

Journal of

AUSTRALIAN  
POLITICAL  
ECONOMY

SPECIAL THEME ISSUE

REVERSING THE RESOURCE  
CURSE?

ENERGY TRANSITION AND  
DECOLONISATION

NUMBER 89

WINTER 2022

ISSN 0156-5826

The *Journal of Australian Political Economy* is a refereed journal. Its articles are indexed in APA-FT (Australian Public Affairs Full Text), Econlit and IREL (the Australian industrial relations database).



## **JAPE No. 89**

### **Contents**

<b>Editorial: Reversing the ‘resource curse’</b>	5
James Goodman and Stuart Rosewarne	
<b>Reversing Australia’s resource curse? No such luck...</b>	7
Joe Collins	
<b>A resource rebellion: Avoiding a political resource curse during the gold rush</b>	32
Martin Emmet O’Donnell	
<b>A Marshall Plan for Australian coal country: An investment-led strategy to address resource dependency and fight climate change</b>	51
Robert MacNeil and Madeleine Beauman	
<b>Mozambique’s coal implosion amidst global climate catastrophe</b>	67
Thomas Selemane	
<b>Countering the coal curse through community rights: Stopping coal-extraction through forest rights in Singrauli, Central India</b>	90
Ruchira Talukdar and Priya Pillai	
<b>Imagining a just future for New Caledonia: Green mining, climate justice, and the Kanak fight for independence</b>	114
Nicole Gooch	
<b>Not resource curse nor resource benefit, but ‘resource negation’? Communities against coal seam gas on the fossil frontier</b>	136
James Goodman, Riikka Heikkinen and Bruce Knobloch	
<b>Book Notes</b>	158



## **REVERSING THE ‘RESOURCE CURSE’?**

**James Goodman and Stuart Rosewarne**

Political economic arrangements based on extractivism have become increasingly contested because of the intensifying socio-ecological crisis. Growing concerns about environmental impacts of mining and use of fossil-fuels intermingle with concerns about the unequal, often racialized, displacements of local culture and livelihood that extractivism causes. The advocacy and development of alternative political economic arrangements with less adverse ecological impacts has added to the pressure on existing extractivist models. The global energy transition has sharpened the critique of fossil fuel dependence, intensifying focus on the destructive impacts of extraction through the supply chain to combustion. While the growing momentum to switch from fossil fuels to renewables is markedly uneven across different cities, regions and countries, debate about ‘just transitions’ has become increasingly widespread. Pursuing post-fossil fuel alternatives creates impetus for ‘green new deals’, socialised ‘energy democracy’, and other ‘de-growth’ transformations.

This special theme issue of *JAPE* on ‘reversing the resource curse?’ explores some of these recent challenges to extractivism. Its primary, but not exclusive, focus is on Australia where the challenges have gained increasing political economic prominence and urgency. As this special issue was being finalised, Australia’s new ALP Government became embroiled in trying to handle a national energy crisis. Responding to skyrocketing global gas and coal prices driven by the international sanctions on Russia, the Australian energy regulator imposed a price cap to protect electricity consumers. In response, the privatised fossil fuel generators,

**Goodman, J. and S. Rosewarne (2022)**  
**‘Reversing the “resource curse”?’**  
*Journal of Australian Political Economy*  
**No. 89, pp. 5-6.**

pursuing their own commercial interests, decided to cut supply to the grid. The regulator then had to commandeer generators to continue supply, with yet-to-be-determined taxpayer compensation at the global rate of return. Although the underlying cause of the crisis was continued national dependence on coal and gas for electricity, the Government doubled-down, rather than learn from the lessons of fossil fuel dependency. The new Resources Minister's first act was to approve a new gasfield in Western Australia, Woodside's Scarborough-Pluto project, likely to emit 1.4 billion tonnes in emissions – triple Australia's annual figure for emissions (Hare 2022). Soon after, the Minister joined her conservative NSW State Government counterpart in advocating for progress with a major new gas project in NSW, the Santos' Narrabri project (Crowe and Foley 2022).

Contemporary developments like these highlight the need to consider arguments about the 'resource curse' that have been of international concern for many decades. Is the notion of a 'resource curse' appropriate for conceptualising the contradictions and challenges? Does it help to illuminate the fossil fuel sector's continuing stranglehold on policy and on our collective future? What other perspectives can be used to explain how and why 'zombie' coal, gas and oil remain dominant, even though forced onto the defensive – and potentially into abeyance – by climate change and the emergence of much cheaper renewable energy? Clearly, critical analysis of extractivism must focus on the state, not only on capital's lust for resources.

This special theme issue of *JAPE* casts a wide net. It considers different viewpoints and, in addition to its focus on Australia, there are articles on India, Mozambique and New Caledonia. Most of the articles take a contemporary approach, while others are historical, and all engage with urgent questions of democracy and development. Together, they point to the dynamics of contesting extractivism and the political economic implications for transformation beyond the current malaise. As co-editors of this special issue, we thank the contributors, referees and *JAPE* editorial staff for enabling us to gather these perspectives together.

## References

- Hare (2022) 'The ultra-polluting Scarborough-Pluto gas project could blow through Labor's climate target – and it just got the green light', *The Conversation*, 3 June.
- Crowe, D. and Foley, M. (2022) 'NSW will need Narrabri gas, federal resources minister says', *Sydney Morning Herald*, 15 June.

# REVERSING AUSTRALIA'S RESOURCE CURSE? NO SUCH LUCK...

**Joe Collins**

If the point of reversing the resource curse is to ameliorate pernicious social, political-economic and ecological consequences of extractivism, the concept itself poses an obstacle to progress. This is because a resource curse reversed is a resource blessing. Resource curses and blessings both presuppose extractivism. While extractivism is an evolving term with contested meaning, here it refers simply to extractive activities carried out under conditions of capitalist production – *i.e.*, mining for profit to reinvest in expanding production rather than for meeting the needs of society. Extractivism is therefore not synonymous with mining and opposing the former does not mean doing away with the latter altogether. Indeed, the future of mining depends on transcending extractive industry that is driven and coordinated by the imperatives of capital accumulation. The character of alternative forms of extractive activities oriented toward satisfying social needs is yet to be formulated by the social movement required to bring it into existence.

