development in resource rich African countries.

Nevertheless, it is essential to note that some of these weaknesses associated with post-colonial rule also depict the endurance of pre-colonial African cultural practices.<sup>162</sup> As mentioned above, the colonial state's primary function was to extract maximum economic benefit through the forced domination of indigenous peoples. Since it did not invest in developing, and promoting Western institutions, values and ideational systems, apart from the work of missionaries, some features of pre-colonial cultural practices remained. This occurred through the endurance of indigenous practices at the community level, and the colonial state policy of indirect rule as well. The latter instrumentalised some aspects of African political and social organisation, especially the use of traditional chiefs as local patrons in rural areas.<sup>163</sup> This was a continuation of the concept of the "Big Man," whereby patron-clientelism characterised pre-colonial forms of socio-political and economic organisation.<sup>164</sup> This influenced patron client politics at the state level, and explains the continued relevance of traditional forms of governance as well, as elaborated in the next chapter.

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<sup>161</sup> Ibid., 97.

<sup>162</sup> Chabal And Daloz, *Africa Works*, 11.

<sup>163</sup> Ibid., 12.

<sup>164</sup> Chabal And Daloz, *Africa Works*.

Nevertheless, the theories cited above do not aim to universalise the African experience, given the multiple colonial experiences; there were multiple post-colonial outcomes, or “multiple Africas.”<sup>165</sup> However, several generalisations can still be made, and these rest more on the acts of post-colonial elites than colonialism itself. Essentially, the persistence of weak African state systems rests on the activities of post-colonial African elites to a considerable extent. Since the colonial state was narrowly oriented towards domination and extraction, the failure by post-colonial African governments to undo these colonial institutions rests on the benefits that post-colonial elites derive from the weak political and economic systems.<sup>166</sup> Although African leaders have developed an image of a united Africa using the notion of “pan Africanism,” continental inter-state institutions and regional blocs and the Organisation of African Union (OAU), and later the African Union (AU), are regarded as “old boys’ clubs” of post-colonial elites who are invested more in maintaining political power than addressing institutional legacies of colonial rule.<sup>167</sup> Given this scenario, most, if not all features of post-colonial African states are not essentially caused by colonial rule, but the rational actions of post-colonial political elites.

The resource curse thus ought to be understood in this context of state formation in sub-Saharan Africa. The dynamics of resource governance are rooted in a peculiar state system that does not conform to western notions of statehood, modernity of institutional development, but peculiar historical developments shaped by external and internal political elites. Instead of striving to conform to western notions of statehood and democracy,

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<sup>165</sup> Chris Allen, “Understanding African Politics,” *Review Of African Political Economy* 22, No. 65 (1995): 301–20.

<sup>166</sup> Robert H. Jackson And Carl G. Rosberg, “Why Africa’s Weak States Persist: The Empirical And The Juridical In Statehood,” *World Politics* 35, No. 01 (1982): 1–24.

<sup>167</sup> Clapham, *The African State*, 94.

African political elites have often “tamed,” or weakened, the systems of post-colonial statecraft.<sup>168</sup> As indicated above, elements of African cultural norms also permeate the central state and its institutions, and political leaders use their “official status to fulfil unofficial obligations,” that is, using state resources to support patron-client networks.<sup>169</sup> Thus, neopatrimonialism and patron-client politics that have fundamentally undermined the functioning of the central state in Africa are both a product of persistent cultural aspects and elite instrumentalisation. This considerably influences the ownership structures adopted in the management of natural resources, particularly state ownership and control being the most common in Africa.

### **SECTION 3: OWNERSHIP AND MANAGEMENT STRUCTURES**

The history of state development in Africa thus influences the management of natural resources on the continent, through shaping the ownership models that are mostly prevalent in resource-rich states. These ought to be analysed in determining the consequences of resource wealth in African economies. In addition, ownership structures merit consideration and investigation since they define the actors who take part in resource governance and facilitate an understanding of their interests and incentives, which in turn determine various outcomes with resource management.<sup>170</sup> Ownership structures that centralise control of resource wealth within the state are often associated with adverse outcomes, while the diffusion of control over the revenue diminish the likelihood of

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<sup>168</sup> Patrick Chabal, “The Quest For Good Government And Development In Africa: Is Nepad The Answer?,” *International Affairs* 78, No. 3 (2002): 447–62.

<sup>169</sup> Ibid.

<sup>170</sup> Ibid.,



“resource curse” outcomes.<sup>171</sup> Therefore, the combination of the right ownership structures over mineral resources, strong state institutions and relative influence of domestic and international actors are central factors in determining developmental outcomes.<sup>172</sup>

The definition of ownership structures is mainly based on the actors who control resource wealth and this has direct implications on development. “Private domestic ownership” refers to a situation where domestic non-state owners have considerable power and control over natural resource management. This model is more likely to facilitate the creation and maintenance of robust and transparent institutions of resource management, due to the presence of non-state actors with a mutual desire to benefit from a stable resource management regime.<sup>173</sup> “Private foreign ownership” is whereby the state grants foreign investors the right to extract resources, without being directly involved in the resource management structures but drawing taxes and royalties. This is a potentially unsustainable model since state and private investor interests will likely diverge due to the state’s long term developmental interests vis a vis the private owners’ short term profit making imperatives.<sup>174</sup> “State ownership with control” refers to a scenario where the state possesses exclusive and discretionary oversight in the management of natural resources. Since this model has a high likelihood of unfettered state power, it will likely foster weak and inefficient institutions, and adverse developmental outcomes.<sup>175</sup>

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<sup>171</sup> Luong and Weintal, “Rethinking The Resource Curse,” 243.

<sup>172</sup> Ibid.

<sup>173</sup> Ibid., 255

<sup>174</sup> Ibid.

<sup>175</sup> Luong and Weintal, “Rethinking The Resource Curse,” 244.

Given the above categories, state ownership with control is the most salient ownership model on the continent both in the resource sector and in key public service areas like public utilities, health care, and education.<sup>176</sup> Public corporations are also the standard ownership model in other countries such as the Middle East's petro-states, China and Russia.<sup>177</sup> These have had varying levels of success and autonomy from the central state. Ideally, the state ought to be involved in the economy since it represents collective national interests, unlike private corporations that only represent shareholders. However, the state's unenviable record in resource management in Africa particularly, proves otherwise.<sup>178</sup>

Nevertheless, state ownership is not always anathema to positive developmental outcomes.<sup>179</sup> In several Gulf states, the main determinants of profitability and efficiency in state owned resource corporations have been the combination of two key factors; *the absence of a populist political mobilisation history and effective regime autonomy in the making of economic policy*.<sup>180</sup> Several resource-rich African states are lacking in this regard, since they have a history of populist nationalist mobilisation and state capture. Several Gulf States, such as Saudi Arabia's Basic Industries Corporation (SABIC), Industries Qatar, and Dubai's DP World are particularly "sleek," profitable and market oriented corporations that maximise economic advantages for their respective states, while

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<sup>176</sup> Kiarie Mwaura, "Failure Of Corporate Governance In State Owned Enterprises And The Need For Restructured Governance In Fully And Partially Privatized Enterprises: The Case Of Kenya, The," *Fordham Int'l Lj* 31 (2007): 34.

<sup>177</sup> Ibid.

<sup>178</sup> Ginka Borisova Et Al, "Government Ownership And Corporate Governance: Evidence From The Eu," *Journal Of Banking & Finance* 36, No. 11 (2012): 2919.

<sup>179</sup> Steffen Hertog, "Defying The Resource Curse: Explaining Successful State-Owned Enterprises In Rentier States," *World Politics* 62, No. 2 (2010): 261–301.

<sup>180</sup> Ibid., 261.

accommodating sufficient investment opportunities for local and foreign actors, while maintaining a purely non-political business agenda.<sup>181</sup>

Therefore, while several state owned enterprises have been patently poorly managed in sub-Saharan Africa, these aforementioned Gulf states' corporations reveal that having profit-oriented and autonomous state corporation can positively correlate with efficiency, profitability and a high likelihood of positive developmental outcomes.<sup>182</sup> The corporations ought to be insulated against political predation, and should function with clear directives from a "coherent set of high-level principals" in the political system who also possess substantial decisional autonomy from both state and non-state groups.<sup>183</sup> This thus shows that the quality of state institutions and their capacity to implement successful policies can translate resource wealth into sustainable development outcomes. The ability of the state to facilitate efficient resource management and transfer of wealth to fund developmental outcomes ultimately determines the subsequent developmental outcomes with resource management. This is lacking in resource-rich African states, thus leading to calls for decentralisation and diffusion of control to sub-state entities, which however do not automatically guarantee preferred solutions, as shown in this paper.

In light of the ownership models discussed above, the Bafokeng's ownership structure can be categorised as a domestic private ownership structure. This is because the community, through its traditional leadership and the platinum companies in which it invests are all

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<sup>181</sup> Ibid., 262.

<sup>182</sup> Steffen Hertog, "Defying The Resource Curse: Explaining Successful State-Owned Enterprises In Rentier States," *World Politics* 62, No. 2 (2010): 264.

<sup>183</sup> Hertog, "Defying The Resource Curse," 2010, 264.

domestic actors that are relatively autonomous from the state. Nevertheless, this ownership structure was not a product of policy measures supported by the state, but a combination of historical factors and triumph of elite interests, as elaborated in chapter 5. The case presentation and analysis chapter will also show that the Bafokeng and apartheid-era mineral claim holders managed to attain relative autonomy from the state through the property protection clauses granted as part of negotiations to end apartheid in South Africa. This also enabled the Bafokeng to challenge the post-apartheid state in court when it had enacted laws that would limit the Bafokeng's control over minerals on its land, as elaborated later in this paper. South Africa's unique transition from settler colonial to majority rule thus played a decisive role in the Bafokeng's domestic private ownership model. Since such peculiar historical factors underlie this structure, it should not essentially be regarded as a product of national policy, but triumph of apartheid era and rural landed interests.

As a result, this makes it unlikely that the ownership structure may be replicated in other mineral resource-rich African states due to the factors outlined in this chapter. This is despite private domestic ownership models being relatively better than the other ownership structures mentioned above. They create a set of actors with relative autonomy from the state and a mutual interest in drawing formal guarantees for fiscal, legal and security predictability from the state. This would ideally create conditions that facilitate sustained profitability of the resource-generating sector and the rest of the economy while influencing positive policy outcomes from the state.<sup>184</sup> Unlike foreign investors, domestic

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<sup>184</sup> Ibid.

owners tend to be more invested in the overall long-term development of the economy, since their investment is not as mobile as foreign capital. They would also be invested in the rest of the economy growing in order to maximise economic opportunities for expansion. However, the timing of resource extraction, which is also a crucial factor in determining African states' ownership structures accounts for the rarity of these most ideal ownership models. The commencement of resource extraction during colonial rule is often associated with negative outcomes with resource management because it established exclusive state monopoly of resource wealth that post-colonial regimes mimic and perpetuate.

## **CONCLUSION**

Using a Historical Institutional approach, this chapter finds that the management of natural resources is intimately linked with the processes of state building in Africa. Colonialism changed political, economic, social, and cultural dynamics on the continent. The state was not conceived as a tool for realising universal benefits, but a project of external elite interests. Challenges with the management of natural resources thus emanate from the nature of political institutions at work in resource-rich countries. Although some natural resources are associated with adverse outcomes more than others, the ultimate determinant of positive or negative outcomes is the nature of the state. This literature also shows that the principal actor as far as the management of natural resources is concerned is the state, not sub-state groups or entities. The case of the Royal Bafokeng thus becomes peculiar, since it deviates from “conventional” forms of ownership on the continent. Nevertheless,

this is tied with South Africa's processes of state building and transition to post-colonial governance, as elaborated in subsequent chapters.

In addition, the Power Cube's framework reveals the extent to which the state is a closed space, whereby influential actors that attain control of its institutions prohibit or invite other actors to participate. For instance, the state pathologies and causal mechanisms between resource wealth and the state discussed in this chapter can be interpreted as the state being described as a "closed" and contested space, with members of patron client networks having exclusive access to its institutions and resources. Contending groups may have to compete for access militarily, thus in a way "claiming" space or creating their own through the creation of states within states, as was the case of Sierra Leone and Angola during the civil war-eras. In this way, the power cube illuminates the activities of specific actors and their activities, and how this subsequently influences different outcomes.

This chapter also challenges the conventional resource curse literature as inaccurate generalisations of the relationship between natural resources and specific political and economic outcomes that paint an inaccurate picture, thus necessitating holistic approaches grounded in historical analysis to present more nuanced findings. For the most part, the data used in statistical analyses that "confirmed" the resource curse was drawn from peculiar stages of the development of the state in Africa, such as the Cold War, OPEC crisis and the subsequent global recession, the Third Wave and externally driven policies that limited the state's involvement in the economy. This shaped the development of

political and economic institutions in resource and non-resource rich states on the continent, and influenced outcomes with the management of extractive natural resources.

**CHAPTER 4:**  
**DECENTRALISATION, PARTICIPATION AND INDIGENOUS**  
**FORMS OF GOVERNANCE**

**INTRODUCTION**

This chapter focuses on key debates as far as decentralisation and participation are concerned. It also looks at the inclusion of traditional authorities in governance in general and resource management in particular. It shall argue that decentralisation and participation ought not to be romanticised as the best policy alternatives, but fall within the context of power politics. As alluded to in the Power Cube theoretical framework, various political actors deploy different forms of power, in different places and spaces, thus resulting in peculiar institutional and policy outcomes. The Historical Institutional approach will also be used to trace the development of the institution of chiefship from pre to post-colonial eras, showing the varying roles played by actors in each historical phase. The concept of *longue duree* will also be discussed to show how indigenous forms of governance have remained politically relevant and influential from pre to post colonial eras, due to their ability to adapt to different political regimes. In each era, rural elites have managed to survive through various strategies, and the Royal Bafokeng represents an example of such rural elites. Nevertheless, despite their continued relevance, the central state seldom granted traditional leaders relative autonomy especially in managing high-value extractive natural resources, as the Bafokeng managed to obtain. Instead, typically their role has been limited to land allocation or the management of forestry or marine natural resources that generate much less revenue.



## SECTION 1: DECENTRALISATION AS PANACEA TO DEVELOPMENT

The various challenges to political and economic development that emanate from state weaknesses gave rise to an emphasis on *participation* and *decentralisation* as alternative approaches to public administration, including the management of natural resources. Since the early 2000s, scholars and development practitioners alike have expressed the need to involve communities in various development planning processes and institutions, as actor-oriented and grassroots approaches are regarded as alternatives to “big structure theories”.

<sup>185</sup> Decentralisation can be defined as the transfer of powers, responsibilities and resources from central government to local institutions; and this can be political, fiscal, or economic. <sup>186</sup> *Deconcentration* and *devolution* are the main types and forms of decentralisation. Deconcentration is the transfer of responsibilities to subordinate units of government, where they remain under the central state’s authority without a distinctly autonomous identity. Devolution is where the state transfers competencies to distinct legal entities with a wider scope of decision-making. <sup>187</sup>

Decentralisation and participation are also products of the evolution of development practice, which has mutated since the 1950s, due to various historical and intellectual shifts, that can be outlined in a very brief sketch as follows. The first part came in the 1950s-60s, with modernisation theory, exemplified by Rostow’s stages model, being the dominant

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<sup>185</sup> Robyn Eversole, “Remaking Participation: Challenges For Community Development Practice,” *Community Development Journal*, 2010, 29.

<sup>186</sup> Jesse C. Ribot, “Democratic Decentralisation Of Natural Resources: Institutional Choice And Discretionary Power Transfers In Sub-Saharan Africa,” *Public Administration And Development* 23, No. 1 (2003): 2.

<sup>187</sup> Ribot, “Democratic Decentralisation Of Natural Resources.”

orthodoxy.<sup>188</sup> The theory regarded development as a teleological process consisting of the following five stages of development: traditional society, preconditions for take off, take off, drive for maturity and age of high mass consumption. This essentially regarded the process of development as a society's movement towards a western-based model of economic growth, with infrastructural, technological, and per capita economic growth as the primary indicators of development.<sup>189</sup> It thus conceptualised development as a long-term process of historical change and structural transformation.<sup>190</sup> The second phase of development theory came in the 1970s, with Marxist based theories such as dependency and World Systems Theory that rejected modernisation theory's Western-centred and teleological assumptions, that regarded development as a linear process.<sup>191</sup> They also highlighted the unequal nature of global development between the North and South, and continual engagement with the global North being tantamount to continued imperial domination and subordination of the South.<sup>192</sup>

Thirdly, the end of the Cold War and subsequent escalation of the Structural Adjustment regime in the global South in the late 1980s resulted in the dominance of "Washington Consensus" hegemony, or dominance of neoliberal and free market – led economic growth as the yardstick for development.<sup>193</sup> The World Bank and International Monetary Fund prescribed the side-lining of the state in development policy and economic processes in

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<sup>188</sup> Jane L. Parpart And Henry Veltmeyer, "The Development Project In Theory And Practice: A Review Of Its Shifting Dynamics," *Canadian Journal Of Development Studies/Revue Canadienne D'études Du Développement* 25, No. 1 (2004): 39–59.

<sup>189</sup> Ibid.

<sup>190</sup> Andrew Sumner And Michael A. Tribe, *International Development Studies: Theories And Methods In Research And Practice* (Sage, 2008), 10.

<sup>191</sup> Parpart And Veltmeyer, "The Development Project In Theory And Practice."

<sup>192</sup> Ibid., 40.