The Systems of Provision (SoP) approach to consumption theory used in conjunction with a spatio-temporally specific theory of capitalist landed property (CLP), rather than a theory of landed property *in* capitalism (LPiC), is proposed as a way out of the conceptual and political quagmire of the extractivism: resource-curse/resource-blessing (E<sub>RC/RB</sub>) nexus. A SoP-CLP framework is better placed to confront the quandary of so-called natural resource endowments in Australia today because, unlike the resource-curse approach, the relationship between political-economic outcomes and resource abundance is conceived as an integral unity of mutually constitutive social processes. What the resource-curse approach

**Collins, J. (2022)**  
**'Reversing Australia's resource curse? No such luck...'**  
*Journal of Australian Political Economy*  
**No. 89, pp. 7-31.**

considers a paradox of wealth begetting poverty, the SoP-CLP framework renders legible as the imperatives of capital accumulation generating spatio-temporally specific and contingent outcomes.

At stake in debates about the resource curse/blessing are how the gains from extractivism are managed. Resource curses and blessings are derivative forms of extractivism. Reversing a resource curse is to do nothing more than to bring about a more equitable distribution of incomes from extractive industry thereby crafting a resource blessing under a modified form of extractivism. This may have been tenable in the 20<sup>th</sup> century, but the state of the climate crisis today means extractivism itself must evolve. Such a task requires moving beyond calls to reverse the resource curse and toward a radical reappraisal of extractivism in Australia. Why?

The 2022 Intergovernmental Panel on Climate Change (IPCC) report issues the following warning in concluding remarks for the chapter on Australasia:

Some of the risks for natural systems are close to critical thresholds and adaptation may be unable to prevent ecosystem collapse. Other risks will be severe, but we can reduce their impact by acting now, for example coastal flooding from sea-level rise, heat-related mortality and managing water stresses. Many of the risks have potential to cascade across social and economic sectors with widespread societal impacts. In such cases, really significant system-wide changes will be needed to the way we live and govern currently. To facilitate such change, new governance frameworks, nationally consistent and accessible information, collaborative engagement and partnerships with all sectors, communities and Indigenous Peoples and the resources to address the risks, are needed. However, our ability to adapt to climate change impacts also rests on every region in the world playing its part in reducing greenhouse gas emissions. If mitigation is ineffective, global warming will be rapid, adaptation costs will increase, with worsening losses and damages (IPCC 2022: 100-1).

The report is definitive in its injunction that, should mitigation fail, adaptation will become increasingly difficult and the costs of global warming, in the broadest terms, will become worse, quickly. Meanwhile, Labor's Anthony Albanese maintains in April 2022 that 'if coal mines stack up environmentally, and then commercially, which is the decision for the companies, then they get approved' (Chung and Foley 2022). The Liberal/National coalition position is, as Scott Morrison says in March, that 'When it comes to our fossil fuel industry, and particularly coal, it will

be around for decades to come' (Murray 2022). Greens leader Adam Bandt announces in May that while there can be debates in the next parliament about how quickly to get out of coal and gas, everyone should be able to agree not to open new mines because 'you can't put the fire out while you're pouring petrol on it' (Secombe 2022). Bandt makes putting the fire out in policy terms, as one commentator puts it, 'sound simple [...] tax the billionaires, the big corporations and the dirty industries to fund ambitious social and environmental goals' (Secombe 2022). The proposed form of this tax for mining companies is, Bandt confirms, 'to be assessed on a project-by-project basis, based on the original Henry Review's mining super-profits tax' (Secombe 2022).

While the Greens go furthest in their plans for extractive industry, even they rely on redistributive measures to disincentivise some forms of extractivism while leaving the structure of the industry intact. The absolute horizon of possibility, according to these views, are expansionist extractivism or a winding down of some mining activities alongside a redistribution of revenues from extractive industry.

The central claim elaborated below is that the resource-curse approach is itself a barrier to transcending extractivism. This is because the resource-curse approach, no matter how critical, is oriented toward the question of how to manage the gains from extractive industry. Mining carried out under conditions of capitalist production – *i.e.*, extractivism – is therefore presupposed in either resource curse or blessing. The point of difference is the form extractivism takes, not whether it can or should continue. An alternative framework of analysis is required to tackle the question of extractivism in the context of a climate crisis that demands immediate changes to the status quo. As such, the SoP-CLP approach is elaborated to evaluate aspects of proposed food and energy transitions in Australia.

The argument proceeds first with a critical outline of the resource-curse approach, drawing out links to debates on strategies for managing international trade alongside pathways for economic development. Attention is then focussed on the Australian context, considering counterposed claims for a resource curse and blessing. The merits and limitations of the  $E_{RB/RC}$  framework are then discussed briefly before a SoP-CLP analysis of food and energy in Australia is sketched as a point of departure for further studies on how exactly to transcend extractivism.

## What is a resource curse?

The resource-curse approach emerged as an explanation for the failure of poor countries with abundant natural resources to prosper in the latter part of the 20<sup>th</sup> century. It seems intuitive that countries with access to the so-called free gifts of nature might well have an advantage over their resource-poor counterparts, particularly when it comes to generating national wealth and all it entails. Most studies that inform the resource-curse approach, however, report a negative association between extractive industry on the one hand and various indicators of economic development on the other (Davis and Tilton 2005: 233). According to these studies, it is evident that since the 1970s economies dependent upon extractive industry exhibit lower growth rates and display higher levels of poverty and corruption after controlling for GDP per capita (Stevens 2003: 5).

Personal opinions from low-income countries lamenting an abundance of natural resources are often cited in this literature to bear out these linkages. Venezuelan diplomat and founder of the Organisation of Petroleum Exporting Countries (OPEC), Juan Pablo Pérez Alfonso, is notorious for referring to petroleum as the ‘devil’s excrement’ in 1975, bemoaning that ‘it brings trouble [...] look at this *locura* – waste, corruption, consumption, our public services falling apart. And debt, debt we shall have for years’ (Dell 2004: 39). The Saudi Arabian oil minister during the 1970s OPEC oil shocks, Sheik Ahmed Yamani, is likewise noted for grumbling that ‘all in all, I wish we had discovered water’ (Ross 1999: 297). Kenneth Kaunda, the first President of Zambia from 1964, is similarly renowned for his moderated *mea culpa* that ‘we are in part to blame, but this is the curse of being born with a copper spoon in our mouths’ (Boos and Holm-Müller 2016: 882). Such testimonies from those with experience of the apparent paradox of resource-wealth begetting poverty are taken by proponents of the resource-curse approach to validate the observed relationship between declining welfare and resource abundance.

The resource-cure approach contradicts political arguments for freer trade underpinned by the economics of comparative advantage. Structural mechanisms that give rise to the resource curse are associated with the deterioration of terms of trade owing to the long-run decline of primary commodity prices relative to the price of manufactured goods (Prebisch 1950: 1-12; Singer 1950: 473-85).

The appreciation of the exchange rate because of mineral booms is also noted as a primary vehicle for creating a resource-curse situation (Gregory 1974: 71-91). Such outcomes were documented by OPEC countries from the 1970s amongst other so-called peripheral economies in South America from the same period. A 'New World Economic Order', heralded in 1974 by the United Nations, was portrayed as an emerging shift in the balance of economic power globally, suggesting that the global south, due to its ownership of natural resources, would supersede the global north. Clearly, this did not transpire. Four main economic causes of the resource curse are put forward as explanations: declining terms of trade for primary commodities; volatile international commodity markets; poor linkages between resource and non-resource sectors; and sectoral imbalances giving rise to what becomes known as 'Dutch Disease' (Ross 1999: 298).

Successive governments in Australia deployed import-substitution-industrialisation strategies within the context of a broader Keynesian framework of demand management as the basis for its post-war boom (Connell 2004; Jones 1989: 42-7). Volatility in international commodity markets from the 1950s is well documented, with studies like Joan Robinson's, of imperfect competition and monopoly, remaining apposite (Robinson 1979). Bob Gregory built upon the work of Ronald Wilson to demonstrate the connection between resource and non-resource sectors mediated by the exchange rate in the Australian economy (Gregory 1974: 71-91; Wilson 1931). Gregory and Wilson figure conspicuously in a larger Australian contribution to international trade theory based loosely around the 'dependent economy' model, renamed the 'Salter-Swan-Corden-Dornbusch' model in 1995 (Corbo and Fisher 1995: 2863).

Richard Auty's various studies of the 'Dutch Disease' phenomenon also provide exhaustive elaborations of the structural mechanisms linking sectoral imbalances and currency appreciation (Auty 1993). Taken together, this ensemble of insights and concepts provides a formidable counternarrative that positions the resource-curse approach in opposition to those who would argue for 21<sup>st</sup> century extractivism and the resource-blessing.

The rich and contested scholarship through which the resource-curse approach has emerged deserves more consideration than this potted history of thought in practice offers. Interlocutors surveyed above are reference points for further critique. Key points to note for the question at hand are as follows. First, the resource-curse approach provides a critical alternative

to mainstream trade and development theory. Second, debates surrounding the notion of a resource curse, particularly in relation to questions of economic development, are bound up in longstanding and ongoing decolonial struggles for self-determination. On this point, it is instructive to consider whether any President of the USA has ever had cause to lament the abundance of oil, arable land, or minerals under their control? Note Donald Trump's Earth Day address in 2017 where he opines 'our nation is blessed with abundant natural resources [...] Americans are rightly grateful for these God-given gifts' (Levine 2017). Third, and most importantly, the principal concern of the resource-curse scholarship is how to manage the gains from extractive industry, rather than whether to engage in it at all, which would thereby reveal the tantalising prospect of a future beyond extractivism.

## **Does Australia have a resource curse?**

Australia is undeniably endowed with abundant so-called natural resources. So called because the extent to which natural resources can be considered 'natural,' or untouched by human labour, has been shown to be problematic at best and deliberately misleading at worst. Bill Gamage's *The Biggest Estate on Earth* (2011) and Bruce Pascoe's *Dark Emu* (2018) have sparked controversy with their claims that what Europeans first confronted on the continent now known as Australia was in fact a carefully curated ecology to which the oldest culture on earth, that of Aboriginal and Torres Strait Islanders, have been custodians for millennia. Binary framings of humanity as against or separate from nature have been critically reappraised in debates spanning the social and physical sciences for decades. New insights generated by emerging fields of political ecology, socialist ecology and ecological Marxism have reinvigorated old lines of inquiry stemming from interlocutors like Frederick Engels' *Dialectics of Nature* (1940 [c. 1878]) through to Richard Levins and Richard Lewontin's *The Dialectical Biologist* (1985). Not yet equipped with the tools to conceptualise these innovations, mainstream economics continues to treat natural resources simply as raw materials dug, pumped or cut from the earth. In more technical terms, the Australian Bureau of Statistics methodology for the national accounts defines natural resources as 'Non-produced non-financial assets consisting of land, mineral and energy resources, native standing timber and radio spectra' (ABS 2021).

While the extent to which these resources are in fact natural is debatable, the term is used consistently in mainstream economics literature and in the systems of accounting for economic data, so the ABS definition is adopted for what follows. Consider Australia's top 3 export items in 2019/20 as examples: iron ore and concentrates with 21.6% of total export revenues, coal accounting for 11.5% and natural gas at 10%. In fact, 13 of the top 25 export items in terms of revenues for 2019/20 are non-produced goods, or natural resources. This amounts to just over 60% of all export revenues in 2019/20 coming from minerals, fuels, agriculture, forestry and fisheries exports, lumped under the banner of natural resources (DFAT 2021: 20-1, 37). It is clear then that not only does Australia have access to an abundance of non-produced resources, but it takes advantage of this abundance through export-oriented primary industry. This export profile makes Australia a prime candidate for both the resource blessing and curse. But how does the other side of the equation – *i.e.*, the social, political-economic and ecological outcomes – stack up?