<sup>193</sup> Ibid., 41.

favour of the market. However, the failure of structural adjustment in various places, especially in sub-Saharan Africa resulted in the transition to Human Development and Poverty Reduction strategies in the 1990s.<sup>194</sup> This led to alternative development discourse in the late 1990s/early 2000s that regarded participation and grassroots-oriented approaches, instead of state led policies, as ideal.<sup>195</sup> Currently, development discourse is replete with arguments that development is not a teleological process, or measured using universal or standard measurements, but multifaceted and complex, thus demanding holistic and context-specific approaches to development.<sup>196</sup> Decentralisation and participation thus emanate from this current discourse as alternatives to both the national state and global institutions in various development-related politico-economic processes.

There have been various attempts at decentralisation in some SSA states, albeit with varying degrees of success. For instance, Ghana instituted a decentralisation programme in 1993 following its democratic transition in 1992. Through the Local Government Act, the government shifted several public functions to District Assemblies, in order to improve the delivery of goods and services and responsiveness to popular demands, increase local officials' decision making powers, reduce red tape and accelerate policy implementation.<sup>197</sup> It was also regarded as a pro-poor policy that would facilitate poverty reduction through the efficient use of resources.<sup>198</sup> These goals were attained, to an extent.

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<sup>194</sup> Ibid., 42.

<sup>195</sup> Ibid., 41.

<sup>196</sup> Christel Alvergne And Daniel Latouche, "Decentralization In Africa: Too Many Policies, Not Enough Politics," *Canadian Journal Of Development Studies/Revue Canadienne D'études Du Développement* 29, No. 3–4 (2010): 465–81.

<sup>197</sup> Emmanuel Debrah, "The Politics Of Decentralization In Ghana's Fourth Republic," *African Studies Review* 57, No. 01 (2014): 50.

<sup>198</sup> Ibid., 62.

For instance, the programme stimulated community participation and also increased the capacity of front line officials to manage public funds at grassroots levels.<sup>199</sup> However, it faced several challenges. For instance, several District Assemblies were administratively inefficient and corrupt, became disconnected from the grassroots that they were supposed to represent, thus resulting in various forms of dissent. Deep-seated political rivalry between District Chief Executive Officers and elected Members of Parliament also arose, and interference from presidential appointees working in the area also undermined the District Assemblies' work.<sup>200</sup> This case depicts the complexities which decentralisation entails, especially the possibility of the replication of the same administrative challenges experienced at the state level. It also shows how the "local" is not a discrete locus of development, but continues to be influenced by national politics and other forms of contestation between various actors.

In the context of resource management, decentralisation can be defined as the collaborative pursuit of various programmes by a group of community members, in order to respond to their peculiar developmental needs.<sup>201</sup> This discourse on community development is inadequately developed, since the corporate social investment (CSI) model has been widely regarded as the best form of corporate-community engagement that contributes to local development and limits the chances of conflict in resource rich areas.<sup>202 203</sup> Although CSI

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<sup>199</sup> Ibid.

<sup>200</sup> Ibid., 64.

<sup>201</sup> William N. Holden, "Indigenous Peoples And Non-Ferrous Metals Mining In The Philippines," *The Pacific Review* 18, No. 3 (2005): 42.

<sup>202</sup> Helena Mcleod, "Compensation For Landowners Affected By Mineral Development: The Fijian Experience," *Resources Policy* 26, No. 2 (2000): 116.

<sup>203</sup> Ralph Hamann, "Corporate Social Responsibility, Partnerships, And Institutional Change: The Case Of Mining Companies In South Africa," In *Natural Resources Forum*, Vol. 28 (Wiley Online Library, 2004), 278.

programmes have had varied levels of success, they have not always addressed the challenge of community involvement, conflict prevention and levels of development in resource rich areas.<sup>204</sup> They also do not address the challenge of social and environmental damage that mineral extraction causes, which undermines the communities' common economic activities such as agriculture and fishing. A further complication is derived from the ambiguity of the notion of "community." While this term assumes homogeneity and sameness of purpose, communal areas in sub-Saharan African states tend to be composed of diverse, and often contending interests.<sup>205</sup> This complicates the engagement of external actors with resource rich communities, and thus chiefs have tended to be at the forefront of negotiations with such actors as mining corporations. The use of traditional forms of governance as a vehicle for participation is also contentious. For instance, contrary to the popular notion that participation correlates with democracy, traditional leadership tends to be open to elite capture instead, as elaborated later this paper.<sup>206</sup>

Ultimately, decentralisation policies' success or failure rests on political factors; it is essentially a political phenomenon apart from being a developmental objective.<sup>207</sup> Politics and politicians determine the establishment of institutions that decentralise political power through constant bargaining and negotiation between different stakeholders.<sup>208</sup> One of the factors that undermine decentralisation projects is the assumption that they can be immune

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<sup>204</sup> Sonwabile Mnwana, "Mineral Wealth—'In The Name Of Morafe'? Community Control In South Africa's 'Platinum Valley,'" *Development Southern Africa* 31, No. 6 (2014): 828.

<sup>205</sup> Hamann, "Corporate Social Responsibility, Partnerships, And Institutional Change," 248.

<sup>206</sup> Jesse C. Ribot, "Representation, Citizenship And The Public Domain In Democratic Decentralization," *Development* 50, No. 1 (2007): 44.

<sup>207</sup> Johannes Jütting Et Al, "What Makes Decentralisation In Developing Countries Pro-Poor?," *The European Journal Of Development Research* 17, No. 4 (2005): 629.

<sup>208</sup> Alvergne And Latouche, "Decentralization In Africa," 466.

from power politics or automatically deliver ideal outcomes. Instead, they create winners and losers, although benefits can still be shared broadly.<sup>209</sup> It is thus incumbent upon political leaders to drive decentralisation programmes, mediate between winners and losers, and create and consolidate institutions through which decentralisation projects will be conducted.<sup>210</sup> Despite arguments highlighting the potential for poverty alleviation through decentralisation, it does not automatically guarantee these outcomes but creates institutions and policy-making processes that *may* improve citizen participation and result in poverty reduction.<sup>211</sup>

Decentralisation and participation have the potential to facilitate institutional and functional sustainability, especially in countries with democratic political systems, and this can in turn make the accountability of public officials more likely.<sup>212</sup> Mechanisms for such accountability include elections, referenda, audits and legal action. Where mineral resources abound, accountability becomes essential because of the substantial sums of money involved and increased possibility for theft by public officials.<sup>213</sup> In this regard, institutions that are delegated to manage natural resources ought to be both horizontally accountable (to their localities) and vertically accountable (to the central state).<sup>214</sup> The specific context(s) would thus determine the exact institutional frameworks to be adopted, but the inclusion of multiple actors through decentralising the management of natural resources generally improves the odds of realising positive developmental outcomes with

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<sup>209</sup> Ibid., 467.

<sup>210</sup> Ibid., 427.

<sup>211</sup> Jütting Et Al., “What Makes Decentralisation In Developing Countries Pro-Poor?,” 629.

<sup>212</sup> Ribot, “Democratic Decentralisation Of Natural Resources,” 7.

<sup>213</sup> Ibid., 2.

<sup>214</sup> Ibid., 3.

the resource wealth. Nevertheless, decentralisation and participation do not automatically result in socio-political and economic equality. Instead, it creates new inequalities, whereby influential political elites' facilitate the creation of institutions and systems that fulfil their interests. In this case, the extent to which policy benefits can be transferred to various social groups will determine the success or failure of decentralisation policies.<sup>215</sup>

Furthermore, the focus on decentralisation as a panacea to development masks the local inequalities and power relations that determine political and economic outcomes at the grassroots level, as alluded to above. Decentralisation involves contestation between various groups at the local levels and beyond, and the groups with more power and influence usually define policy frameworks. The idea of local participation and decentralisation is also complex and malleable, and can be used by different political actors for various purposes, as seen in the case studied in this paper.<sup>216</sup> In addition, the "local" is often viewed in isolation from national political and economic dynamics, resulting in the downplaying of the latter.<sup>217</sup> This often emanates from civil society actors, who view the state and civil society as separate spheres, and regard the state as anathema to development and civil society-led projects as the best alternative. However, this masks the multiplicity of links between actors in these two realms, with shifting patterns of strategic engagement and disengagement.<sup>218</sup> Thus, the "local" should not be conceptualised as a discrete place

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<sup>215</sup> Alvergne And Latouche, "Decentralization In Africa."

<sup>216</sup> Giles Mohan And Kristian Stokke, "Participatory Development And Empowerment: The Dangers Of Localism," *Third World Quarterly* 21, No. 2 (2000): 247.

<sup>217</sup> *Ibid.*, 250.

<sup>218</sup> *Ibid.*, 264.

with homogenous constituents, but as components of a national and global system that is shaped by a multiplicity of actors and influenced by contemporary global processes.

## **SECTION 2: TRADITIONAL LEADERSHIP IN “MODERN” GOVERNANCE**

Indigenous forms of governance are thus regarded as potentially useful institutions in decentralisation and participation, particularly given the example of the Bafokeng that is examined in this paper. They occupy communal political leadership positions that emanate from “tradition”, or cultural practices and values, which are also the source of their legitimacy claim to political authority instead of pluralist elections or other forms of constitutional-legal provisions.<sup>219</sup> “Tradition” can also be described as a range of inherited cultural, social and moral values, and historical experiences.<sup>220</sup> Although they are present in almost all African countries in one form or another, the involvement of traditional leaders in contemporary structures and processes of governance is hotly contested. This is based on theories and arguments that range from normative conceptions of the democratic state, and historical accounts of the involvement of traditional leaders in the administrative mechanisms of colonial rule.

For instance, traditional governance may be seen as a hindrance to development and transformation because it is “undemocratic”.<sup>221</sup> Unlike elected public officials, traditional leaders are not voted into office and thus may not be publicly held accountable the way

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<sup>219</sup> Christiaan Keulder, “Traditional Leaders,” *State, Society And Democracy. A Reader In Namibian Politics*, 2000, 151.

<sup>220</sup> Ibid.

<sup>221</sup> K. Mengisteab, “Relevance Of African Traditional Institutions Of Governance: A Concept Paper,” *Submitted To The Development Policy Management Division, The United Nations Economic Commission For Africa (Uneca)*, 2006, 10.



elected officials would be.<sup>222</sup> Although there are customary forms of ensuring accountability and transparency, these may not be as effective as those of the rational-legal state. On the other hand, chiefs are regarded as an indispensable tool for political and economic transformation and a crucial feature of the continent's history, indigenous culture and governance systems.<sup>223</sup> State policies and developmental programmes are argued to potentially benefit from incorporating chiefs, since they are more conversant with social organisation at grassroots levels; thus they can still function as a delegated arm of the central state.<sup>224</sup> In this regard, Kelsall (2008) argues that modern institutions must “*go with the grain*”, or work in tandem with local cultural practices in order to guarantee success.<sup>225</sup>

However, colonialism also re-shaped the nature and function of traditional governance, and this is one of the main challenges to their legitimacy. As alluded to earlier, British colonial authorities used chiefs as enforcers of colonial laws and regulations, maintaining order and collecting taxes on behalf of the state through the system of indirect rule. Traditional leaders who resisted colonial rule were deposed and lackeys put in their stead, and where indigenous peoples had been displaced, colonial authorities would create new leadership structures, which would control the invented locality on behalf of the state.<sup>226</sup> Through this system, colonial rule “bifurcated” African administrative systems, with colonial settlers mostly living in urban areas and being governed by civil law, while indigenous people

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<sup>222</sup> Ibid., 11.

<sup>223</sup> Ibid., 10.

<sup>224</sup> Mengisteab, “Relevance Of African Traditional Institutions Of Governance.”

<sup>225</sup> Tim Kelsall, “Going With The Grain In African Development?,” *Development Policy Review* 26, No. 6 (2008): 627–55.

<sup>226</sup> Fred Hendricks And Lungisile Ntsebeza, “Chiefs And Rural Local Government In Post-Apartheid South Africa,” *African Journal Of Political Science/Revue Africaine De Science Politique*, 1999, 102.

lived in rural settlements and were governed by customary law, through traditional leaders.<sup>227</sup> Traditional forms of governance, or “Native Authorities” were thus the pillars of colonial administration.<sup>228</sup> As a result, instead of being regarded as protectors and providers for their communities according to pre-colonial conceptions, traditional leaders were regarded as predators and agents of brutal colonial domination.<sup>229</sup> Including chiefs in democratic governance apparatus is thus viewed as a misnomer because under democracy people are *citizens* with legally enforceable rights, while under traditional leaders they are *subjects*, the same way they were under colonial rule.<sup>230</sup>

### **Resurgence Of Indigenous Governance Structures In The Post-Colonial State**

Since the end of colonialism, African countries have had a dualism of structures of political power between the central state and indigenous structures of governance. Governments have either recognised, or alternatively disempowered or weakened traditional forms of governance, but they still remain relevant in various ways and in fact, have been resurgent across the continent since the 1990s.<sup>231</sup> For instance, Botswana and Nigeria have constitutionally recognised the relevance of chiefs in governance, while Tanzania and Mozambique banned them.<sup>232</sup> Ghana established a National House of Chiefs in its 1992 constitution, which also prohibited the central government from either installing or refusing to recognise traditional chiefs in order to maintain their independence from the state. The

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<sup>227</sup> Mamdani, *Citizen And Subject*, 8.

<sup>228</sup> *Ibid.*, 53.

<sup>229</sup> Hendricks And Ntsebeza, “Chiefs And Rural Local Government In Post-Apartheid South Africa,” 102.

<sup>230</sup> Mamdani, *Citizen And Subject*.

<sup>231</sup> Pierre Englebert, “Back to the Future? Resurgent Indigenous Structures and the Reconfiguration of Power in Africa,” *Tradition and Politics: Indigenous Political Structures in Africa*, 2005, 34.

<sup>232</sup> Richard L. Sklar, “The Significance Of Mixed Government In Southern African Studies: A Preliminary Assessment,” 1994.

House of Chiefs in Ghana routinely advises all tiers of government on customary law related issues.<sup>233</sup> In addition, 30% of district assembly seats were reserved for chiefs, while their involvement in economic and development activities also increased.<sup>234</sup>

Furthermore, the Council of Traditional Leaders in Namibia advises the president on various land and development-related issues, and the National House of Traditional Leaders in South Africa also retains customary and advisory functions.<sup>235</sup> South Africa's 1996 constitution also provides considerable protection for chiefs, through guaranteeing their formal recognition by the state and creating traditional leaders' national, provincial and local councils.<sup>236</sup> For instance, in Kwa Zulu Natal, they hold 20% of the province's regional councils, and this incorporation into local governance structures allows them to broadcast their influence beyond customary roles to issues such as development policy and fundraising.<sup>237</sup> A further example is the resurgence of Zambia's Lozi kingdom, which demanded government recognition and autonomy through threat of military action, leading to the seizure of military hardware in 1995 by the government in the Lozi's Barotseland area.<sup>238</sup> This threat of military conflict led Zambia to creating a National House of Chiefs in 1996. Furthermore, Namibia established the Council of Traditional Leaders in 1998, whose role is to provide input into the development of various pieces of legislation prior to its consideration by Parliament.<sup>239</sup>

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<sup>233</sup> Englebert, "Back To The Future?," 34.

<sup>234</sup> *Ibid.*, 35.

<sup>235</sup> Mengisteab, "Relevance Of African Traditional Institutions Of Governance," 24.

<sup>236</sup> Englebert, "Back To The Future?," 35.

<sup>237</sup> *Ibid.*, 36.

<sup>238</sup> *Ibid.*, 38.

<sup>239</sup> *Ibid.*, 41.

The resurgence of traditional institutions of governance contradicts assumptions that traditional forms of governance would collapse in African politics due to decolonisation, the Cold War and most importantly, the global neoliberal paradigm.<sup>240</sup> Several scholars argued that the encroaching market and western state systems that replaced colonial rule would result in the effacement of traditional forms of governance, due to the rise of the rational-legal Weberian state.<sup>241</sup> Nevertheless, this has been invalidated by the resurgence and resilience of indigenous forms of governance, particularly since the “Third Wave” of democratisation since 1990. In investigating the resurgence of traditional political institutions since 1990, it becomes apparent that this is less due to state weakness or collapse, because it has been mostly observed where the state institutions are relatively stronger. This contradicts arguments that this trend is due to the central state’s failure to “broadcast” or consolidate political power within its territory.<sup>242</sup>

Several factors explain this phenomenon. For instance, the internal strength of the traditional groups themselves, despite the strength of the state determines their resilience and ability to claim political space in the “modern” state.<sup>243</sup> This strength depends on various context-specific factors, but the historical and cultural notions of tradition and custom substantially reinforce the strength of indigenous forms of governance. In addition, the colonial experience accounts for traditional groups’ continued influence in the post-

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<sup>240</sup> Olufemi Vaughan, *Nigerian Chiefs: Traditional Power In Modern Politics, 1890s-1990s*, Vol. 7 (University Rochester Press, 2006), 3.

<sup>241</sup> *Ibid.*, 7:4.

<sup>242</sup> Jeffrey Herbst, *States And Power In Africa: Comparative Lessons In Authority And Control: Comparative Lessons In Authority And Control* (Princeton University Press, 2014), 145.

<sup>243</sup> Englebert, “Back To The Future?,” 43.

colonial era. Former British colonies, for instance, have experienced more resurgent traditional forms of governance than Francophone or Lusophone colonies.<sup>244</sup> This is because Britain's indirect rule system tended to reinforce chiefs' political strength, unlike France's assimilation policy, which reduced its relevance and thus reduced its political power.<sup>245</sup>

In addition, this resurgence represents failures in the post-colonial project of state building, and particularly the idea of a "nation." As alluded to earlier, African territorial states are *artificial* in that they introduced the notion of bounded territories and central political authority, a novel concept that deviated from the pre-colonial systems of political organisation. Political and economic crises that have been a prominent feature of post-colonial state building have resulted in the alienation of the masses from the state, while chiefs remained legitimate, grassroots political leaders with varying levels of autonomy.<sup>246</sup> In addition, due to the Structural Adjustment Programmes that many African countries undertook since the early 1990s, the state became increasingly privatised, and thus alienated from the masses.<sup>247</sup> This led to the restructuring of the centres of political power and identity, with people identifying with traditional forms of governance instead of the state.<sup>248</sup>

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<sup>244</sup> Ibid., 44.

<sup>245</sup> Ibid.

<sup>246</sup> Patrick Chabal, *Power In Africa: An Essay In Political Interpretation* (Macmillan London, 1992).

<sup>247</sup> Liisa Laakso, "Changing Notions Of The Nation-State And The African Experience: Montesquieu Revisited," *Challenges To The Nation-State In Africa. Uppsala, Sweden, Nordic Africa Institute*, 1996, 42.

<sup>248</sup> Ibid., 46.

Furthermore, the opening up of political spaces through post-Cold War democratisation led to multiple political actors emerging in the expanded political space, including chiefs.<sup>249</sup> This is also because tribal and ethnic identities became the most readily available form of political mobilisation, with political elites collaborating with traditional chiefs in mobilising political support.<sup>250</sup> Another explanation is that democracy challenged chiefs' political power through the creation of parallel political institutions in their polities, especially municipal structures. As a result, traditional chiefs, who had held relatively stronger positions during the colonial systems had to reassert their relevance in the changed democratic system through pressure and other forms of persuasion and accommodation with post-colonial regimes.<sup>251</sup>

In addition, the resurgence of traditional leaders can be explained in the context of “decentralisation,” which was introduced through the advocacy of external organisations, supported by the World Bank and several international Non-Governmental Organisations (NGOs). In several cases, traditional forms of governance have been the grassroots partner chosen by NGOs, and this buttressed the legitimacy and political relevance of traditional leaders.<sup>252</sup> Nevertheless, this has mostly been witnessed in non-mineral resource related projects, but limited to control of agricultural land and forestry, as elaborated below. On the whole, multiple factors account for the continued relevance of indigenous political leaders in central state politics, primarily based on historical conditions and influences.

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<sup>249</sup> Liisa Laakso And Adebayo Olukoshi, “The Crisis Of The Post-Colonial Nation-State Project In Africa,” *Challenges To The Nation-State In Africa*, Uppsala: Nordic Africa Institute, 1996, 10.

<sup>250</sup> Ibid., 11.

<sup>251</sup> Englebert, “Back To The Future?,” 48.

<sup>252</sup> Ibid., 51.

### **The “*Longue Duree*”**

A fundamental and crucial explanation for the continued relevance of traditional chiefs is the concept of “syncretism,” or adaptability. Since the colonial era these traditional leaders conformed to settler authority, and subsequently supported post-colonial regimes in order to continue accessing rents from the new states.<sup>253</sup> This can be explained through the historical sociological concept of *longue duree*, which stresses the persistence of structures, rather than radical breaks with the past.<sup>254</sup> Contrary to conventional political science approaches that focus mainly on macro-political historical developments, this approach does not ignore the complexities of African communal forms of existence. Instead, it shows how indigenous forms of governance were adept at adjusting to changing political conditions in order to derive benefits from the prevailing governance regimes.<sup>255</sup> For instance, although colonialism intruded into pre-colonial African polities, African political actors did not simply oppose or conform to elements of colonial rule. Rather, the complex forms of interaction also entailed significant levels of accommodation that resulted in the endurance of various aspects of indigenous forms of social, economic, and political organisation.<sup>256</sup>

Traditional chiefs also maintained their relevance in the post-colonial era through strategic reinvention, in order to adjust with changing post-colonial conditions. This entailed aligning themselves with triumphant state elites, as seen in the case of South African

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<sup>253</sup> Lungisile Ntsebeza, *Democracy Compromised: Chiefs And The Politics Of The Land In South Africa* (Leiden: Brill, 2005), 20.

<sup>254</sup> Vaughan, *Nigerian Chiefs*, 7:6.

<sup>255</sup> Ibid.

<sup>256</sup> Ibid., 7:7.

traditional leaders who re-aligned themselves with nationalist groups during the terminal stages of apartheid rule. Through this process, they reinvented the narrative, mutating from colonial collaborators to pro-majority rule agitators along with other nationalist groups in the country, as elaborated in the next chapter. This mainly occurred through processes of elite integration into emergent centres of political power. Overall, as political elites, chiefs were concerned with their political survival, and adapted throughout various processes of state formation. They thus remain relevant constituent factors in sub-Saharan Africa's processes of state building.

Moreover, it is crucial to investigate the *type of power* that chiefs have in determining their resilience in post-colonial state-systems. Historically, chiefs derived power from various sources and this persists to date. According to Thornton (2003), chiefship relies on an entirely different form of power that runs parallel to the central juridical state.<sup>257</sup> It would thus be erroneous to attempt to understand chiefly power using a framework that is based on the juridical state. Viewing the chieftaincy as “tyrannical” as opposed to “egalitarian” democracy misses nuances that would otherwise shed more light on the traditional chiefship's resilience in African political economy.<sup>258</sup> Indigenous forms of governance derive power from cultural identities that also reinforce notions of localised autonomy against the encroachment of the Western-oriented and globalised state. Pre-colonial societies in Africa consisted of groups that existed under the authority of independent communal leaders, who derived their power from both benevolence, and authoritative

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<sup>257</sup> Robert Thornton, “Chiefs: Power In A Political Wilderness,” *Di Ray And Ps*, 2003, 125.

<sup>258</sup> *Ibid.*, 126.



deployment of power as well.<sup>259</sup> In more centralised systems, chiefly authority rested on “dominion,” with clear distinction between the chief, his household and advisers, on the one hand, and “commoners” regarded as inferior on the other.<sup>260</sup>

During the same pre-colonial period, popular support also underlay chiefs’ political authority particularly from the “general assembly,” which consisted of married men in most communal communities in South Africa.<sup>261</sup> This support was also based on the extent to which they could grant security and providence to their subjects. In addition, chiefs also derived power from their role as stewards of land, which was the cornerstone of the agrarian based pre-colonial societies.<sup>262</sup> Private land ownership was a rarity, due to its abundance in the pre-colonial era. In managing the distribution of land, a chief would also consult with a group of councillors, and functioned within a commonly understood set of parameters regarding managing the land as a communal resource.<sup>263</sup> Nevertheless, in more centralised polities the people had sufficient power to depose a chief, and succession was not always smooth due to political competition between tribal elites.<sup>264</sup> These dynamics persist to date, and traditional leaders deploy varying forms of power in maintaining their legitimacy and relevance within their communities. Their interaction with communal “subjects” is also governed by varying forms of accountability and control.

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<sup>259</sup> Lungisile Ntsebeza, “Traditional Authorities, Local Government And Land Rights,” *Grass-Roots Governance*, 2003, 179.

<sup>260</sup> Jeffrey B. Peires, *The House Of Phalo: A History Of The Xhosa People In The Days Of Their Independence*, Vol. 32 (Univ Of California Press, 1982), 180

<sup>261</sup> Chris Tapscott, “The Institutionalisation Of Rural Local Government In Post-Apartheid South Africa,” *Traditional And Contemporary Forms Of Local Participation And Self-Government In Africa*. Johannesburg: Konrad-Adenauer-Stiftung, 1997, 292.

<sup>262</sup> F. T. Hendricks, “The Pillars Of Apartheid: Land Tenure, Rural Planning And The Chieftancy,” No. 32 (1990): 44.

<sup>263</sup> *Ibid.*, 45.

<sup>264</sup> Peires, *The House Of Phalo*, 32:29.

In addition, the endurance of traditional political structures into the post-colonial era is rooted in the rural elites' dynamic reconstruction of narratives, myths, and symbols.<sup>265</sup> Their survival entailed shifting identities, roles, and functions of the institution of chieftaincy in both colonial and post-colonial eras. In the post-colonial era in particular, communal elites deployed their narratives and ideologies of cultural legitimacy and asserted the continuity of the institutions of traditional governance in order to maintain their politico-economic interests.<sup>266</sup> This began during periods of transition from colonial rule, because of elite competition over control of political ground as the former colonial powers departed.<sup>267</sup> In addition to political transition, post-colonial contestation - both electoral and non-electoral - led to the need for elites to mobilise political support along narrow ethnic lines, since they were the more effective and readily available sources of identity. Therefore, the survival of indigenous institutions of governance included contestation; identity shifts, fluidities, and concerted efforts to deploy various forms of power to gain advantage throughout the processes of state building in Africa. Their "resurgence" in the post-colonial era is a continuation of acts of adaptation, negotiation, and cooperation in the processes of state building.

### **The Mixed Government Perspective**

Nevertheless, traditional forms of government and the central state are not necessarily mutually exclusive, but can coexist as complementary forms of governance within a single

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<sup>265</sup> Vaughan, *Nigerian Chiefs*, 7:211.

<sup>266</sup> Olufemi Vaughan, *Tradition And Politics: Indigenous Political Structures In Africa* (Africa World Press, 2005).

<sup>267</sup> Vaughan, *Nigerian Chiefs*, 7:212.

state. Richard Sklar refers to this as “mixed government,” where traditional authority is preserved without necessarily undermining the central state’s power.<sup>268</sup> It is possible to establish unified political systems, where people who are under the state and traditional structures of governance can both be *citizens* and *subjects*, unlike Mahmood Mamdani’s conceptualisation that those under traditional forms of governance would be “subjects.”<sup>269</sup> Traditional political authority does not necessarily compete with the juridical state’s sovereignty, especially where their roles and functions are well defined and managed by the central state.<sup>270</sup> In addition to being political structures, traditional forms of governance can also function as a state’s “moral anchor,” through the maintenance of a civic moral and social order, which contributes towards stability and cohesion.<sup>271</sup>

This view is also supported by Logan (2009)’s findings. Using statistical studies from 14 countries, which were conducted between 1999-2001, she finds that people who live in areas governed by traditional leaders do not draw sharp distinctions between chiefs and elected officials.<sup>272</sup> They are not seen as competing players in a bifurcated system but as functioning within their distinct roles and spheres of leadership. This explains why post-colonial states are characterised by hybridity and incorporation, depending on the institutional demands that each context dictates. Conditions that make a mixed government system work include the presence of clearly and legally demarcated roles for traditional

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<sup>268</sup> Sklar, “The Significance Of Mixed Government In Southern African Studies,” 1.

<sup>269</sup> Mamdani, *Citizen And Subject*.

<sup>270</sup> Sklar, “The Significance Of Mixed Government In Southern African Studies.”

<sup>271</sup> *Ibid.*, 2.

<sup>272</sup> Carolyn Logan, “Selected Chiefs, Elected Councillors And Hybrid Democrats: Popular Perspectives On The Co-Existence Of Democracy And Traditional Authority,” *The Journal Of Modern African Studies* 47, No. 01 (2009): 102.

and modern systems, and the acceptance by traditional institutions that they occupy a secondary advisory, ceremonial, and non-constitutional role in national governance.<sup>273</sup>

Overall, the institution of chiefship encapsulates multiple ideological and institutional aspects, which both have a bearing on how the institution has fared in African politics.<sup>274</sup>

Ideological aspects include communal identities, and romanticised notions of the “original Africa,” the pre-colonial era of an idyllic, undisturbed space where chiefs were visionaries, protectors of their subjects, and stewards of collective wealth, primarily land and livestock.<sup>275</sup> On the other hand, traditional forms of governance potentially clash with the principles of bureaucracy and juridical state administration. They also contradict the universalising elements of market-based political economies, thus resulting in frequent clashes with the central state in different post-colonial societies.<sup>276</sup> However, traditional forms of governance should not be conceptualised as being mutually exclusive from the juridical state, but adaptable enough to function within conditions set by the state.

### **Indigenous Groups And Natural Resource Management**

Although traditional forms of governance have endured in the post-colonial era, their involvement in the management of high value extractive natural resources has been curtailed by the state. Land is the primary natural resource that chiefs have had substantial control over in several sub-Saharan African countries, while direct control of mineral

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<sup>273</sup> Lungisile Ntsebeza, *Democracy Compromised: Chiefs And The Politics Of The Land In South Africa* (Brill, Leiden, 2005), 26.

<sup>274</sup> Thornton, “Chiefs,” 130.

<sup>275</sup> Ibid.

<sup>276</sup> Ibid., 131.

resources has been the preserve of the central state, which makes the case of the Royal Bafokeng peculiar. Various complexities also accompany chiefs' control of land in rural areas. For instance, the appearance of corporate interests in rural areas seeking land or other land-based resources has mostly been associated with contestation between chiefs and their subjects. In Ghana, for instance, traditional chiefs have often performed trusteeship roles over land, where they are constitutionally mandated to oversee all land-related transactions in their localities.<sup>277</sup> The incursion of industrial jatropha (biofuel) investors in 2005 and 2009 resulted in conflict between the companies, chiefs and local people, due to the latter's loss of land and livestock.<sup>278</sup> In most cases in Ghanaian communities, chiefs would negotiate land purchase contracts with companies without the community's knowledge, resulting in clashes between the chiefs, companies, and sub-communal groups.<sup>279</sup>

Apart from land, indigenous groups have had some success with decentralised control over forestry resources through community based resource management programmes. For instance, in Namibia, the government established communal land conservancies that apart from reducing the "illegal" use of wildlife have also earned over 200 000 indigenous people \$2,5m per annum.<sup>280</sup> In Zimbabwe, the donor-funded CAMPFIRE forestry and wildlife conservation program carried out between 1989-2001 earned the district governments \$20m during that period, and successfully managed 40 000km of communal land for

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<sup>277</sup> Benjamin Bety Campion And Emmanuel Acheampong, "The Chieftaincy Institution In Ghana: Causers And Arbitrators Of Conflicts In Industrial Jatropha Investments," *Sustainability* 6, No. 9 (2014): 6332.

<sup>278</sup> *Ibid.*, 6335.

<sup>279</sup> *Ibid.*, 6340.

<sup>280</sup> Dilys Roe, Fred Nelson, And Chris Sandbrook, *Community Management Of Natural Resources In Africa: Impacts, Experiences And Future Directions*, 18 (Iied, 2009), 8.

wildlife production.<sup>281</sup> Furthermore, Ghana's Community Resource Management Area Policy (2000) led to the communal management of 200 000 hectares of forestland, which has reduced environmental degradation and promoted the sustainable use of land and forestry resources.<sup>282</sup> Nevertheless, several challenges were experienced in these projects of political decentralisation. This included weak mechanisms of accountability, conflict between local sub-groups, traditional leaders, state agents, private sector investors and other political elites interested in gaining control over natural resources.<sup>283</sup>

While traditional chiefs and communal groups have had considerable leeway with regard to land allocation and managing forestry and in some cases marine resources, governments in sub-Saharan Africa tend to allow much less room for community based, non-state management of high value extractive natural resources. This has often resulted in the marginalisation of local groups, or armed conflict in areas where resources are extracted. For instance, Nigeria's protracted conflict in the Niger Delta region emanated from local communal groups' claims to have a greater share of revenue from local oil resources.<sup>284</sup> Although the region produces over 90% of the country's oil, the local tribal groups received a much smaller percentage of oil revenue from successive governments, resulting in the militarisation of dissent and degeneration into criminality, such as oil bunkering, amidst the conflict.<sup>285</sup> The local Ogoni, Ijaw, Itsekiri and Edo groups, for instance, regarded the central government's failure to decentralise access to oil revenue as "internal colonialism",

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<sup>281</sup> Ibid.

<sup>282</sup> Roe, Nelson, And Sandbrook, *Community Management Of Natural Resources In Africa*.

<sup>283</sup> Ibid., 9.

<sup>284</sup> Uwafiokun Idemudia And Uwem E. Ite, "Demystifying The Niger Delta Conflict: Towards An Integrated Explanation," *Review Of African Political Economy* 33, No. 109 (2006): 391–406.

<sup>285</sup> Ibid., 395.

whereby other ethnic groups that controlled national politics, such as the Yoruba, Igbo, and Hausa Fulani monopolised access to oil wealth at the expense of the local groups.<sup>286</sup>

Similarly, the ethnic Gana and Gwi San indigenous groups in Botswana have also remained marginalised from the institutions of natural resource management in the country's diamond extraction.<sup>287</sup> Although most of the tribal chiefs were co-opted into the central government through the House of Chiefs, the San communities were left out. In addition, although Botswana's government "democratised" the management of diamond mining and marketing through a public-private, 50-50 ownership structure with De Beers, this does not translate to the empowerment of the grassroots, but is a product of elite external and domestic capital interests. Therefore, Botswana's central government's forced removals of the indigenous San from the Central Kalahari Game Reserve that they have inhabited for centuries to make way for diamond mines to uninhabitable "resettlement areas" is another example of local groups' disempowerment due to centralised mineral extraction by the central state.<sup>288</sup> Botswana's case is also another telling example of inter-tribal elements of African politics. While politically dominant groups such as the Bangwato can selectively bridge both tribal and national politics, smaller groups such as the Barolong, Bakgatla Bakwena, and Basarwa (San) have remained either politically weak or borne the brunt of the central state's resource management policies.

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<sup>286</sup> L. A. Afinotan And V. Ojatorotu, "The Niger Delta Crisis: Issues, Challenges And Prospects," *African Journal Of Political Science And International Relations* 3, No. 5 (2009): 195.