Economic growth and development are two parameters typically used to assert the resource-curse and resource-blessing arguments. The Australian economy has a remarkable recent record of economic growth lasting some 28 years before a recession in 2020. This record run of sustained growth included the aftermath of the 2008 global financial crisis where many claimed that Australia's resource exports, iron ore in particular, were responsible for cushioning the domestic economy from external shocks radiating from the collapse of the US housing market. Australia ranked 8<sup>th</sup> out of 189 countries on the Human Development Index ranking in 2020 where factors such as life expectancy (83.4), expected years of schooling (22), mean years of schooling (12.7), and Gross National Income per capita measured in Purchasing Power Parity (\$48,085) are considered (UNDP 2020: 361). It appears then that based on sustained GDP growth and economic development, as understood by the United Nations Development Programme, Australia does rather well.

These observations alone are not sufficient, however, to tip the balance one way or the other for a resource curse or blessing. The key is the extent to which, and how exactly, Australia's resource abundance is connected to economic growth and development. Proponents of both the resource-blessing and resource-curse approach for Australia are instructive in this regard.

## Australia's resource blessing?

Australia has long been considered a 'lucky country', particularly by those who subscribe to the resource-blessing view. The phrase was intended as one of reproach by historian Donald Horne whose 1964 book by the same title still prompts commentary today. Horne, according to a recent *Canberra Times* editorial, was critical of 'a lack of enterprise and argued that rather than going down the path of innovation and excellence Australians waxed prosperous on the back of abundant resources, a democratic form of government inherited from the colonising power, and a continuing influx of migrants' (Moloney 2021). A 2020 opinion piece in the *Sydney Morning Herald* riffing off Horne's now infamous expression, this time from an economist, claims the source of 'luck is well known and transformative for our economy – an abundance of natural resources' (Joiner 2020).

This familiar trope features in a 2011 speech by Gary Banks, the then Chair of the Productivity Commission (PC), to its 'Economic and Social Outlook' conference in a panel on 'Managing the growth shock'. Banks, who was Chair of the PC until 2012, before taking up a role as an independent non-executive director of Macquarie Group in 2013-2020, is a Senior Fellow at the Centre for Independent Studies. Persevering in his decades long proselytising of supply-side economics, Banks warned in 2021 that the Morrison/Frydenberg 'sugar hit' budget failed to invest in serious economic reform to boost productivity, meaning every Australian would miss out on a potential \$10,000 a year pay rise, or the equivalent of another mining boom (Kehoe 2021). A decade prior, addressing PC colleagues about the mining boom, Banks outlined an exemplary version of the resource-blessing perspective. In *Australia's mining boom: what's the problem?* Banks claims that labels such as de-industrialisation, the 'Dutch Disease,' and the 'two-speed economy' suggest a policy problem 'requiring government intervention to reverse or dampen the structural adjustments required by the resource boom' (Banks 2011: 2). But, says Banks, we should not lose sight of the fact that these 'economy-wide impacts unambiguously raise our national wealth' and that the 'main effect on other sectors appears to have been to nudge them further in the direction they were already going,' with longer term effects such as the 'relative rise of the services sector and decline of manufacturing and agriculture' being merely the 'manifestation of advanced economic development, observable in all OECD countries' (Banks 2011: 2-6). The real problem confronting

policy makers with respect to the mining boom, Banks claims, are not the associated structural adjustments, that should be 'welcomed as the mechanism by which we are capitalising on our external good fortune,' but rather how to continue with a program of reforms to ensure the adjustments happen smoothly (Banks 2011: 14). Horne's bugbear makes an appearance once again with Banks wryly rebuffing those who claim high levels of foreign ownership in mining vitiate the gains from extractivism by noting Porter's 1984 statement that 'although virtually ignored in much of the discussion, consumption of all goods would increase, as would national expenditure and aggregate welfare; indeed, terms such as 'Dutch Disease' seem to imply that it is a morbid condition rather than a sign of a lucky country' (Banks 2011: 2 citing Porter 1984: 16).

How much longer can this 'luck' last? In the foreword to the 2019 *National Resources Statement*, the then Minister for Resources and Northern Australia, Matt Canavan, claimed 'Australia's resources sector – encompassing mining, oil and gas development, mining services and the people and communities around them – has never been more important to our economic wealth and prosperity than it is today' (Canavan 2019: 3). The report cites the doubling of employment, production and tax revenues during the preceding decade, claiming that the sector continues to underpin Australia's wealth and prosperity. For such an arrangement to continue, Canavan argues, supportive policy is required to aid and maintain growth of the resources sector. The five-pronged goals of the statement revolve around:

- 1) delivering the most globally attractive investment destination for resources projects
- 2) developing new resources, industries and markets
- 3) investing in new technologies and approaches, particularly around delivering better environmental outcomes
- 4) creating well paid and secure jobs
- 5) supporting communities to ensure they receive benefits from the development of Australian resources (Canavan 2019: 3).

The report ends by stating that future success will be measured against whether policy reforms are able to increase exploration investment and success for Tier one resources, develop new resources regions and industries to market, develop long-term research and development

capability in the sector and to promote the reputation of the industry as socially responsible (Canavan 2019: 52). A Tier one resource is referred to by industry consultants as a ‘company making mine’. Such mines are large, have a long life-expectancy and run at low cost – think Broken Hill or Olympic Dam. A Tier one project would be expected to generate \$300-600 million in revenue calculated using long run commodity prices for longer than 20 years and costing about a quarter of the running expenses of the costliest mines. Furthermore, the project would be expected to go ahead irrespective of where in the business cycle or commodity cycle we currently sit (Minex 2021). The vision for Australia’s resource sector articulated by the Federal government appears to be one of optimistic expansion. This sanguine outlook undergirds the resource-blessing perspective in general. Proponents of the resource-curse approach offer cautious pessimism in response.

### **Australia’s resource curse?**

Critical perspectives on the sustainability of the resources sector and the ways its windfalls are managed have been advanced by several scholars in the last decade. Surveying a few choice examples indicates key themes inform dominant lines of critique.