<sup>287</sup> Ian Taylor And Gladys Mokhawa, "Not Forever: Botswana, Conflict Diamonds And The Bushmen," *African Affairs* 102, No. 407 (April 1, 2003): 274, Doi:10.1093/Afrac/Adg004.

<sup>288</sup> *Ibid.*, 275.

## CONCLUSION

Using the Power Cube approach, it can thus be concluded that decentralisation and participation ought to be considered as a part of a broader national policy framework, driven by powerful political actors instead of being romanticised as universal policy alternatives that are immune from power politics. The state remains the primary institutional actor, deploying various forms of power to direct the activities of various sub-state groups. As an institution, the state is also a closed space, with various actors being invited to participate in so far as they can be accommodated without threatening the interests of state elites. This explains how traditional chiefs were coopted into the central state especially after 1990, and how others “claimed” for inclusion, as was the case of Zambia. Chiefs also deployed invisible, visible and hidden power in this regard. The aforementioned reconstruction of symbols and narratives was a key invisible tool in this regard, which contributed to their continued legitimacy and relevance in the post-colonial era despite their participation in colonial administration. Traditional chiefs have also remained relevant in politics since the pre-colonial era through the malleability and adaptability of the institution of traditional governance. This did not happen as an organic process but was driven by self-interested rural elites. Both rural and national political leaders also employ the notion of “tradition” as a form of political capital, and thus it remains a relatively ambiguous concept.

The Power Cube approach also illuminates the fact that despite their continued, indeed renewed relevance however, traditional chiefs have always been marginalised from the management of extractive natural resources, and restricted to either the allocation of land



for agricultural purposes or management of forestry, which are not as high grossing economic activities as extracting oil, diamonds or platinum. This makes the Royal Bafokeng peculiar, and an important case study, although it is for the most part related to the confluence of interests between rural and central state elites. On the whole, instead of regarding traditional structures of governance as a functional entity, the Historical Institutional approach used in this chapter traced the origins and continued relevance of indigenous forms of governance. Thus, questions about the appropriateness of the continued involvement of chiefs in post-colonial rule, or the cohabitation of chiefship with the juridical state are answered by a holistic approach that looks at the historical development and interaction of political actors in varying periods of history, resulting in present-day institutional forms. Together with the *longue duree*, this explains how they have also managed to reinvent themselves throughout successive historical eras.

## **CHAPTER 5:**

### **CASE PRESENTATION AND ANALYSIS**

#### **INTRODUCTION**

This chapter will trace the evolution of the Bafokeng's mineral ownership structure. It will challenge the conventional accounts of the evolution of the Royal Bafokeng's mineral management ownership structure that is mostly regarded as an example of organic institution building and community ownership of resources. Using a Historical Institutional and Power Cube analyses, the account will trace developments from pre-colonial, to colonial and post-colonial phases, showing the important role that traditional chiefs' agency played in each phase, and how the *longue duree* and the need for survival and self-preservation largely accounts for the Bafokeng's current ownership of mineral resources. It will also show the extent to which this case represents the triumph of elite rural interests, and not really a "community-driven" enterprise. In addition, this account will show how national and global historical events determined outcomes at various stages of the tribal community's development, in line with the power cube's local, national and global levels of analysis.

#### **SECTION 1: THE "PEOPLE OF THE DEW"**

Nicknamed "The People of The Dew", the Bafokeng are South Africa's richest tribal community, located in the country's North West Province in an area formerly known as the "Transvaal". It consists of 29 villages and 5 regions with 300 000 people in total with

its capital at Phokeng, in Rustenburg.<sup>289</sup> It also falls under the South African government's Rustenburg Municipality. Unlike other communal groups in the country, the community does not depend on government funding but earns substantial revenue from platinum mining in the area under its control. The South African state may only tax its "income in the bank", or savings, instead of all its earnings like other ordinary corporations, which increases its annual net income.<sup>290</sup> The Bafokeng's control of platinum revenue is a form of decentralised governance, in a way, whereby a communal authority has direct ownership of high-value mineral resources, a role typically played by the state in other contexts. This came into being due to a combination of various historical factors and through the agency of successive traditional chiefs in the area. This ownership structure will not likely be replicated elsewhere, given the dynamics that led to its establishment, as elaborated in this chapter.

As highlighted in Chapter 1, the Royal Bafokeng Nation (RBN)'s traditional governance structure consists of the following tiers. A headman (*kgosana*) is at the lowest rung and oversees the daily business of a ward or village locality.<sup>291</sup> His authority is limited to minor dispute resolution, land allocation and other symbolic customary functions. He is also assisted by a group of ward men (*bannakgotla*) whose roles are primarily advisory.<sup>292</sup> Headmen represent their wards in the RBN's Supreme Council, along with one or two elected councillors each elected to five-year terms. The king, (*kgosi*) presides over the

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<sup>289</sup> Horner, "The Royal Bafokeng Nation," 12.

<sup>290</sup> Susan E. Cook, "Chiefs, Kings, Corporatization, And Democracy: A South African Case Study," *Brown J. World Aff.* 12 (2005): 125.

<sup>291</sup> S. E. Cook, "Community Management Of Mineral Resources: The Case Of The Royal Bafokeng Nation," *Journal Of The Southern African Institute Of Mining And Metallurgy* 113, No. 1 (2013): 61–66.

<sup>292</sup> *Ibid.*

Supreme Council, which meets six times a year and is the de facto cabinet. Succession to the Bafokeng throne follows a patrilineal system and the current king, Leruo Molotlegi, succeeded his brother, Mollwane Molotlegi (Lebone II) in 2000. Furthermore, a general Community Town Hall (*kgotha-khothe*) meets twice a year. This is the community's main legislative body deliberating over budgets, projects and programmes and various issues pertaining to the Royal Bafokeng as a whole.<sup>293</sup> In addition to working as a community-wide deliberative forum, it also provides an opportunity for ordinary members of the community to directly address the king.<sup>294</sup> On the other hand, elected councillors who work under the representative electoral democratic system make up most of the 35 wards that fall under the Rustenburg Municipality.<sup>295</sup> However, the Royal Bafokeng Administration (RBA), which is the community's main administrative arm provides services such as water, electricity, refuse collection and infrastructure development in its villages, instead of the municipality.<sup>296</sup>

The Bafokeng's organisation as a community-based corporate entity began in 2000, following its legal settlement with Impala Platinum, as elaborated later in this chapter. In 2002, the RBN established the Royal Bafokeng Resources (RBR) that was mandated with managing the community's mining interests.<sup>297</sup> The Royal Bafokeng Finance (RBF) followed in 2004, and this unit is responsible for developing the community's non-mining investment portfolio.<sup>298</sup> The two were merged to become the current Royal Bafokeng

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<sup>293</sup> Cook, "Chiefs, Kings, Corporatization, And Democracy," 130.

<sup>294</sup> Ibid.

<sup>295</sup> Ibid., 131.

<sup>296</sup> Horner, "The Royal Bafokeng Nation," 3.

<sup>297</sup> Cook, "Community Management Of Mineral Resources," 154.

<sup>298</sup> Ibid., 155.

Holdings (RBH) in 2006, which by this time already held a \$3bn asset base.<sup>299</sup> The following year, the RBH exchanged its royalties with Impala Platinum for 9.4 million shares, worth \$1,6bn, automatically becoming the largest single shareholder in the world's second largest platinum miner.<sup>300</sup> In addition, the RBN owns 50% shares in Bafokeng Rasimone Platinum mine, a joint venture with Anglo American Holdings.<sup>301</sup> To date, it holds a variety of non-mining related investments in over 20 companies, including sectors like oil and gas, infrastructure, financial investments and telecommunications. Prominent examples of these investments include shareholding in Vodacom, one of South Africa's largest telecom operators, and shares in Thebe Investment Corporation, a diversified investment house.<sup>302</sup>

Overall, its financial growth is attributed to a decade-long global platinum boom from 1996 to 2008, which resulted in a steady stream of substantial revenue especially since its formal settlement with Impala Platinum in 2000, and led to the acquisition of substantial shareholding.<sup>303</sup> South Africa holds an estimated 87% of the world's platinum group of minerals (PGM) reserves, which include rhodium, iridium, osmium, and ruthenium.<sup>304</sup> It produced 55% of the world's total production in 2001, and its platinum deposits also hold

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<sup>299</sup> Ibid.

<sup>300</sup> Andrew Manson, "Mining And 'Traditional Communities' In South Africa's 'Platinum Belt': Contestations Over Land, Leadership And Assets In North-West Province C. 1996–2012," *Journal Of Southern African Studies* 39, No. 2 (2013): 414.

<sup>301</sup> Cook, "Community Management Of Mineral Resources," 154.

<sup>302</sup> Manson, "Mining And 'Traditional Communities' In South Africa's 'Platinum Belt,'" 415.

<sup>303</sup> Cook, "Community Management Of Mineral Resources," 154.

<sup>304</sup> Gavin Capps, "Victim Of Its Own Success? The Platinum Mining Industry And The Apartheid Mineral Property System In South Africa's Political Transition," *Review Of African Political Economy* 39, No. 131 (2012): 65.

the world's largest chromium and vanadium reserves.<sup>305</sup> Industries that provide a market for PGM include the jewellery, chemical, electronics, dental, and the motoring industries. These economic sectors are intimately tied to the health of the global economy, and are thus prone to frequent boom-bust cycles of the global commodity markets.<sup>307</sup> Nevertheless, platinum remains a lucrative export mineral, and this makes the Bushveld Igneous Complex, or South Africa's main platinum belt, a viable enterprise both for mining companies and the Bafokeng.<sup>308</sup>

## **SECTION 2: BACKGROUND TO SOUTH AFRICA'S COLONIAL HISTORY**

South Africa's history can be divided into several phases, such as the pre-colonial period, colonial settler occupation, with the 1910 unification under the British and apartheid in 1948 being some of the key highlights of colonial rule, the end of apartheid and 1994 elections, and the subsequent post-apartheid era. South Africa's colonisation can be traced back to the Dutch East India Company's establishment of a refreshment station at the Cape of Good Hope by in 1652.<sup>309</sup> This was two centuries before the "scramble for Africa," which began in 1888, and led to the gradual growth and expansion of a Dutch settler population ("Boers") who concentrated mostly on farming. The British seized the Cape in 1806, leading to the mass exodus of Dutch settlers, or "Afrikaners," northwards in the mid 1830s (the Great Trek).

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<sup>305</sup> Bernard Mbenga And Andrew Manson, *"People Of The Dew": A History Of The Bafokeng Of Phokeng-Rustenburg Region, South Africa, From Early Times To 2000* (Auckland Park, South Africa: Jacana, 2010), 105.

<sup>306</sup> Gavin James Capps, "Tribal-Landed Property: The Political Economy Of The Bafokeng Chieftancy, South Africa, 1837-1994" (London School Of Economics And Political Science (University Of London), 2010).

<sup>307</sup> Capps, "Victim Of Its Own Success?," 67.

<sup>308</sup> *Ibid.*, 69.

<sup>309</sup> Robert Ross, *A Concise History Of South Africa* (Cambridge University Press, 2008), 22.

As a result, modern day South Africa consisted of two British colonies, two “independent” Boer states and numerous autonomous African kingdoms during the better part of the 1800s.<sup>310</sup> The British would later create a unitary South African state in 1910, which established the country’s current centralised state system. Apartheid, which was a system of state-sanctioned spatial and racial separation between indigenous black people and white colonial settlers from 1948-1990 would become one of the most defining colonial experiences in Africa and whose multifaceted effects continue to shape the country’s political, economic and social dynamics. It also demarcated the country into 10 tribal reserves that were separated from a purely white South African state between 1951-1977. These rural areas to which blacks were restricted constituted less than 13% of South Africa’s land mass, while whites occupied the remaining 87%.<sup>311</sup> This translated to 7 million white South Africans occupying most of the country’s total territorial area, while the 10 homelands contained 37 million blacks.<sup>312</sup>

The discovery of diamond in Kimberly in 1867 and gold in the Witwatersrand in 1886 respectively is largely credited with creating conditions that led to a unified colonial state under British control in 1910.<sup>313</sup> Although it was formulated and systematised during the process of consolidation of British dominion over the territory, the roots of racial segregation in South Africa date back to the strategy of indirect rule established by the then Secretary of Native Affairs in the British Natal Colony between 1845 and 1875, Theophilus

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<sup>310</sup> “Tribal-Landed Property,” 107.

<sup>311</sup> Jeffrey Butler, Robert I. Rotberg, and John Adams, *The Black Homelands of South Africa: The Political and Economic Development of Bophuthatswana and KwaZulu*, vol. 396 (Univ of California Press, 1978), 1.

<sup>312</sup> *Ibid.*, 396:17.

<sup>313</sup> Capps, “Tribal-Landed Property,” 107.

Shepstone.<sup>314</sup> This entailed creating “reserves,” which were rural areas established exclusively for occupation by indigenous people. They also functioned as labour reserves, and were administered by tribal authorities using “customary law.” Reserves and the migrant labour system also supplied labour to the growing gold and diamond mining industry, which was a labour-intensive industry especially between 1890 and 1920.<sup>315</sup> This use of reserves for mine (and farm) labour would become one of the most defining features of colonial settlement in South Africa.

Since the mining sector became the leading economic activity in the colonial state, the power of mining companies grew, and along with it a demand for cheap labour that would keep the costs of the capital intensive and minimally profitable underground gold mining down.<sup>316</sup> Thus, the state became orientated towards the needs of the mining industry and devised ways to maintain a steady supply of exploitable labour through exploiting indigenous people.<sup>317</sup> This led to a series of pieces of legislation to this end, such as the Natives Land Act (1913). The law prohibited Africans from owning or renting land outside of areas designated for indigenous occupation, or “reserves.” Thus, these tribal areas, under the control of chiefs, became reservoirs of migrant labour for the growing economy. Indigenous Africans could not access land for independent productive economic activity that did not entail selling their labour power.<sup>318</sup> The growing unionisation of black

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<sup>314</sup> Norman A. Etherington, “Labour Supply And The Genesis Of South African Confederation In The 1870s,” *The Journal Of African History* 20, No. 02 (1979): 235–53.

<sup>315</sup> Capps, “Tribal-Landed Property,” 109.

<sup>316</sup> Etherington, “Labour Supply And The Genesis Of South African Confederation In The 1870s.”

<sup>317</sup> Capps, “Tribal-Landed Property,” 110.

<sup>318</sup> “The Natives Land Act Of 1913 | South African History Online,” Accessed July 23, 2015, [Http://www.sahistory.org.za/topic/natives-land-act-1913](http://www.sahistory.org.za/topic/natives-land-act-1913).



mineworkers and others in various sectors also led to increased strategizing by the colonial state to keep indigenous people disempowered. In the 1920s, both rural and urban workers conducted waves of militant mass action, with the Industrial and Commercial Workers Union (ICWU) being one of the most prominent.<sup>319</sup> In addition, the African National Congress (ANC)<sup>320</sup>, formed in 1912 by urban blacks and rural elites also pressed for improved black property rights and political representation in urban areas, access into the political system, and abolition of the chieftaincy, which represented the colonial state in rural areas through the reserve system.<sup>321</sup>

Following the ICWU-led strikes in the 1920s and its patent threat to colonial authority, laws such as the 1923 the Natives (Urban Areas) Act and 1927 Native Administration Act were passed. These were primarily aimed at controlling the presence of blacks in urban areas, who technically represented a middle class that was not under the control of chiefs or bound to the rural areas, and who had the potential to challenge the colonial state and economic system.<sup>322</sup> For instance, the 1923 law introduced “pass laws” that controlled the movement of indigenous people in urban areas, while the 1927 law increased chiefs’ powers in rural areas, with customary law being established as a distinct legal domain. In addition, the 1936 Natives Trust and Land Act increased reserves from 8 to 13% of the total area of the country under chiefs, which further entrenched the state’s ability to control

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<sup>319</sup> Capps, “Tribal-Landed Property,” 112.

<sup>320</sup> The Anc Eventually Became The Leading Anti-Apartheid Nationalist Party, And Led Negotiations That Resulted In The Transition From Apartheid To Democracy In 1994. It Has Remained In Power Since Then, With Nelson Mandela (1994-1999) Being The First Post-Apartheid President, Followed By Thabo Mbeki (1999-2008), Kgalema Motlanthe (2008-2009), And Jacob Zuma (2008-Current).

<sup>321</sup> Lungisile Ntsebeza, “Democracy Compromised : Chiefs And The Politics Of The Land In South Africa,” Book (Monograph), 326, (2005).

<sup>322</sup> Govan Mbeki, “The Struggle For Liberation In South Africa,” *David Philip, Cape Town*, 1992.

of black labour supply for mining, manufacturing and agricultural sectors.<sup>323</sup> Thus, by using indigenous forms of governance to support the economic needs of the colonial state system, the colonial administration was “going with the grain,” in order to account for its inability to effectively assert colonial power in rural areas.<sup>324</sup>

### **The ANC And Post-Apartheid Policies On Traditional Rulers**

Nevertheless, chiefs remained influential in post-colonial politics in multiple ways, from national to rural communal politics, and economic sectors as well. Since independence in 1994, successive post-apartheid (ANC) governments have sought to incorporate traditional leaders in the democratic governance framework, despite their considerable participation in the colonial state system.<sup>325</sup> The government passed two important laws in this regard, the 2003 Traditional Leadership and Governance Framework Act and Communal Land Rights Act in the same year. In effect, the laws resuscitated chiefs’ political powers, once enjoyed under the apartheid-era 1951 Bantu Authorities Act, which laid the foundation for the apartheid system’s homeland system that granted chiefs quasi-state powers, including the formal right to allocate land in rural areas.<sup>326</sup> Despite this inclusion, there have always been contradictions within the ruling ANC regarding the position to take on chiefs. This also emanated from the fact that during apartheid, some of the chiefs resisted being part of the colonial apparatus despite the majority’s participation through leadership of the homelands.<sup>327</sup> An additional reason for the ANC’s association with chiefs was that, as a

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<sup>323</sup> Capps, “Tribal-Landed Property,” 114.