Paul Cleary’s two-part intervention in *Too Much Luck* and *Mine Field* appeared within twelve months from 2011. The books are complementary. Their message is sharp and can be glimpsed in two quotes. Cleary declares, in *Too Much Luck*, that ‘unless we manage this extraordinary boom more effectively, our good fortune will *curse* future generations’ (Cleary 2011: xi). The best way to dodge the resource curse in Australia, says Cleary, is through a sovereign wealth fund (SWF) to stabilise otherwise volatile cycles in commodity prices and demand conditions for minerals. Whereas in *Mine Field*, Cleary focuses on the social costs of mining, seeking ‘solutions to better manage the once-only development of our resources for the benefit of all parts of society and our economy, and for the benefit of future generations of Australians’ (Cleary 2012: xii). The problem, Cleary alleges, is regulatory capture and the solution is a ‘well-resourced federal “super regulator” to be run jointly with the states’ (Cleary 2012: xi). Cleary’s case across both books is compelling in its charge that Australia suffers the resource curse, with all its concomitant social

problems, and that a suite of legislative reforms is required to counteract the adverse effects of resource-driven economic development.

Guy Pearce coins the term 'quarry vision' to describe the lunacy of expanding an export-oriented coal industry amidst the climate crisis (Pearse 2009: 94-5). Quarry vision, Pearce asserts, 'blinds us to history and its biggest lesson: nations squander the proceeds of booms with monotonous regularity' (Pearse 2009: 16). Pearce maintains Australian governments might well acknowledge that 'an abundance of resources has come to be seen by many economists as a guarantee of macro-economic volatility, even as a curse rather than a blessing' (Pearse 2009: 16).

James Goodman and David Worth go furthest in questioning the celebratory optimism around the recent mining boom. Their 2008 study is a sobering examination of three curses driven by the mining boom aligned with three contradictions inherent to the capitalist mode of production: the capital-labour contradiction; the capital-capital contradiction; and the capital-nature contradiction (Goodman and Worth 2008: 201-2).

While this last line of inquiry is useful for identifying social problems linked to resource-driven economic development, it is limited to questions of how best to manage extractivism rather than doing away with it altogether. To put it another way, the resource-curse approach helps illustrate what is going on without offering much by way of explaining why, thereby framing extractivism as a moral conundrum rather than one way among many that the state apparatus in capitalism facilitates the imperatives of capital accumulation. The social dynamics that drive resource-dependent economic development and the social structures that compel or obstruct policy reform are confounded when the issues are framed according to a resource-curse/resource-blessing binary. The recommendations obtained from these studies need to be strengthened by critically engaging the mainstream conceptions of rent, economic development, production and consumption at the very root of the problem. Extant scholarship explains in a limited way *what* is wrong and speculates about *how* to remedy the situation. More work is needed on *why* these problems exist at all if we are to build a future where they do not.

Over a decade has elapsed since these critical voices were raised in response to the end of the construction phase of the mid-2000s minerals boom. Even as links between extractivism and climate crisis are solidified, much of the state apparatus in Australia seems intent on continuing to promote the intensive exploitation of its 'natural resources'. So long as this

seemingly entrenched enthusiasm for the expansion of extractive industry in Australia continues, the lines of inquiry set down by Pearse, Cleary, Goodman, Worth and others need to be taken further. Extractivism not only remains on the agenda for both State and Federal governments in Australia, it informs the economic plan for recovery from the pandemic recession. The proposed ‘gas-led recovery’ from the COVID recession, for example, indicates a commitment to expanding extractive industry to stimulate economic growth. A leaked report from May 2020 by a manufacturing taskforce advising the now decommissioned National Covid-19 Coordination Commission (NCCC) recommends the Federal government ‘create the market’ for gas and build fossil fuel infrastructure intended to operate for decades to come (Morton 2020). Prime Minister Scott Morrison went on to state on the 15<sup>th</sup> of September 2020, that ‘to help fire our economic recovery, the next plank in our JobMaker plan is to deliver more Australian gas where it is needed at an internationally competitive price’, indicating the advice was well received (Morrison 2020). The ALPs promise of 43% emissions cut by 2030, adopting recommendations from the Business Council of Australia on safeguards for existing facilities (DeLorenzo 2021), indicates that neither Labor or the Coalition intends to take the advice of the Greens that the fire cannot be put out while pouring petrol, or liquified natural gas, on it (Slezak 2022).

## **Alternatives to the resource curse/blessing approach**

The discussion up to now has considered the merits and limitations of the  $E_{RB/RC}$  nexus. There is no denying that debates over how to manage the gains from extractive industry in Australia are important. The resource-curse approach is uniquely placed to consider the complexities of the social, political economic and ecological consequences of managing non-renewable resource extraction. This strength, however, is precisely why the resource-curse framework is inadequate for the task of transcending extractivism amid the climate crisis. It is no longer tenable, if ever it was, to merely manage extractivism, even if its gains can be distributed more equitably and care is taken to acquire permission from stakeholders. Australia was awarded the ‘accolade’ at COP26 for being the world’s largest emitter per capita of greenhouse gases from coal-fired electricity generation, almost doubling China’s per capita level (Morton 2021). While the resource-curse approach, particularly those of the Goodman and Worth

variety, spotlights the social and ecological consequences of extractivism that the resource-blessing crew omit or massage with their economic focus, both are primarily concerned with managing the consequences of extractive industry rather than addressing the imperatives driving it.