<sup>324</sup> Ibid., 118.

<sup>325</sup> “‘One Chief, One Vote’: The Revival Of Traditional Authorities In Post-Apartheid South Africa,” Accessed July 23, 2015.

<sup>326</sup> Ibid., 563.

<sup>327</sup> Hendricks And Ntsebeza, “Chiefs And Rural Local Government In Post-Apartheid South Africa,” 99.

predominantly urban working and middle class outfit, it had weak political support in the rural areas.<sup>328</sup> Most importantly, the formation of the Congress of Traditional Leaders of South Africa (CONTRALESA) in September 1987 by a group of traditional leaders opposed to apartheid-era independence also led to a radical shift in the ANC's decision to work with chiefs.<sup>329</sup> The organisation comprised of traditional chiefs who strategically resolved to oppose the apartheid system, which was in its terminal stages, and aligned themselves with nationalist movements instead in order to guarantee their survival in a post-apartheid dispensation.<sup>330</sup> Although CONTRALESA was more of an elite entity than rural and grassroots-based organisation, the ANC began to recognise the chiefs' role in anti-apartheid movements. This definitively laid the foundation for their continued involvement in post-apartheid politics.

Following the unbanning of political parties by the National Party apartheid government in 1990, led by the then National Party (NP) leader, F.W. De Klerk, negotiations for a democratic South Africa began through the Conference of a Democratic South Africa (CODESA), later named Multi-Party Negotiating Process (MPNP) which ran between 1991-1993.<sup>331</sup> By 1993, both the ANC and NP resolved to involve traditional leaders, who had not been recognised when the negotiations initially began in 1990.<sup>332</sup> CONTRALESA also continued exerting pressure on the ANC for formal recognition during the negotiations, and this led to their eventual recognition as the custodians and enforcers of

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<sup>328</sup> Ibid., 260.

<sup>329</sup> Daniel De Kadt And H. Larraguy, "Agents Of The Regime? Electoral Clientelism And Traditional Leaders In South Africa," *Unpublished Manuscript*, 2014, 10.

<sup>330</sup> Ibid., 263.

<sup>331</sup> De Kadt And Larraguy, "Agents Of The Regime?," 7.

<sup>332</sup> Ntsebeza, "Democracy Compromised," 2005, 273.

customary law in rural areas in the initial post-apartheid 1994 constitution.<sup>333</sup> Nevertheless, while the constitution recognised the institution of traditional leaders, it did not specify their functions and powers, leading to tensions and confusion in numerous rural areas, even before elections in 1994.<sup>334</sup> Tensions further escalated in the rural areas between 1995 and 1996, due to the introduction of elected councillors and municipalities, since chiefs saw this as a threat to their political power. Land allocation was the most contentious issue, with the government attempting to establish municipal power over land allocation, which the chiefs strongly resisted.<sup>335</sup>

Substantive legal instruments that resolved both the recognition of chiefs and rights to allocate land came in 2003, through the aforementioned Traditional Leadership and Governance Framework Act and the Communal Land Rights Act.<sup>336</sup> Firstly, the Traditional Leadership and Governance Framework Act established the legal recognition of traditional councils in areas designated by the government as traditional communities. The councils would be the immediate dispensers of customary authority, working directly under the traditional chiefs and this resolved the issue of chiefs' formal role in rural governance through preserving their dominance in these areas.<sup>337</sup> Although 40% of the councils would be elected officials, the chiefs would appoint 60%; this further increased their political power in the areas under their jurisdiction. Secondly, the Communal Land Rights Act allotted the traditional councils the right to administer land issues in rural areas,

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<sup>333</sup> De Kadt And Larraguy, "Agents Of The Regime?," 7.

<sup>334</sup> Ntsebeza, *Democracy Compromised*, 2005, 274.

<sup>335</sup> Prince Mashele, "Traditional Leadership In South Africa's New Democracy," *Review Of African Political Economy*, 2004, 349.

<sup>336</sup> Cook, "Community Management Of Mineral Resources," 152.

<sup>337</sup> Ntsebeza, *Democracy Compromised*, 2005, 286.

thus reincarnating the apartheid-era power over land distribution. Nevertheless, these laws were not only a result of compromise, but pressure from CONTRALESA, which also included threats of violence.<sup>338</sup> The chiefs thus asserted themselves in the post-apartheid era through a combination of force and mutuality of interests with the governing political elites. Bafokeng thus benefitted from this continued relevance of traditional forms of authorities in rural areas, and this substantially contributed to the development of its natural resource management ownership structure.

### **SECTION 3: A HISTORY OF THE BAFOKENG**

#### **Background**

The origins of the Bafokeng are highly debated, although the present-day community's growth and development as a sub-state polity can be traced to 1837 and this growth was shaped by several historical factors. Although various small Sotho-Tswana communities had existed in the North Western region of South Africa in the 1700s, the *difaqane* is largely credited with catalysing the growth of the Bafokeng. This was a period of indigenous inter-tribal wars in the 1820s and 1830s that were caused by the expansion of the Zulu state that was located in the present day Natal province in the south western region of the country. The wars led to the migration and dispersion of several communal groups over various areas of Southern Africa.<sup>339</sup> These migrations led to the transformation of African communities in this area, producing new kingdoms and chiefdoms in the 1830s.<sup>340</sup> At the end of the *difaqane* disturbances, stronger indigenous communities began

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<sup>338</sup> Ibid., 289.

<sup>339</sup> William F. Lye, "The Difaqane: The Mfecane In The Southern Sotho Area, 1822–24," *The Journal Of African History* 8, No. 01 (1967): 107.

<sup>340</sup> Ibid., 114.

incorporating small and fragmented groups through loose ward based tributary relations from the mid-1860s onwards. For the Bafokeng, this occurred in the uniquely protracted tenure of Kgosi Mokgatle (1834-1891), widely regarded as the Bafokeng's founding father.<sup>341</sup>

Another critical stage in the development of the Bafokeng's growth as a landed tribal entity was the arrival of Afrikaner settlers (also known as the Voortrekkers) into the region in 1837. Their subsequent creation of a Transvaal Republic in 1858 led to new alliances emerging between the Afrikaners and local chiefs in the area.<sup>342</sup> This was motivated by a mutuality of interests, whereby the local indigenous communities needed a powerful ally against other tribal groups in the area, while the Afrikaner settlers needed a supply of cheap labour for their farms which the tribal chiefs would recruit from weaker sub-groups.<sup>343</sup> The "Tswana-Boer" partnership phenomenon thus emerged in the Rustenburg area, which increased both parties' leaders' wealth and power. It also substantially improved the local chiefs' state building and centralisation capacity.<sup>344</sup> This included the Bafokeng's Mokgatle, who allied with the Hendrik Potgieter's incoming group in 1839, and subsequently, Paul Kruger, who would eventually become the president of the Transvaal Republic from 1883 to 1899 and the most powerful landowner in the Transvaal as well.<sup>345</sup>

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<sup>341</sup> Capps, "Tribal-Landed Property," 142.

<sup>342</sup> Mbenga And Manson, *"People Of The Dew,"* 29.

<sup>343</sup> Capps, "Tribal-Landed Property," 146.

<sup>344</sup> Fred Morton, "Slave-Raiding And Slavery In The Western Transvaal After The Sand River Convention," *African Economic History*, 1992, 109.

<sup>345</sup> Mbenga And Manson, *"People Of The Dew,"* 30.

Another contributing factor to the shaping of the Bafokeng's numerical growth and political centralisation was the arrival of the Ndebele under Mzilikazi, who settled in the area occupied by the Sotho-Tswana groups in the early 1830s. He was a former military regimental leader under the Zulu's Tshaka and had fled the Natal area during the *difaqane*.<sup>346</sup> However, the above-mentioned Afrikaner incursion in the late 1837s led to the flight of the Ndebele further north into present-day Matabeleland Province in Zimbabwe, although some Ndebele groups remained in the Transvaal area and became absorbed into the Bafokeng community, thus expanding the Bafokeng chiefdom.<sup>347</sup> This was mostly conducted through loose alliances instead of the use of coercion.<sup>348</sup> Under this arrangement, the Bafokeng king would receive tribute in exchange for political and military protection for the Ndebele and other smaller groups that were co-opted into the Bafokeng tribal community.<sup>349</sup> Thus, instead of being an ethnically homogenous group, the Bafokeng was formed out of multiple groups through the ward system and these have often manifested in the present day Bafokeng, as elaborated later in this chapter.<sup>350</sup> For instance, of the 68 Bafokeng wards surveyed by Coertze (1990), only 20 were purely of Bafokeng origin while others were "*bafaladi*," or "foreigners/non-ethnic Bafokeng."<sup>351</sup>

During this embryonic stage of tribal community building, the Bafokeng chief, Mokgatle, also consolidated his power through intermarriages between his senior advisers and the

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<sup>346</sup> Ibid.

<sup>347</sup> Fred Morton, "Settlements, Landscapes And Identities Among The Tswana Of The Western Transvaal And Eastern Kalahari Before 1820," *The South African Archaeological Bulletin*, 2013, 17.

<sup>348</sup> Capps, "Tribal-Landed Property," 147.

<sup>349</sup> Mbenga And Manson, "*People Of The Dew*," 29.

<sup>350</sup> Coertze (1990) In Capps, "Tribal Landed Property, 148

<sup>351</sup> Ibid

*dikgoro* or ward aristocrats, and also granted his half brothers and their descendants new wards in order to dilute political competition from below.<sup>352</sup> Mokgatle also used the age regiment system, “*mephato*,” a cultural practice of initiating youths into adulthood through initiation schools. At their graduation, each group would be named as a regiment established under the leadership of a regimental leader who would mostly be drawn from the chief’s family.<sup>353</sup> This was also a way of remodelling the Bafokeng society around the chief’s family and thus acted as a counter to the ward-heads’ authority, due to continual contestation from below that characterised pre-colonial African tribal politics.<sup>354</sup> Most importantly, Mokgatle used his influence in the *mephato* system to mobilise labour for Boer farms, and later sent young people to the Kimberly diamond mines who would pay a tax to the tribal fund that the chief used for buying land.<sup>355</sup> However, contrary to conventional narratives, the movement of young men from Rustenburg to Kimberly was not always a result of the chiefs’ fund-raising strategies. Rather, it was also a way for the young men to assert their independence from the traditional leaders, and accumulating personal resources for family development projects and sub-group cartel land purchases, elaborated below.<sup>356</sup>

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<sup>352</sup> Capps, “Tribal-Landed Property,” 149.

<sup>353</sup> *Ibid.*, 148.

<sup>354</sup> *Ibid.*, 149.

<sup>355</sup> *Ibid.*, 150.

<sup>356</sup> Shula Marks And Richard Rathbone, *Industrialisation And Social Change In South Africa: African Class Formation, Culture, And Consciousness, 1870-1930* (Longman London, 1982), 19–22, [Http://Library.Wur.Nl/Webquery/Clc/212869](http://Library.Wur.Nl/Webquery/Clc/212869).



## Land Ownership In The Transvaal

Land ownership in the Transvaal area was one of the Voortrekkers' priorities when they settled in the area occupied by the Bafokeng.<sup>357</sup> Apart from settling on vacant land upon moving into the area, they also claimed ownership of that which was already occupied by indigenous communities.<sup>358</sup> This led to a crisis of land shortage among indigenous groups in the Transvaal area. In some instances, Africans were not physically dispossessed, but continued utilising the land but as the settlers' tenants, paying rents in cash, livestock, or labour.<sup>359</sup> Land shortages increased when the Afrikaners forbade black land ownership in the Transvaal, and indigenous groups resorted to buying land from the settlers through forming sub-tribal land-buying syndicates, primarily through pooling funds and having missionaries buy the land on their behalf.<sup>360</sup> The process of indigenous land ownership began in the area through this primary channel and would have a decisive influence in the community's current land and mineral ownership structure.

Missionaries would register the land in their names and hold it in "in trust," in order to protect it against repossession by the Boer settlers. By the end of the 19<sup>th</sup> century, Africans had purchased an estimated 545, 920 acres of land this way.<sup>361</sup> As alluded to above, the missionary-assisted land ownership processes in the Transvaal were not only conducted by the Bafokeng chiefs but by sub-tribal groups as well. These sub-groups eventually lost legal

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<sup>357</sup> Inge Kriel, "Bafokeng, Inc. - Power Of The Nation/Corporation Amalgam," *Anthropology Southern Africa* (*Anthropology Southern Africa*) 33, No. 1/2 (March 2010): 47.

<sup>358</sup> Stanley Trapido, "Landlord And Tenant In A Colonial Economy: The Transvaal 1880-1910," *Journal Of Southern African Studies* 5, No. 1 (1978): 26.

<sup>359</sup> Mbenga And Manson, "People Of The Dew," 75.

<sup>360</sup> Trapido, "Landlord And Tenant In A Colonial Economy," 39.

<sup>361</sup> Capps, "Tribal-Landed Property," 157.

claim to the land, as elaborated later in this chapter. Chiefs were invested in this land-purchase system as a strategy to regain control of land that had been lost to the settlers on one hand, ostensibly on behalf of the tribe. On the other hand, groups of peasants, who were mostly family and clan based, also acquired their own private farms independent of both settler landowners and traditional chiefs.<sup>362</sup> Nevertheless, this strategy did not always guarantee full legal land ownership and security of tenure for the African peasants, since missionaries themselves were often involved in land trade, at times selling Africans' land without consulting them.<sup>363</sup>

The Hermannsburg Mission Society (HMS) was one of the most prominent missionary groups that facilitated the acquisition of land by the Bafokeng and its affiliated sub-groups. Johan Heinrich Penzhorn was the first permanent and locally prominent representative of the HMS in the Phokeng area. A critical factor underlying the missionary-assisted land buying schemes was the missionaries' evangelical interest to create stable communities and win more converts coinciding with Africans' desire for land ownership, having been dispossessed by Boers.<sup>364</sup> As mentioned above, negotiations to buy land from the Boers through missionaries were often led by the Bafokeng chief, who also acted as custodian of the tribal finances.<sup>365</sup> However, the collective levying of funds for land acquisition was not always immune from fraud by chiefs, and thus became an opportunity for them to acquire

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<sup>362</sup> Ibid.

<sup>363</sup> Trapido, "Landlord And Tenant In A Colonial Economy," 40.

<sup>364</sup> Ibid., 38.

<sup>365</sup> Mbenga And Manson, "*People Of The Dew*," 79.

private wealth.<sup>366</sup> Numerical factors also contributed the Bafokeng's ability to raise funds for purchasing land, since they were the most populous group in the Rustenburg region.<sup>367</sup> Through this process, Bafokeng acquired 24 farms between 1866-99, and by the time Penzhorn had died in 1895, he had registered 20 932 acres of land on behalf of the Bafokeng alone.<sup>368</sup>

### **Tribal Trust System And Centralisation Of Land Ownership**

The Transvaal Republic's 1881 Pretoria Convention lifted a ban on land holding by Africans, and thus they no longer needed to buy it through missionaries.<sup>369</sup> This was however qualified by two conditions; that a "state authority" would underwrite the sale and hold it in trusteeship on the individual or group buyer's behalf, and that if individuals wished to buy land, they would only acquire the title through a recognised tribal chief acting as a "traditional custodian" of the tribe's communal property.<sup>370</sup> This led to the "tribal-title-trust" regime of land ownership, and this had several ramifications for landholding and the politics of the Bafokeng.<sup>371</sup> Tribal chiefs became the political and legal custodians of all land in the area, which benefitted their land acquisition and territorial aggrandisement interests. This policy was also the colonial system's strategy for creating stable tribal polities that would act as labour reserves.<sup>372</sup> By usurping the right of the sub-tribal heads to legally own land, the colonial administration aimed to avoid the political

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<sup>366</sup> A. Manson And B. Mbenga, "A History Of The Bafokeng Of Rustenburg District, South Africa: And The Contest Over Platinum Royalties," *Unpublished Ms. Provincial Profile.(1999). Report No. 00-91-06. Pali Lebobla, Statistician General: Statistics South Africa.*

<sup>367</sup> Mbenga And Manson, "People Of The Den," 78.

<sup>368</sup> Ibid.

<sup>369</sup> Capps, "Tribal-Landed Property," 172.

<sup>370</sup> Ibid., 173.

<sup>371</sup> Ibid.

<sup>372</sup> Ibid.

fragmentation that would result from multiple independent sub-groups. As a result, since indigenous landowners were forcibly subordinated to tribal chiefs, who were agents of the colonial state, this further cemented its foothold over indigenous communities.<sup>373</sup>

Therefore after 1881, all land registered by missionaries on behalf of the communal sub-groups in the Transvaal was re-registered in the name of a tribal chief under or near the jurisdiction it fell, including the Bafokeng.<sup>374</sup> In addition, any groups that endeavoured to buy land post-1881 were required to go through the office of a recognised tribal chief, whose name would appear on the land title.<sup>375</sup> The tribal trust system thus led to the Bafokeng becoming the single largest tribal trust area in the country, in effect a product of forced political centralisation and confederation.<sup>376</sup> In addition, the unprecedented scale of corporate and tribal land buying in the area also contributed to this considerably large territorial size.<sup>377</sup> Nevertheless, this arrangement did not entail the complete loss of ownership for all previous land-holding groups who retained a “customary right” to have a final say in any matters concerning the land.<sup>378</sup> Overall, this fell within the colonial policy of divide and rule, which sought to “tribalise” or control indigenous people, limit their financial independence and property holding, confine them to the rural areas and assert the traditional authorities’ control over their movements so that rural areas would act as pools for cheap labour.<sup>379</sup>

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<sup>373</sup> Ibid., 177.

<sup>374</sup> Ibid., 178.

<sup>375</sup> Ibid.

<sup>376</sup> Johan S. Bergh, “‘We Must Never Forget Where We Come From’: The Bafokeng And Their Land In The 19th Century Transvaal,” *History In Africa* 32 (2005): 115.

<sup>377</sup> Capps, “Tribal-Landed Property,” 175.

<sup>378</sup> Bergh, “‘We Must Never Forget Where We Come From,’” 115.

<sup>379</sup> Ibid., 179.

It is crucial to note that although colonial rule introduced the system of centralised land holding in the Transvaal, pre-colonial Sotho-Tswana land holding structures had a less centralised format. The chiefs had nominal ownership of land, and oversaw its distribution among their subjects through the wards or semi-autonomous clan heads without needing the chief's approval.<sup>380</sup> However, apart from strengthening the chiefs' control over land, the Native Administration Act, enacted in 1927, also prohibited aggrieved sub-groups from initiating legal challenges against the tribal chiefs as far as land ownership was concerned as explained above.<sup>381</sup> The tribal trust system also resulted in the increased physical and material subordination of various previously non-confederated groups, and those who had loosely coalesced around the central Bafokeng, resulting in the creation of an ostensibly homogenous "Bafokeng" tribal entity.<sup>382</sup>

### **The 1910 Union Of South Africa And Changes To Land Policy**

The British abolished the Transvaal Republic and established the Union of South Africa in 1910, thus creating the first version of a unitary colonial South African state.<sup>383</sup> Concerning land policy, the 1913 Natives Land Act was one of the first and most significant pieces of colonial-era legislation on land, which prohibited sharecropping contracts between white landowners and black tenants. It also designed "Scheduled Areas," outside which Africans could not buy and rent land and inside which non-Africans could not acquire rights to

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<sup>380</sup> Ibid., 182.

<sup>381</sup> Ibid., 186.

<sup>382</sup> Ibid., 185.

<sup>383</sup> Harvey M. Feinberg, "The 1913 Natives Land Act In South Africa: Politics, Race, And Segregation In The Early 20th Century," *International Journal Of African Historical Studies*, 1993, 70.

land.<sup>384</sup> The Natives Land Commission, or Beaumont Commission, identified the land to be added to Scheduled Areas and thus was responsible for the country's internal segregation.<sup>385</sup> In addition, the Native Trust and Land Act of 1936 also provided for the creation of a South African Native Trust that would control all state land in the country and regulate the management, acquisition and disposal of land and set conditions upon which blacks would occupy the land.<sup>386</sup> This led to the stripping away of land ownership for blacks whose land was in areas re-designated for white occupation.

These policies consolidated the Bafokeng chieftaincy's political power as a central political unit, and promoted land-holding interests in several ways. For instance, the 1913 Natives Land Act's Scheduled Areas policy incorporated reserves and other farms that had been acquired by Africans in the Transvaal in trust and registered them under the Bafokeng chief.<sup>387</sup> This and successive Land Acts resulted in a substantial influx of internal refugees into the Bafokeng reserve area due to the loss of land by various indigenous group in the Bafokeng's vicinity. In turn, the Bafokeng chief incorporated the incoming communities, granting them Bafokeng 'citizenship'.<sup>388</sup> These resettlement programmes resulted in the creation of entirely new villages on farmland registered under the Bafokeng chiefs.<sup>389</sup> This contributed to the growth of a seemingly homogenous Bafokeng ethnic identity, and the

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<sup>384</sup> Ibid., 68.

<sup>385</sup> Ibid., 69.

<sup>386</sup> Stephen Turner, Hilde Ibsen, "Land And Agrarian Reform In South Africa. A Status Report.," *Research Report-Programme For Land And Agrarian Studies, University Of The Western Cape*, No. 6 (2000).

<sup>387</sup> Capps, "Tribal-Landed Property," 211.

<sup>388</sup> Ibid.

<sup>389</sup> Ibid., 212.

notion of “community” reinforced the traditional elites’ economic and territorial interests.<sup>390</sup>

Eventually, Bafokeng chiefs gradually began acting as individual landowners instead of acting as stewards of communal land due to a growing land market, also made more lucrative by platinum prospecting. For example, in the early 1920s, they struck deals with platinum prospectors for a fee, and frequently overrode the authority of the sub-tribal headmen, or *dikgosana* some of whom were the original land owners from past land purchases.<sup>391</sup> The chiefs’ increasingly acquisitive ambitions coupled with the growth of a “peasant middle class,” or well to do families in the Rustenburg area, led to tensions between the two social groups.<sup>392</sup> This culminated into the “Bafokeng Disturbances,” which was full-fledged intra-tribal conflict over control of land between 1921-26.<sup>393</sup> The conflict was sparked by competition for land ownership between the then *kgosi*, August Mokgatle, and several wealthy land buying syndicates from 1919.<sup>394</sup> The sub-tribal land buyers intended to buy land for individual ownership, independent of the chief, while the chief endeavoured to buy the land “in the name of the tribe,” according to the aforementioned colonial legal system.

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<sup>390</sup> Timothy J. Keegan, *Facing The Storm: Portraits Of Black Lives In Rural South Africa* (New Africa Books, 1988).

<sup>391</sup> Andrew Manson And Bernard Mbenga, “Bophuthatswana And The North-West Province: From Pan-Tswanaism To Mineral-Based Ethnic Assertiveness,” *South African Historical Journal* 64, No. 1 (March 2012): 97.

<sup>392</sup> Manson And Mbenga, “Bophuthatswana And The North-West Province,” March 2012.

<sup>393</sup> Graeme Neil Simpson, “Peasants And Politics In The Western Transvaal, 1920-1940” (University Of The Witwatersrand, 1986 Typescript (Photocopy), 1986), 225.

<sup>394</sup> Simpson, “Peasants And Politics In The Western Transvaal, 1920-1940.”

The contest between the affluent sub-tribal land buyers and the *kgosi* also resulted in a chain of events that led to the chief's *lekgotla*, or advisory council, whose members were also linked with the affluent land buyers emerging as an alternative centre of power that challenged the tribal chieftaincy.<sup>395</sup> The “rebel” group also accused the *kgosi* of embezzling tribal funds, extracting exorbitant fines from the masses and increasingly autocratic rule.<sup>396</sup> This struggle for control, which spanned several years until 1926, also included several court challenges, with the Supreme Court eventually ruling against the rebels in 1926.<sup>397</sup> The Native Affairs Department eventually moved the group's leaders and their adherents from The Bafokeng Tribal Authority to another farm. This case highlights the tribal chiefs' contested legitimacy, since they functioned as administrative units of colonial rule while claiming the right to political power through traditional heritage and customary practice. Most importantly, since the chief as an individual triumphed over the *lekgotla*, who ought to have constituted the main apparatus of customary accountability for the traditional leadership, and thus signified the weakening of customary forms of democracy.<sup>398</sup> The chief became a state-backed autocrat instead, who derived his legitimacy from the colonial state instead of traditional customs and values.

In order to forestall future challenges against the chiefs' power by sub-tribal groups, the colonial state passed further Land Acts (1927 and 1929), that outlawed land purchases that were not made by the chiefs on behalf of the “tribe”, and the aforementioned 1927 Native Administration Act that also prohibited sub-tribal groups from pursuing legal recourse in

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<sup>395</sup> Ibid., 227.

<sup>396</sup> Ibid., 225.

<sup>397</sup> Ibid., 226.

<sup>398</sup> Capps, “Tribal-Landed Property,” 219.



challenging traditional chiefs' authority.<sup>399</sup> However, the state also sought to curtail the chiefs' control over tribal finances through the Collection and Administration of Tribal Levies Act in 1925, which separated the chiefs' private income from that of his tribe.<sup>400</sup> The subsequent phase of South Africa's history, apartheid, would coincide with the growth of platinum mining in the Rustenburg area, which introduced new political and economic dynamics that shaped the development of the Bafokeng's control over mineral resources.

### **SECTION 3: APARTHEID AND PLATINUM MINING IN PHOKENG**

Apartheid began in 1948, with the National Party's electoral victory and appointment of right-wing Afrikaner politician Hendrik Verwoerd as Minister of Native Affairs in 1950.<sup>401</sup> It was initially conceived as a strategy for controlling migrant labour in the reserves and curtailing indigenous people's movements, especially in and out of urban areas. Eventually, it became a full-fledged system of racial discrimination.<sup>402</sup> Its most significant laws included the Bantu Authorities Act (1951) and the Bantu Self Government Act (1959) that led to the creation of ten "Bantu Homelands," or Bantustans, that were self-governing and nominally, "independent" states.<sup>403</sup> These were KwaZulu, Gazankulu, Lebowa, KwaNdebele, Kangwane, QwaQwa, Transkei, Bophuthatswana, Venda, and Ciskei. Homelands were rural areas exclusively reserved for occupation by indigenous groups according to their tribal identity, with traditional chiefs functioning as "presidents" of the

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<sup>399</sup> Ibid., 220.

<sup>400</sup> Ibid., 221.

<sup>401</sup> Mbenga And Manson, *"People Of The Dew,"* 116.

<sup>402</sup> Ibid., 117.

<sup>403</sup> "'One Chief, One Vote': The Revival Of Traditional Authorities In Post-Apartheid South Africa," 564.

quasi-states within a state.<sup>404</sup> The rest of the country remained a white South African state. Homelands were also entitled to form their own “governments,” through elections. Between 1976 and 1981, four of the Bantustans were granted full statehood, (Transkei, Bophuthatswana, Venda and Ciskei), although this was unrecognised by the international community.<sup>405</sup> The remaining six homelands continued as segregated parts of the South African territory. The Bafokeng fell under the Bophuthatswana homeland that would later become a “state” in 1977.

The conferment of additional administrative powers onto chiefs by the apartheid state’s homeland policy resulted in the further re-configuration of their roles and function. For instance, the chief was now empowered to appoint and remove ward heads, thus further diminishing the odds of chiefs being held accountable by the tribal community.<sup>406</sup> The chiefs’ additional administrative and legal functions included expanded rights over land, granting of business licences, migrant passes and extended judicial responsibilities for the tribal courts.<sup>407</sup> In addition, the Bafokeng’s territorial borders were also expanded beyond its originally titled land, to include that which was owned by the apartheid state and private landholders. This contributed to the strengthening of a Bafokeng as a homogenous territorial and political unit, with legal claim to the land on which it was situated. It was thus a fortunate coincidence that the majority of this land contained the world’s largest

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<sup>404</sup> James Drummond, “The Demise Of Territorial Apartheid: Re- Incorporating The Bantustans In A ‘New’ South Africa,” *Tijdschrift Voor Economische En Sociale Geografie* 82, No. 5 (1991): 339.

<sup>405</sup> Ibid.

<sup>406</sup> John L. Comaroff, “Chiefship In A South African Homeland: A Case Study Of The Tshidi Chiefdom Of Bophuthatswana,” *Journal Of Southern African Studies* 1, No. 1 (1974): 42.

<sup>407</sup> Capps, “Tribal-Landed Property,” 229.

platinum reserves; and this positioned the Bafokeng to have legal ownership over both the *land* and *minerals* contained therein.

Prospecting for platinum had begun in the 1920s, and peaked in 1929.<sup>408</sup> Hans Merensky, an independent geologist discovered a platinum reef, which was part of the “Bushveld Complex,” a platinum belt that runs through the country’s North West, Limpopo, and Mpumalanga provinces in 1924.<sup>409</sup> He also discovered much richer platinum reserves in the Phokeng-Rustenburg area, the site of the Bafokeng community, leading to a platinum rush to the area.<sup>410</sup> The Johannesburg Consolidated Investment Company (JCI), Gold Fields, and Union Corporation’s Impala Platinum dominated platinum mining in the country at the time, and the latter focused its projects in the Phokeng area.<sup>411</sup> The company indicated its intent to begin mining in the area following successful prospecting exercises in 1965-66, which would also earn the Bafokeng Tribal Authority substantial revenue.<sup>412</sup>

For instance, it earned R3, 1 million by 1976 in the form of advance payments and surface rents from Impala, and this made it the richest tribal authority in South Africa.<sup>413</sup> However, the platinum revenue came at an additional cost in the form of land, since the Impala mine cut through seven farms that had been the source of agricultural and grazing fields, which had provided subsistence livelihoods for a substantial part of the population.<sup>414</sup> Since the

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<sup>408</sup> Manson And Mbenga, “Bophuthatswana And The North-West Province,” March 2012, 109.

<sup>409</sup> Mbenga And Manson, “*People Of The Den*,” 105.

<sup>410</sup> *Ibid.*, 106.

<sup>411</sup> *Ibid.*, 107.

<sup>412</sup> Capps, “Tribal-Landed Property,” 232.

<sup>413</sup> *Ibid.*

<sup>414</sup> *Ibid.*, 234.

Bafokeng had allotted the land to Impala on a 35-year lease, this effectively privatised common land, thus alienating the masses from a critical natural resource. On the other hand, as stewards of the increasingly vast platinum revenues, chiefs adopted a hegemonic position that also provided them access to personal accumulation and advancement.<sup>415</sup>

### **The Bafokeng And Homeland Rule**

The Bophuthatswana homeland had received nominal statehood in December 1977, led by Lucas Mangope, who was remotely connected to the Bahurutshe chieftdom, one of the Sotho-Tswana groups in the north west area.<sup>416</sup> His homeland regime also depended on revenue from the territorial borders of the homeland, particularly platinum mining in the Bafokeng.<sup>417</sup> Tensions arose between the Bafokeng, Mangope's regime, and Impala Platinum, primarily due to complexities arising from their interdependence, and contradictory interests. For instance, both the Bafokeng and homeland government depended on the platinum industry for revenue, while Impala depended on the homeland for cheap labour, which was necessary to keep its profits high.<sup>418</sup> This produced various dynamics that caused frequent conflict between the three parties. The Bafokeng's rights to land ownership were also undermined by the homeland system on one hand, while the homeland failed to guarantee a stable operating environment for Impala and other mining companies, resulting in conflict between the homeland leadership and Impala as well.<sup>419</sup>

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<sup>415</sup> Manson And Mbenga, "Bophuthatswana And The North-West Province," March 2012, 145.

<sup>416</sup> Michael Lawrence And Andrew Manson, "The 'Dog Of The Boers': The Rise And Fall Of Mangope In Bophuthatswana," *Journal Of Southern African Studies* 20, No. 3 (1994): 450.

<sup>417</sup> Capps, "Tribal-Landed Property," 241.

<sup>418</sup> Mbenga And Manson, "*People Of The Dem*," 130.

<sup>419</sup> Capps, "Tribal-Landed Property," 241.

Tensions between the Bafokeng and Impala escalated when Impala circumvented the Bafokeng and sought a licence to mine a new area from the Homeland's Minister of Bantu Administration, who could overrule the Bafokeng's right to grant prospecting and mining licences.<sup>420</sup> The deputy Minister of Bantu Administration awarded mining rights on Bafokeng land to Impala in October 1976, ostensibly on behalf of the tribe, which was renewed in January 1977 and set to expire until 1983.<sup>421</sup> The licence came with a right to extend the contract for two successive ten-year periods at 13% royalty rate of its taxable income payable to the Bafokeng.<sup>422</sup> Since Impala's mining operations were confined in the Bafokeng area, the viability of its operations depended on its maintenance of control of claims located within this area and it also sought to minimise its royalty payments to the Bafokeng in order to increase its profits. The Bafokeng's rights to landholding were further undermined by the homeland system when the powers of trusteeship over the land were transferred from the Bafokeng chief to the Office of the President of Bophuthatswana and its Ministry of Economic Affairs in 1977.<sup>423</sup>

### **Struggle With Impala Platinum And Settlement**

The protracted struggle with Impala shifted through various phases and lasted until 1999. This also represented the last stages of the formation of the Bafokeng's mineral ownership structure. The first phase of the conflict entailed the forging of an alliance between the Mangope regime and Impala, whereby the regime granted a new lease area in the Bafokeng

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<sup>420</sup> Ibid., 257.

<sup>421</sup> Ibid., 258.

<sup>422</sup> Ibid., 260.

<sup>423</sup> Mbenga And Manson, *"People Of The Dem,"* 130.

to Impala on favourable terms as indicated above.<sup>424</sup> Enmity between the Bafokeng tribal elites and Mangope's Bophuthatswana regime also dated back to the early 1970s, when the then Bafokeng chief had lobbied for the abolition of homeland trusteeship in favour of full tribal control of land, due to loss of control over platinum revenue and granting of licences to the homeland regime.<sup>425</sup> The then Bafokeng chief, Lebone I, had also begun supporting anti-homeland political parties such as the National Seoposengwe Party in the Tlabane-Phokeng area, thus positioning the Bafokeng as the epicentre of political opposition in the homeland.<sup>426</sup> This led to frequent hostilities between Mangope and the Bafokeng, which also worsened after the Bafokeng's expression of a desire to secede from the homeland in 1983.<sup>427</sup>

Amidst these political tensions, Impala approached Bafokeng for rights to mine a third area in 1985. However, Lebone I had discovered that Impala had duped the Bafokeng into accepting a low royalty rate based on misrepresentations on the value of the First and Second Bafokeng mining areas that it already held.<sup>428</sup> Subsequent demands by the Bafokeng to secure prospecting records from Impala led to the latter securing the homeland regime's assistance, resulting in a protracted legal tussle over control of mineral rights in the area. However, an attempted coup against Mangope in February 1988, which was thwarted by the apartheid-era South African Defence Force, resulted in increased violent

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<sup>424</sup> Ibid., 132.