Transcending extractivism requires a framework of analysis capable of tackling this limitation. A suitable candidate is the Systems of Provision (SoP) approach to political economy. The SoP approach was developed in the 1990s to address perceived limitations of consumption studies across the social sciences. Three decades of debate and application has generated considerable scholarship on the subject which is neatly sketched in the 2021 *A Guide to the Systems of Provision Approach* by Kate Bayliss and Ben Fine. Those seeking comprehensive treatment are encouraged to consult the Bayliss and Fine work as only very basic elements of the SoP framework are elaborated here for the purposes of sketching contours of future study. The SoP approach allows consumption and production to be conceived in their integral unity through the movement of commodities in time and space. The key reason the SoP framework can go beyond the resource-curse/resource-blessing approach in challenging extractivism is because consumption, as conceived in the SoP framework, stands above extractivism – *i.e.*, extractive activities conducted under capitalist conditions – in abstract terms. People will go on consuming in a world without extractivism. The same cannot be said with any certainty of a world where extractivism continues, even if it is under the guise of a resource blessing. Or, to put it in more technical terms, the notion of an 'economy' is given in the static sectoral analysis of the resource-curse/resource-blessing approach. The imperatives shaping forms of extractivism are conceived as immutable structural processes through which this 'economy' exists. Extractivism is the pivot under which oscillates the pendulum of resource management swinging from blessing to curse. The SoP approach, in contrast, generates its notion of a socially embedded economy through a dynamic integration of production and consumption viewed from the perspective of a commodity in motion. Extractivism is therefore a point of departure for an evolving analytical frame where outcomes are contingent. The locus of potential outcomes revolves around the commodity group itself instead of stylised notions of an 'economy' riven with assumed imperatives shaping forms of industry. A SoP analysis of energy, for example, must obviously begin from extractivism, but it does not necessarily end there, as it must with the resource-curse/resource-blessing approach.

A SoP takes the perspective of a commodity tethered to a specific time and place. Consumption of specific commodities are conceived as components of integrated vertical systems of production, distribution, exchange and disposal, as well as to horizontal socio-economic variables like gender, income and ethnicity (Bayliss and Fine 2021: 2). The picture of integrated vertical systems and horizontal socio-economic variables is then built by elaborating the specifics in time and place of the following categories: agents/agencies, structures, processes, relations, material cultures. The rationale for investigating SoPs through these five categories is ‘to ensure that both sufficiently holistic a view can be taken and that this can allow for specific SoPs to be addressed and set in context’ (Bayliss and Fine 2021: 41). Importantly, for the purposes of an alternative to the resource-curse approach, a ‘SoP, then, might initially appear to be reducible to a simple matter of more or less structured supply and demand within a particular sector but, as soon as we begin to investigate what is provided, how and to whom, and with what meanings to its participants, it becomes a matter of unravelling a whole series of complex but interconnected issues’ (Bayliss and Fine 2021: 41). Table 1 spotlights some of these issues as they relate to SoPs for food and energy in Australia today.

**Table 1: Systems of Provision (SoP) – Food and Energy**

	<b>Description</b>	<b>Food</b>	<b>Energy</b>
<b>Agents/Agencies</b>	<b>Who?</b> Participants in the provisioning system. Consumers, producers and all in between.	Farming businesses, state and federal governments, landholders, indigenous landowners, retail and agricultural workers, advertising firms, retail firms, logistics firms and workers.	Mining firms, climate activists, state and federal governments, indigenous landowners, landholders, mineral exploration firms, minerals Council of Australia, BCA, CFMMEU.

<p><b>Structures</b></p>	<p><b>What?</b> Historically and socially specific forms of provisioning that are evolving. Agents operate within these structures that include organisational, institutional, social, formal and informal forms.</p>	<p>Global agribusiness, Australian resources sector, export-oriented agricultural sector, state regulation, federal regulation, WTO (Trims, Trips and GATT).</p>	<p>Global minerals industry, export-oriented energy sector, IGOs, NGOs.</p>
<p><b>Processes</b></p>	<p><b>How?</b> The structured sequence of activities carried out by agents operating within evolving structures. Processes can be understood in both systemic and abstract terms – <i>e.g.</i>, globalisation, privatisation – as well as specific activities – <i>e.g.</i>, labour process, advertising.</p>	<p>Globalisation, seasonal labour processes, financialisation of land, public health campaigns.</p>	<p>Globalisation, neoliberalism, financialisation, climate change.</p>

<b>Relations</b>	SoPs are constituted by and, in turn, constitute and reproduce relations of class, gender, race etc., contingent upon who exercises power, how, with what purpose, open to contestation and conflict.	Race, gender and class, land rights struggles for ATSI people, state and federal governments, competition between firms in agriculture, determination of wages and conditions for farm workers.	Race, gender and class, land rights struggles for ATSI people, state and federal governments, competition between firms in mining, determination of wages and conditions for mining workers, renewable energy access for low-income countries.
<b>Material cultures</b>	Integral relation between SoPs and cultures attached to it which give different meanings to provisioning for those involved.	Nationalism bound up in buy Australian campaigns, food security concerns, regional culinary cultures, public health education amid increasing obesity/overweight trends.	Apparent distinctions between regions and cities, generational opinions on extractivism amid climate crisis.

One issue vital to the analysis of extractivism in Australia is the historical evolution of landed property. The question of who owns and controls land in Australia has a direct bearing on any investigation of extractivism but is largely underdeveloped in extant scholarship on the subject. For this reason, the critique of extractivism in Australia requires the SoP approach be developed in conjunction with a spatio-temporally specific notion of capitalist landed property.

The term capitalist landed property (CLP) is used to distinguish it from the notion of landed property in capitalism (LPiC). The debates around the treatment of landed property in the history of economic thought, particularly on questions of rent, are canvassed in more detail elsewhere

(Collins 2017; Collins 2022) but the key difference for the current study relates to how the LPiC approach is concerned with the fact that land is owned in capitalism whereas the notion of CLP goes further by considering the implications of *how exactly* land is owned. The distinction matters because the logical conclusion of the LPiC approach is to change who owns the land or to redistribute gains from extractive industry to compensate owners. LPiC, in effect, parachutes an abstract notion of land ownership into capitalism, without accounting for the specificities of the historical evolution of landed property in any given context. Asking how land is owned through the concept of CLP, however, in specific places and times brings to the fore questions of social power among stakeholders and allows for seemingly paradoxical outcomes to be explained. For example, situating the resource-curse and resource-blessing arguments for Australia in the context of a tax and transfer system where mining firms are simultaneously paying royalties to the states while in receipt of government subsidies to minimise production costs shows that the resource curse and blessing give rise to one another rather than cancelling each other out. The 1974 Fitzgerald report on *The Contribution of the Minerals Industry to Australian Welfare* and the 2009 final report of the Henry review on *Australia's Future Tax System* show this in forensic detail across two mining booms.