<sup>425</sup> Capps, "Tribal-Landed Property," 266.

<sup>426</sup> John Seiler, "Bophuthatswana: A State Of Politics," *Transforming Mangope's Bophuthatswana: Towards Democracy In North West Province, Johannesburg: Daily Mail And Guardian*, 1999, 7.

<sup>427</sup> Mbenga And Manson, "People Of The Dew," 167.

<sup>428</sup> Andrew Manson And Bernard Mbenga, "Bophuthatswana And The North-West Province: From Pan-Tswanaism To Mineral-Based Ethnic Assertiveness," *South African Historical Journal* 64, No. 1 (March 1, 2012): 29.

crackdown on all forms of political opposition in the homeland, including the Bafokeng.<sup>429</sup> Mangope persecuted Lebone for his suspected links with the lead putshist, Rocky Metsing, who was also an ethnic “mofokeng,” resulting in Lebone fleeing to exile in Botswana in March 1988.<sup>430</sup> Subsequently, in 1989, the homeland Supreme Court also ruled that the homeland regime had legal right over all land in the Bantustan, thus leading to Impala’s access to the Third mining area. Mangope subsequently replaced Lebone I with his younger brother Mokgwaro as chief, thus creating a surrogate in the tribal authority to cement his control over mineral activities and revenue in the area.<sup>431</sup>

The next phase of the struggle came in 1991-94, when the rising tide of nationalist militancy in the country heavily affected the mining sector including Impala’s Bafokeng mines. For instance, in July 1991 a well-organised wage strike by the National Union of Mineworkers (NUM) against Impala resulted in a September 1991 17% wage increase.<sup>432</sup> This increased militancy, coupled with the unbanning of the ANC by the NP regime and commencement of the CODESA talks, put the future of the homeland system and Mangope’s rule in question, since a unitary South African state would be created.<sup>433 434</sup> The largest black union organisation, the Congress of South African Trade Unions (COSATU), also spearheaded “homeland reincorporation” campaigns, which also challenged the Bophuthatswana regime.<sup>435</sup> Therefore, the relationship between Impala and Mangope was

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<sup>429</sup> Mbenga And Manson, *“People Of The Dew,”* 137.

<sup>430</sup> Ibid., 140.

<sup>431</sup> Capps, “Tribal-Landed Property,” 276.

<sup>432</sup> Victor Leonard Allen, *The History Of Black Mineworkers In South Africa*, Vol. 2 (Moor Press, 2003), 536.

<sup>433</sup> Allen, *The History Of Black Mineworkers In South Africa*, 2:538.

<sup>434</sup> The Anc, Along With Other Anti-Apartheid Nationalist Movements Such As The Pan Africanist Congress (Pac) Had Been Banned And Outlawed By The Np Government In 1960, Following Protests Against Apartheid-Era Pass Laws, Which Eventually Culminated Into The Sharpeville Massacre On March 21<sup>st</sup> 1960

<sup>435</sup> Allen, *The History of Black Mineworkers in South Africa*, 2:537.

shaken by the latter's failure to effectively stem the unionist tide that affected Impala's productivity, threatening royalty payments made to him. On the other hand, Mangope opposed the company's granting of the wage settlement to striking miners, seeing it as undermining his authority. The strike cost Impala R100m in potential platinum revenue, in addition to more losses related to the strike resulting in a financially unenviable position for the company.<sup>436</sup>

The Bafokeng's lawyers seized the opportunity to institute a legal challenge to cancel Impala's 1990 agreement with Mangope, which further weakened Impala's financial standing due to a depreciating share price.<sup>437</sup> With the political transition in 1994 resulting in the end of homeland rule, the exiled Lebone I returned, and his successor, son Mollwane pursued the legal challenge against Impala. Mollwane also re-invented the Bafokeng as a "nation" (hence the current name, the Royal Bafokeng Nation), and the tribal chief as "King," not "chief."<sup>438</sup> The legal challenge however eventually ended in February 1999, with an out of court settlement between Impala and the Royal Bafokeng Nation. The company would increase its royalties to Bafokeng in the three mining areas to 22% of its taxable income from 14,94 and 16% respectively, and received two additional mining areas (Four and Five).<sup>439</sup> The Bafokeng's chieftaincy also received substantial shareholding in Impala worth R100m (approx. \$10m) and representation on the company's Board.<sup>440</sup> Apart from substantially improving the Bafokeng chieftaincy's financial position, the settlement

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<sup>436</sup> C. Frank Vermaak, "Platinum-Group Metals: A Global Perspective" (Mintek, 1995), 65.

<sup>437</sup> Capps, "Tribal-Landed Property," 285.

<sup>438</sup> *Ibid.*, 286.

<sup>439</sup> *Ibid.*, 287.

<sup>440</sup> *Ibid.*, 288.



also reasserted its status as a private owner of land and mineral resources in the area under its control.<sup>441</sup>

### **Post-Settlement Developments**

As a result, the Bafokeng is unparalleled by any other traditional community in South Africa due to its ownership of vast mineral wealth and various corporate investments. The participation of a traditional community in South Africa's platinum industry rests on the post-apartheid legislative framework, such as the Black Economic Empowerment (BEE) mine-community ownership that endeavoured to include more blacks in mineral ownership.<sup>442</sup> This policy also included the state's encouragement of local communities that had previously held royalty compensations for loss of land due to mining to convert the royalties to shares.<sup>443</sup> Given the chiefs' dominant political role in rural areas as encapsulated in legislation such as the aforementioned Traditional Leadership and Governance Framework (2003), they remained at the forefront of negotiations with mining companies and controlling the resource wealth on behalf of the community.<sup>444</sup>

Furthermore, a combination of legal strength and national policies that largely emanated from the nature of South Africa's transition also shaped the development of the Bafokeng's resource ownership structure and shaped its relative autonomy from the state. For instance, it was able to rebuff the state's attempts at ending its mineral ownership through the 2004

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<sup>441</sup> Ibid.

<sup>442</sup> Mnwana, "Mineral Wealth—'In The Name Of Morafe?'"

<sup>443</sup> "Sa: Manuel: Minerals And Petroleum Resources Royalty Bills (24/06/2008)," *Polity.Org.Za*, Accessed July 18, 2015, <http://www.polity.org.za/article/sa-manuel-minerals-and-petroleum-resources-royalty-bills-24062008-2008-06-24>.

<sup>444</sup> Manson And Mbenga, "Bophuthatswana And The North-West Province," March 1, 2012, 110.

Minerals & Petroleum Resources Act. It sought to undo private mineral holdings to allow “disadvantaged” South Africans to enter the mining industry, which was essentially an attempt at quasi-nationalisation.<sup>445</sup> However, the Bafokeng launched a successful legal challenge and secured an indefinite hold on nationalisation.<sup>446</sup> In addition, a clause in the 2004 Communal Land Rights Act also sought to limit chiefs’ power over land by shifting control of communally administered land from tribal councils to government-controlled land boards, which would replace traditional leaders with elected officials and government appointees. However, the Bafokeng’s lawyers successfully opposed the Act, which was declared unconstitutional in 2010.<sup>447</sup> The RBH also adopted a Non-Profit Organisation (NPO) status, which exempts it from direct taxation like other corporations functioning in South Africa. Instead, it is taxed on interest accruing on “money in the bank” or its income from royalties and savings, and not assets and investments.<sup>448</sup> This was premised on the Royal Bafokeng Administration’s provision of social services in the 29 Bafokeng villages, thus relieving the local municipality of this responsibility.<sup>449</sup>

Furthermore, the concessions granted to the National Party at the end of apartheid benefitted the Bafokeng considerably. For instance, the National Party negotiated the preservation of apartheid-era monopoly capital interests through the 1991 Minerals Act, which narrowed the scope for the central state’s control and redistribution of mineral

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<sup>445</sup>Trevor Manuel: Minerals And Petroleum Resources Royalty Bills (24/06/2008),” *Polity.Org.Za*, Accessed July 18, 2015, [Http://Www.Polity.Org.Za/Article/Sa-Manuel-Minerals-And-Petroleum-Resources-Royalty-Bills-24062008-2008-06-24](http://www.Polity.Org.Za/Article/Sa-Manuel-Minerals-And-Petroleum-Resources-Royalty-Bills-24062008-2008-06-24).

<sup>446</sup> Cook, “Community Management Of Mineral Resources,” 153.

<sup>447</sup> Ibid.

<sup>448</sup> Manson, “Mining And ‘Traditional Communities’ In South Africa’s ‘Platinum Belt,’” 414.

<sup>449</sup> Cook, “Community Management Of Mineral Resources,” 155.

property through further privatisation and deregulation of the minerals property system.<sup>450</sup> This was also guaranteed in the post 1994 constitution, which unified all tribal and state land under the Minister of Land Affairs in re-creating a unified South African state, albeit without changing the apartheid-era land and mineral ownership structures.<sup>451</sup> The Mineral Rights Act of 1998 also allowed pre-apartheid royalty receivers to continue, and this benefited the Bafokeng.<sup>452</sup> Various forms of corporate unbundling also occurred when apartheid ended as apartheid era corporations sought to preserve their interests with the incorporation of black business people. Bafokeng elites thus successfully used legal recourse to preserve their ownership of minerals, using the concessions made by the post-apartheid ANC regime during the negotiated transition as leverage.

#### **SECTION 4: THE LIMITS OF DECENTRALISATION AND PARTICIPATION**

Despite the common narratives that regard the Bafokeng as an example of successful sub-state decentralisation of mineral resources, the results do not lend credence to this claim. One of the main arguments given for the management of resources at a local level, through traditional forms of governance, is that chiefs can manage and distribute community wealth in the name of the people/on behalf of the people, or “*morafe*” in the case of the Bafokeng.<sup>453</sup> However, the benefits of “community ownership” have not always been experienced in this ideal sense in the Bafokeng community. Instead, this policy of decentralisation and participation is fraught with inconsistencies, resulting in exclusion of

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<sup>450</sup> Capps, “Victim Of Its Own Success?,” 74.

<sup>451</sup> *Ibid.*, 77.

<sup>452</sup> Kriel, “Bafokeng, Inc. - Power Of The Nation/Corporation Amalgam,” 3.

<sup>453</sup> John L. Comaroff And Jean Comaroff, *Ethnicity, Inc.* (University Of Chicago Press, 2009), 108.

both the sub-tribal ward heads and general community members.<sup>454</sup> The ambiguous notion of “community” largely accounts for this paradoxical outcome in the Bafokeng, because the ideological notion of *togetherness* enshrined in communal aspirations does not always translate into effective inclusion in all facets of the resource management structure, as elaborated below.

The Royal Bafokeng’s strategy of managing platinum wealth entails investing and spending it on behalf of the “morafe,” or ethno-citizenry, instead of direct income distribution.<sup>455</sup> This system of wealth management largely depends on the chiefs’ development of a vision that can benefit the whole community. This policy inclination is expressed in various publications and policy documents released by the Bafokeng administration, particularly its Vision 2020 which articulates the community’s endeavour to be “self sufficient” by the second decade of the 21<sup>st</sup> century.<sup>456</sup> At the core of this rationale is the unsustainable nature of direct distribution of revenue due to the finite nature of the mineral reserves, which are predicted to be exhausted in 50 years.<sup>457</sup> The current king, Leruo, also spearheaded the development of a Royal Bafokeng Nation Master Plan in 2006, which articulates the community’s development plans in the realms of economic development, education, health, recreational and social development and services.<sup>458</sup> This entails building infrastructure such as schools, clinics, roads, hotels and sports facilities,

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<sup>454</sup> Mswana, “Mineral Wealth–‘In The Name Of Morafe?’,” 827.

<sup>455</sup> Comaroff And Comaroff, *Ethnicity, Inc.*, 108.

<sup>456</sup> “Vision 2020 | Royal Bafokeng Nation,” Accessed July 24, 2015, [Http://www.bafokeng.com/future/vision-2020](http://www.bafokeng.com/future/vision-2020).

<sup>457</sup> “Platinum Boom Brings Riches To The Bafokeng,” *The M&G Online*, Accessed July 24, 2015, [Http://mg.co.za/article/2011-02-13-platinum-boom-brings-riches-to-the-bafokeng/](http://mg.co.za/article/2011-02-13-platinum-boom-brings-riches-to-the-bafokeng/).

<sup>458</sup> “Masterplan | Royal Bafokeng Nation,” Accessed July 24, 2015, [Http://www.bafokeng.com/future/masterplan](http://www.bafokeng.com/future/masterplan).

shopping malls, and pursuit of diversified investments in other economic sectors in order to lessen the communities' dependence on mining.<sup>459</sup> The Bafokeng is thus regarded as the most developed tribal area in South Africa because of the availability of the aforementioned infrastructure. Each of its 29 villages has clinics and schools, electricity and running water, and the Bafokeng Administration also provides some scholarships and small business grants to members of the community.<sup>460</sup>

Nevertheless, there are several contradictions regarding the extent to which this ownership structure facilitates the participation of the grassroots and the attainment of the community's vision of development. Through interviews and field research, Mswana (2014) argues that there exists a wide chasm between political leaders and the masses in the Royal Bafokeng community as far as the development plans are concerned.<sup>461</sup> Community members expressed minimal understanding of the participatory processes that lead to the development of its vision and policies, and felt distanced from these deliberative processes as well.<sup>462</sup> Instead, they argued, the tribal political leaders would present the community with what they had already planned, which cannot be defined purely as "participation".<sup>463</sup> Other respondents indicated that the tribal administration conducted development processes with "a sense of arrogance...as if they were doing the community a favour."<sup>464</sup> Therefore, such frustrations at the grassroots depict the limitations of

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<sup>459</sup> Mswana, "Mineral Wealth—'In The Name Of Morafe?'," 833.

<sup>460</sup> "Platinum Boom Brings Riches To The Bafokeng."

<sup>461</sup> Mswana, "Mineral Wealth—'In The Name Of Morafe?'," 834.

<sup>462</sup> *Ibid.*, 835.

<sup>463</sup> *Ibid.*

<sup>464</sup> *Ibid.*, 836.

“participation” as a vehicle for the masses to exercise their power over wealth management at a community level.

Furthermore, this case shows the inadequacy of the primary communal platform for democratic interaction in the community, the “*kgotha kgothe*.”<sup>465</sup> Although this has often been cited as an impressive form of indigenous democratic accountability and community involvement, similar to a corporate shareholder meeting or a legislative assembly, it is not as inclusive as imagined.<sup>466</sup> For example, the extent to which grassroots “voices” can be articulated is inhibited by elite dominance, particularly through the sophisticated language used in expert reporting by leaders of the community’s corporate and development arms, which is inaccessible to the masses. Several “dikgosana,” or clan headmen, are not conversant with the technical and intellectually demanding discourse pertaining to mining contracts and other corporate processes.<sup>467</sup> The community also expressed misgivings about the fact that the *kgotha kgothe* had been “dominated” by non-Bafokeng, especially white experts in charge of some of the community’s business investments, who express themselves in language that was inaccessible to the mostly illiterate members of the community who attended the forum.<sup>468</sup> As a result, an analysis of the brass tacks of the processes involved in developing corporate and community developmental reveals the tokenistic nature of “participation” in the Bafokeng.

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<sup>465</sup> The Khotha Khothe Is A General Assembly Of The Bafokeng Community, Which Meets Twice A Year And Affords The Individual Members To Express Their Views On Various Issues Directly To The King And His Administration

<sup>466</sup> Comaroff And Comaroff, *Ethnicity, Inc.*, 106.

<sup>467</sup> Sonwabile Comfords Mswana, “Participation And Paradoxes: Community Control Of Mineral Wealth In South Africa’s Royal Bafokeng And Bakgatla Ba Kgafela Communities” (University Of Fort Hare, 2011).

<sup>468</sup> Ibid.

Furthermore, several ward heads and community members criticised the tribal leadership for concentrating on infrastructural development over human capacity development. They prefer direct distribution programs instead of the current meritocratic system that only limits the community's financial investment to services and not direct financial grants to families.<sup>469</sup> In expressing simmering frustrations at the grassroots levels, some of the headmen have demanded for more transparency and direct distribution of resource rents to the community through the media, instead of using the customary system of communicating with the tribal leadership.<sup>470</sup> For example, in June 2014 Luka Community Association representative Tshegofatso Mekgoe indicated that the chief has been dictating to the community on the holding of assets in the current corporate form, with minimal evidence of direct financial returns at community levels.<sup>471</sup> The frequent accusations of authoritarian conduct against the Bafokeng chief is also often accompanied by claims of false legitimacy against his position as leader for all "Bafokeng".

An additional example of contestation between the tribal leadership and masses is the July 2009 protest march, when Bafokeng submitted a petition at the RBN's headquarters with demands for changes in the community's mineral wealth management system.<sup>472</sup> The data showing the Bafokeng's 2009 expenditure (below) also reveals the tribal authorities' fixation with infrastructural development over human capital development projects. The

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<sup>469</sup> Mswana, "Mineral Wealth—'In The Name Of Morafe'?", 836.

<sup>470</sup> "Royal Bafokeng Want Answers On Assets," *Business Day Live*, Accessed July 20, 2015, [Http://Www.Bdlive.Co.Za/Business/Mining/2014/06/23/Royal-Bafokeng-Want-Answers-On-Assets](http://www.bdlive.co.za/Business/Mining/2014/06/23/Royal-Bafokeng-Want-Answers-On-Assets).