The critique of extractivism in Australia therefore requires a SoP analysis that includes a specific theory of CLP rather than of LPiC. Such an undertaking requires further elaboration, but the brief discussion here sketches fundamentals of how the SoP-CLP framework offers an alternative to the  $E_{RB/RC}$  nexus. The discussion now turns to two actually-existing systems transitions in Australia: food and energy.

### **Energy transition?**

The *Queensland Climate Transition Strategy* states that transition 'refers to shifts in the Queensland economy in response to the way the global economy is changing, and will continue to change, in response to an increasingly carbon constrained environment' (Miles 2020: 5). A green hydrogen industry based in and around Gladstone is identified as one opportunity for energy transition. Regenerative agriculture throughout the Fitzroy Basin purports to lay the foundations for large-scale sustainable agriculture and the beginnings of transition in food provision.

Trade and Investment Queensland (TIQ) compiled its *Queensland Hydrogen Prospectus* in March 2020, page 5 of which is headed 'Queensland's competitive advantage'. An export-oriented hydrogen industry, according to this document, could be created and expanded by the Queensland government offering the following:

1. Stable government
2. Australia's lowest payroll tax rate
3. Competitive labour costs
4. Low cost of living
5. Sophisticated transport and communication infrastructure
6. Highly skilled labour
7. Streamlined development approvals and project facilitation processes
8. A strong private investment sector

Queensland, the report goes on to say, 'has the potential to produce and export renewable hydrogen using our natural resources, creating a new wave of high-value, innovation-focused jobs in the process (TIQ 2020).

Green hydrogen is made using renewable energy sources, whereas blue hydrogen is created using gas and brown hydrogen uses coal. Green hydrogen is produced through a process of electrolysis, whereby water is split into its component parts, oxygen and hydrogen, using significant amounts of electricity. After this initial process, hydrogen can be stored and transported to be used as a clean renewable energy source. The problem is how to generate the electricity required to produce hydrogen at scale. The Morrison Coalition government indicated a firm commitment to promoting blue and brown hydrogen. The Hydrogen Energy Supply Chain (HESC) project is a consortium of Japanese and Australian interests that spent almost \$500 million, including \$50 million of federal government money and \$50 million of Victorian government money, to build a pilot plant in the La Trobe valley (Secombe 2019). The pilot runs out of AGL's Loy Yang complex, using brown coal to produce hydrogen through a gasification and gas-refining process. Once into the commercial phase, carbon dioxide will be captured and stored in a process known as carbon capture and storage (CCS) (HESC 2021). During the pilot years of

2020 and 2021, carbon offset credits have been purchased to mitigate emissions from the pilot. The goal from the pilot would be to produce 3 tonnes of hydrogen by using 160 tonnes of brown coal and emitting 100 tonnes of carbon dioxide during 1 year of operation (Seccombe 2019).

A green hydrogen project is under construction in the Gladstone region of Queensland which is set to deliver 3 gigawatts of capacity using electrolysis and renewable energy. The plant is a joint venture between the state-owned electricity generator Stanwell and the Japan-based Iwatani Corporation. The facility will be export-oriented, creating about 5,000 jobs for people in regional Queensland and is expected to generate around \$4.2 billion in hydrogen exports including \$10 billion for the Queensland economy. The Aldoga plant will be located near the proposed Central Queensland Renewable Energy Zone where the 5000 MW required to power the plant will be produced (Vorath 2021).

### **Food transition?**

Regenerative agriculture means farming that is both sustainable and productive (Dent and Boincean 2021: x). Specifically, there is an emphasis on promoting and rebuilding soil ecology without the use of chemical inputs. The term is bound up in a burgeoning scholarship on alternative approaches to managing food systems. Far from the ivory towers of academia, a group of 24 landholders in central Queensland have created a peer-to-peer (P2P) network for generating and disseminating regenerative farming practice. The group is a 'mentoring program' of sorts involving the not-for-profit Fitzroy Basin Association (FBA) and consultancy firm RegenAg. The FBA and RegenAg are part of an emerging division of labour in the regenerative agriculture industry. The term sustainable agriculture is also used in the literature, but it relates more specifically to either modifying and improving the efficiency of agriculture or promoting certified organic, local and related systems of agriculture (Johnson 2006). State-adjacent not-for-profits like FBA tap government grant schemes to fund their activities, promoting what industry players deem best practice.

The central Queensland P2P network formed after a 2018 Regen Ag biofertilizer workshop delivered with funding from the Federal government's National Landcare Program. Ongoing funding from the Queensland government's Reef Water Quality program keeps the P2P network active. RegenAg remains involved and is part of a growing market

of consultancy firms offering advice and management capacity for landholders looking to break into the lucrative markets of organic and sustainably produced food goods.

There are other initiatives like the CQ P2P network in Queensland and throughout Australia. McCarthy and Schurmann's 2015 study of barriers to adoption of sustainable horticulture methods in northern Queensland found that resistance to innovation derived in large part from technology and costs associated with chemical-free farming, lack of information and support for engaging the organic accreditation system and the fear of losing competitive advantage if information was shared (2015: 15). Other studies of barriers to adopting sustainable farming practices in Australia and Europe have borne out similar findings. The association of 'good farming' with 'high yields and tidy fields' *i.e.*, lack of weeds, is one commonly cited point of resistance to adopting chemical-free methods (Sutherland and Darnhofer 2012).

Another prominent theme is the cost-price squeeze, wherein the potential for reducing inputs relative to yield compels farmers to adopt low-input methods (Sutherland 2011). The food transition is therefore driven by an imperative to expand production, minimise inputs and maintain profitability within volatile commodity markets and intensified competitive pressures owing to highly concentrated industry structures for technology and intellectual property.

Table 2 offers a very brief sketch of what a SoP-CLP analysis of what food and energy transitions in Australia might look like. Further elaboration and investigation is clearly required. The purpose of this short exercise is to demonstrate how the pioneering resource-curse studies might be built upon to go beyond the management of extractivism and toward transcending it altogether. At the very least, the discussion of food and energy SoPs here shows just how difficult it will be to challenge an extractivism that is globally integrated, locally entrenched and is given meaning through complex material structures and processes manifesting concretely in the lives of people today.