<sup>471</sup> Ibid.

<sup>472</sup> Ibid.

king and the royal family are also frequently accused of using the money as they please, while limiting the community's access to the wealth. This has led to growing calls for the political leaders to reveal the "true" value of the community's assets and finance. Thus although the tribe is regarded as the richest in the country, some of the people regard themselves as poor, disadvantaged and short-changed by the traditional leadership.<sup>473</sup>

<b>Budget item</b>	<b>RBN expenditure 2009, R1.355 billion (%)</b>	<b>RBN budget 2010, R800 million (%)</b>
Sports and recreation	35	9
Education	23	24
Governance and administration	23	24
Public and community utilities	10	13
Safety and security	3	1
Health and social development	3	14
Environment and land use	2	4
Economic development	1	4
Food security	1	1
Bafokeng history and heritage	1	1

*Tab 1: Bafokeng's expenditure and budget<sup>474</sup>*

Furthermore, several Town Hall gatherings have been dominated by community members' expression of frustrations due to poverty levels in the area. The community faces approximately 40% unemployment levels, despite over 62 000 community members being employed in the platinum industry alone, with families subsisting on less than \$100 a month.<sup>475</sup> This is also because mining does not employ a wide range of professions due to its capital and technical intensity-nature that limits demand for unskilled labour. Several

<sup>473</sup> Mswana, "Mineral Wealth--'In The Name Of Morafe?'" 836.

<sup>474</sup> Ibid., 837.

<sup>475</sup> Cook, "Chiefs, Kings, Corporatization, And Democracy," 155.



minority sub-groups have also filed lawsuits against the Bafokeng chief claiming rightful ownership of the land that is presently “owned” by the Bafokeng community, especially following evictions due to land purchases for mining.<sup>476</sup> For example, the allocation of land to mining companies led to evictions in 2011 around Boshhoek, an area mostly inhabited by farm workers, and this resulted in considerable indignation against the privatisation of land by the Bafokeng leadership.<sup>477</sup> In addition, mining operations have resulted in significant environmental damage in the areas around Phokeng from blast damage, water pollution, exhaustion of ground water, and the loss of grazing and agricultural land.<sup>478</sup> This in turn worsens poverty levels in the area, since subsistence forms of livelihoods are affected.

Given the above, it can be argued that although decentralisation and participation can potentially improve the odds of developmental outcomes at a local level, they do not automatically guarantee the fulfilment of the normative ideals and pro-poor policy outcomes.<sup>479</sup> Participation and inclusion will not essentially challenge existing power relationships, and neither will they directly result in the end of social injustice and poor developmental outcomes. This negates the idea of an *alternative* to the state. Instead, much depends on the nature of power relations that exist within the institutions that purportedly dispense egalitarian outputs.<sup>480</sup> In thinking about traditional leadership in the context of natural resource management therefore, it ought to be made apparent that they are an elite institution that has reflexively navigated various historical eras of state development,

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<sup>476</sup> Manson, “Mining And ‘Traditional Communities’ In South Africa’s ‘Platinum Belt,’” 416.

<sup>477</sup> Ibid., 417.

<sup>478</sup> Ibid.

<sup>479</sup> Gaventa, “Reflections On The Uses Of The ‘Power Cube’ approach For Analysing The Spaces, Places And Dynamics Of Civil Society Participation And Engagement,” 5.

<sup>480</sup> Ibid., 6.

primarily focusing on self preservation, and this shapes their performance in various contexts, including community-level natural resource governance.

## **CONCLUSION**

Using a Historical Institutional approach, this chapter traced the origin of the Bafokeng community and historical processes that incrementally led to its present-day resource ownership structure. Through the lens of the Power Cube, the deployment of various forms of power by various actors, particularly the Bafokeng chieftaincy during various stages of colonial rule and in the post-colonial era also became apparent. This facilitates a more nuanced understanding of the relevance of traditional leaders in post-apartheid South Africa in general, and the Bafokeng's control over platinum wealth in particular. Such a historical analysis of the Royal Bafokeng case reveals that its ownership of platinum wealth rests on the triumph of rural landed interests, who also managed to piggyback on apartheid-era industrial interests that were preserved in the post-apartheid legal and policy systems. It is also a product of historical chance to a considerable extent, in that the Bafokeng attained ownership of land that turned out to hold the world's largest reserve of platinum. In addition, the Bafokeng's ability to use legal channels where necessary, with several crucial victories also resulted in the maintenance of legal ownership over mineral resources. In this way, it deployed its legal power in ensuring the preservation of its interests in land ownership and platinum mining. Therefore, a combination of the mobilisation of various forms of power at various levels and through different historical eras accounts for the Bafokeng elite's ability to maintain its interests.

In addition, this case ought not to be regarded as the “triumph” of non-state actors over the central state. Although the Royal Bafokeng managed to win cases against the state in court, their ability to maintain legal ownership over land and mineral deposits is a result of the confluence of central state policy and rural landed interests, because the central state still has the capacity to reformulate the tribal authorities’ political and economic boundaries. It is also not a case of “decentralisation” per se, but a mixture of historical and rational actor factors. The South African state did not implement a policy of decentralisation in mineral ownership, but various historical conditions resulted in sub-state actors having control over mineral resources, which is peculiar to South Africa. It thus illustrates the extent to which it would be unlikely that a state would willingly cede control of high value mineral resources to a sub-state actor elsewhere in sub-Saharan Africa.

In addition, while it can be argued to have been a product of communal efforts, especially due to the corporate land-buying since the late 1800s, elite interests largely account for the present-day ownership of mineral resources, as indicated in this chapter. In this case, the powers of the masses were been instrumentalised for elite benefit, for the most part. In addition, the Bafokeng leadership’s policy of meritocratic development instead of direct distribution is increasingly turning out to be unsustainable, given the frequency of criticism from sub-tribal groups. Indigenous forms of democratisation and transparency can be plausibly described, in this case, as more tokenistic than effective, due to the employment of technical language during deliberations and omission of community representatives during crucial decision making processes.

Viewed through the lens of the Power Cube, this case shows the primacy of power relations that explain the Bafokeng's current mineral ownership structure. For instance, the Bafokeng chieftaincy as rational actors managed to deploy various forms of power during colonial and post-colonial eras to maintain ownership of land and mineral resources. It is thus not a case of the "community" managing to claim ownership over land and mineral resources, but traditional chiefs, who also deployed the notion of "community" as a form of visible form of power in dealing with colonial settlers and post-colonial governments. This included the reconstruction of narratives and reinvention of their political roles as a form of invisible power, especially when the political tide turned against the apartheid government in the late 1980s. Chiefs also used overt force and pressure to remain influential in the rural areas in the post-1994 era, thus claiming space in the post-apartheid state apparatus. The Bafokeng were a beneficiary of the results of these processes.

Viewed through the power cube, the Bafokeng mineral ownership structure is multifaceted. For instance, it can be regarded as *closed*, since chiefs and corporate experts have made several resource management policies, before delivering them to the community during the *khotha khothe*. However, it has been an essentially *invited* space, because of the aforementioned tokenistic nature of this community consultative forum. The recent increase in opposition from below shows the movement by sub-tribal groups to *claim* space in the mineral management structure, which will likely result in the traditional leadership responding by making changes to the way mineral revenue is managed.

## **CHAPTER 6:**

### **CONCLUSION**

#### **INTRODUCTION**

Having discussed the key literature in resource management in sub-Saharan Africa, the development of the state, ownership structure, decentralisation and participation, the relevance of traditional leaders in post-colonial politics and the case of the Bafokeng, a discussion and analysis of the study's findings, and concluding remarks shall follow. A recap of the research question and framework shall now foreground this discussion. The research question asked in this paper is: *Should community investment vehicles organised according to indigenous forms of governance be considered as an alternative to the state in the management of mineral resources in sub-Saharan Africa?* The hypothesis, or assumption made is that having community investment vehicles modelled along indigenous forms of governance as the primary domestic actors in mineral resource management will result in positive development outcomes. This research is a comparative qualitative study that is grounded in Historical Institutional and Power Cube analytical framework. It is thus deductive in nature, that is, testing the efficacy of existing theory instead of developing new ones.

This research used the Historical Institutional and Power Cube approaches in explaining and analysing the case of the Royal Bafokeng. As a historically grounded study, it traced the beginnings of the Bafokeng as a quasi-homogenous sub-state group, showing how it has always been (and still is) a conglomeration of various smaller groups that coagulated

around a stronger original Bafokeng group since the early to mid 1830s, and how it became a peculiar case of community mineral ownership in Africa. Through the same approach, this research traced the development of the state in Africa, showing how post-colonial political and economic dynamics are couched in this historical process to a considerable extent. This process, as Historical Institutionalists would argue, involved a “dense interaction of economic, social and political actors working in different contexts and logics,” instead of following a teleological process that can only be described as sequential.<sup>481</sup> Historical analysis also revealed the presence of *alternative rationalities*, which defined means-ends rationalities. For instance, the institution of traditional leadership, which was co-opted into the colonial and apartheid systems, has remained influential during the post-colonial dispensation, instead of being either destroyed or extensively re-configured. This was explained as a combination of traditional elites’ agency in lobbying for their interests in various contexts, and the mutuality of interests between rural and central state elites.

Furthermore, Historical Institutionalism regards political phenomena as being products of contextual causality, and the explanation of complex institutional developments through historical comparative investigation. In this case, the case of the Bafokeng’s community mineral ownership model is presented in a more nuanced fashion through tracing the various historical developments and contextual dynamics that brought it to the present state. Instead of presenting the case in cause-effect theoretical frameworks, that break variables into causally independent units, tracing historical developments and showing

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<sup>481</sup> Peters, Pierre, And King, “The Politics Of Path Dependency.”

each stage's peculiarities results in a clearer understanding of the development of such a complex case spanning over a century and a half. In addition, using Historical Institutionalism leads to the recognition of *contingencies of history*, or the notion that scholarly understanding of specific events and developments is constrained by the role played by chance, fate and accidental combinations of events or factors. In this regard, the presence of the world's largest reserve of platinum on Bafokeng's land originally purchased for agriculture was a fateful factor. The Bafokeng had not known that the land was platinum rich during efforts to attain legal ownership. The ability of the apartheid-era industrial complex to secure guarantees of property rights—especially mineral claims from the post-apartheid South African case, which benefitted the Bafokeng is another factor, that would only be determined through historical analysis that accommodates the fateful contingencies of history.

Nevertheless, although it considers the role of power and interests in institutional development, one of the main weaknesses of Historical Institutionalism is the inadequacy of a clear framework on power relations and how they shape institutional and policy outcomes. The Power Cube approach fills this gap by providing a nuanced conceptualisation of the way power ultimately results in various outcomes, particularly about the creation of decentralised resource management structures. The concepts of power, place, and space are crucial in this regard. For example, with reference to *place*, all three tiers (global, national and local) shaped the Bafokeng's ownership model and viability of the platinum industry as well. Global demand for platinum group of minerals (PGM) led to the lucrative mining royalties and later, equity that the Bafokeng attained.

The Bafokeng's interaction with national colonial and post-colonial actors and policies shaped its ability to maintain ownership of high value resources, instead of the central state. Local dynamics were crucial in the Bafokeng's ability to maintain the notion of a unitary ethnically homogenous community, which rural traditional elites managed to mobilise for their own benefit, more than community benefit.

Furthermore, the ability of traditional elites to navigate different spaces and engage with various actors in different historical contexts (Boer/Transvaal, British Union government, Bantustan government, platinum mining companies and the post-apartheid state) resulted in its ownership of platinum resources in Phokeng. Throughout the course of these developments, the Bafokeng mobilised various forms of power, be it visible, hidden, or invisible. It also engaged with these actors within various spaces and places that it functioned. In addition, within the Bafokeng community per se, political contestation remains between the traditional leadership and sub-tribal groups, particularly regarding distributional policies and interaction between the tribal political centre and the masses. Sub-tribal groups have since begun claiming a space within the Bafokeng's resource management structure, which they regard as closed, with the tokenistic invitation being regarded as a smokescreen. Nevertheless, the Power Cube approach lacks a historical component, instead focusing primarily on the relational aspects of actors operating within different places and spaces, either mobilising or responding to various forms of power. However, combined with the Historical Institutional approach, both theoretical approaches provide a nuanced understanding of the case of the Bafokeng's model of resource ownership.



Given the theoretical framework, literature discussed and evidence presented in explaining and analysing the nature of the Bafokeng's resource management model, this paper concludes on the following points.

- a. *The continued relevance of the state in managing natural resources.* In answering the research question stated above, this paper concludes that indigenous forms of governance should not necessarily be considered as *alternatives* to the state in the management of natural resources. This study challenges the notion that traditional forms of governance will perform better than the state and would not be prone to the same administrative maladies that the state faces. The Bafokeng has replicated several weakness associated with the central state, including a disconnection between income and standards of human livelihoods, disjuncture between state policy and human needs, and the masses' failure to significantly influence the tribal policy as far as resource management and distribution are concerned, and environmental damage and loss of land as a result of platinum mining.

This case also shows that although traditional forms of governance have remained politically relevant since the pre-colonial era, they have always had their functions delimited by the state. Thus, they cannot be an *alternative* to the state, but can only work *with* the state, according to the boundaries that the latter establishes. Where they have managed to lobby the state to effect specific policies, their success essentially rests on the extent to which the central state can be accommodative. This

makes the state the central actor and institutional player as far as resource management is concerned. Despite being commonly associated with negative outcomes in resource-rich states, the state remains relevant in framing policies that govern the management of resources and is mostly responsible for the inclusion or marginalisation of sub-state groups.

*b. Decentralisation and participation do not automatically guarantee favourable outcomes for grassroots communities in managing extractive mineral resources.*

This is primarily because policies and institutions are seldom immune from power politics, and do not automatically deliver universally acceptable outputs. There will always be winners and losers, and in most cases political elites win while the masses, who are the intended beneficiaries of decentralisation and participation tend to be on the losing end. In addition, the “local” does not exist in an institutional or political vacuum, but within global and national places. Any reform that occurs at the local level ought to be considered in tandem with global and national spheres, especially the latter. In order for any policy framework to succeed, it ought to be viewed and applied as part of the nation-state’s politics. In the Bafokeng, decentralisation has not automatically translated to favourable outcomes, since evidence of poor developmental still prevails. Nevertheless, the Bafokeng remains comparatively more developed than the rest of the rural communities in South Africa, although relative development may not always translate to preferred levels of development within the Bafokeng community.

c. *The Bafokeng's resource management ownership structure will unlikely be replicated in other contexts.* This is because it was a result of a protracted process punctuated by several varied developments. The activities of political elites also shaped the present-day ownership structure. It was also made possible by South Africa's transition to majority rule, which entailed the granting of concessions to apartheid-era mineral owners. Successive South African governments have also avoided the issue of mineral nationalisation, and indications of any policy shift in this regard are absent. In addition, not all communal groups will have the technical capacity to create a sophisticated corporate structure such as the Bafokeng, and coupled with poor levels of literacy and infrastructure in most rural areas in Africa, transferring this model is not easily feasible.

If considered according to Luong and Weinthal (2006)'s typology, it fits within the domestic-private partnership model, since the Bafokeng communal group are an invested domestic actor that works with private sector actors, such as Implats and Anglo American. Nevertheless, this was not established as part of a policy of decentralised mineral ownership, but a product of complex historical circumstances that can be best explained through theories and evidence presented in this paper. Furthermore, where high value extractive minerals are obtained in various African countries, state and private corporate interests hold quasi-monopolies, and it is very unlikely that the state would cede control of resource ownership in favour of local, communal groups. This is despite the potential for improved developmental outcomes that may result from the sharing of control of resource ownership with sub-state community groups.

*d. Power is thus at the centre of various processes of political and economic engagement, and its nature and expression determines institutional outcomes in various contexts. Academic and policymaking attention thus needs to focus on the specific configurations of power in prescribing specific policy alternatives. This gives insight into the non-neutral nature of political engagement, and the realisation that political and economic institutions are designed by dominant and invested power brokers, who seek specific self-interested outcomes more than universally beneficial results.*

This research has challenged several claims made in mainstream development literature, that decentralisation and participation automatically lead to ideal outcomes at the local level. It has also shown the complexities and power relationships between various actors at the local level, and the influence of global and national factors in shaping what occurs there. In addition, it has shown the extent to which the case of the Bafokeng is unique, due to equally peculiar historical and contextual factors. This corrects long held notions of the case being exemplary of decentralised mineral resource management that can be potentially applied elsewhere. Nevertheless, localised control of resources in general increases the likelihood comparative benefits, and this has been witnessed in community based forestry projects in different African countries. Although the Bafokeng's case is far from perfect, the community remains South Africa's most developed community due to its direct access to platinum wealth. This research thus serves to bring nuance

to the claims made about the benefits of decentralisation and participation, and corrects misconceptions about factors that explain the Bafokeng's resource management model and the extent of its transferability elsewhere.

In addition, the resource curse theory is also challenged, because such a narrow conceptualisation misses crucial contextual and historical factors that explain the purportedly negative relationship between resource wealth and development. The relationship between mineral wealth and development in Africa ought to be determined on a holistic, historically and case based analyses that consider colonial history, which became the genesis of the juridical state on the continent and post-colonial development through various phases. The state also remains the primary political and economic actor in sub-Saharan Africa, especially as far as high value natural resources are concerned. In addition, the continued relevance of indigenous forms of governance on the continent can be best explained through such a Historical Institutionalist account that shows the deployment of various strategies by actors to attain their interests and the complex interaction of factors over different historical eras, which in turn shapes the present-day socio-political and economic dynamics in sub-Saharan African states.

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