**Table 2: Food and Energy SoP Intersections**

SoP	Vertical systems			
	Production	Distribution	Exchange	Disposal
<b>Food</b>	Higher production costs associated with low-input methods	Supply chain issues for transporting perishables without chemical inputs	Higher prices of certified organic/sustainable products less competitive against cheaper alternatives, especially with high inflation	Lack of infrastructure for organic waste management in agricultural regions
<b>Energy</b>	Incomes for workers in coal communities	Spatial inequalities in access to grid/in situ renewables like solar	Access markets for 'green' energy	Lack of recycling infrastructure for renewables like solar

## Conclusion

This article has challenged calls for reversing the resource curse in Australia, citing the notion of the resource curse itself as an obstacle to the goal of transcending extractivism amid the climate crisis. The  $E_{RB/RC}$  nexus, wherein the best possible outcome is to manage the gains from extractivism equitably and with a view to scale down some mining activities, is considered to be severely limiting in the context of the pressing need, outlined by the latest IPCC report, for mitigation and adaptation strategies to address global warming. The SoP-CLP approach might provide a superior framework of analysis because, unlike the resource-curse approach, the organisation of production and consumption in extractive industry can be examined critically rather than reproduced, albeit in modified form, as the basis for a redistribution of mining revenues. Perhaps most importantly, the notion of CLP allows the investigation of extractivism in Australia to consider how the historical evolution of specific forms of land ownership and control sustain, or represent opportunities for transcending, the durability of extractivism in the 21st century.

*Joe Collins is a Lecturer in the Department of Political Economy at the University of Sydney.*

*joe.collins@sydney.edu.au*

## References

- ABS (2021) 'Glossary,' *Australian System of National Accounts Methodology*, accessed 18 May 2022, <https://www.abs.gov.au/methodologies/australian-system-national-accounts-methodology/2019-20#glossary>.
- Banks, G. (2011) *Australia's Mining Boom: what's the problem?* Accessed 20 May 2022, <https://www.pc.gov.au/news-media/speeches/mining-boom-what-problem>.
- Bayliss, K. and B. Fine (2021) *A guide to the systems of provision approach: who gets what and why?* Cham: Springer.
- Boos, A. and K. Holm-Müller (2016) 'The Zambian Resource Curse and its Influence on Genuine Savings as an Indicator for "weak" Sustainable Development', *Environment, Development and Sustainability*, 18: 881-919.
- Canavan, M. (2019) 'Foreword,' *Australia's National Resources Statement*, accessed 15 May 2022, <https://www.industry.gov.au/data-and-publications/australias-national-resources-statement/foreword>.
- Chung, L. and M. Foley (2022) 'Labor digs in on support for coal to negate damaging climate debate,' *Sydney Morning Herald*, accessed 20 May 2022, <https://www.smh.com.au/politics/federal/labor-digs-in-on-support-for-coal-to-negate-damaging-climate-debate-20220418-p5ae8h.html>.
- Cleary, P. (2011) *Too much luck: the mining boom and Australia's future*, Collingwood VIC: Black Inc.
- Cleary, P. (2012) *Mine Field: the dark side of Australia's resources rush*, Collingwood VIC: Black Inc.
- Collins, J. (2017) 'Towards a socially significant theory of rent,' *Geography Research Forum*, 37: 148-65.
- Collins, J. (2022) *Rent*, Cambridge: Polity.
- Davis, G.A. and J.E. Tilton (2005) 'The resource curse,' *The Natural Resources Forum*, 29: 233-42.
- Dell, M. (2004) 'The Devil's Excrement', *Harvard International Review*, 26(3): 38-41.
- DeLorenzo, L. (2021) Labor's plan to cut emissions by 43 per cent,' *Energy Magazine*, accessed 20 May 2022, <https://www.energymagazine.com.au/labors-plan-to-cut-emissions-by-43-per-cent/>.
- DFAT (2021) *Trade and Investment at a Glance*, accessed 14 May 2022, <https://www.dfat.gov.au/sites/default/files/trade-and-investment-glance-2021.pdf>.
- Engels, F. (1940 [c. 1878]) *Dialectics of Nature*, New York: International Publishers.

- Fitzgerald, T.M. (1974) *The contribution of the mineral industry to Australian welfare*, Canberra: AGPS.
- Gammage, B. (2011) *The biggest estate on earth: how Aborigines made Australia*, Crows Nest NSW: Allen & Unwin.
- Goodman, J., and D. Worth (2008) 'The minerals boom and Australia's "resource curse",' *Journal of Australian Political Economy*, 61: 201-19.
- Gregory, R.G. (1974) 'Some implications of the growth of the mineral sector,' *Australian Journal of Agricultural Economics*, 20: 71-91.
- Griffith, H. (2019) '2019 Australia Election: Liberal-National coalition secures majority', *BBC News, World – Australia*, accessed 18 May 2020, <https://www.bbc.com/news/world-australia-48331125>.
- HESC (2021) 'About HESC', *HESC*, accessed 23 June 2021, <https://hydrogenenergysupplychain.com/about-hesc/>.
- Henry, K. (2010) *Australia's Future Tax System: report to the Treasurer*, Canberra: AGPS.
- IPCC (2022) *Climate Change 2022: Impacts, Adaptation, and Vulnerability*, 'Contribution of Working Group II to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change,' [H.-O. Pörtner, D.C. Roberts, M. Tignor, E.S. Poloczanska, K. Mintenbeck, A. Alegría, M. Craig, S. Langsdorf, S. Lösschke, V. Möller, A. Okem, B. Rama (eds.)], accessed 30 May 2022, [https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC\\_AR6\\_WGII\\_FinalDraft\\_FullReport.pdf](https://www.ipcc.ch/report/ar6/wg2/downloads/report/IPCC_AR6_WGII_FinalDraft_FullReport.pdf).
- Joiner, A. (2020) 'Australia still a lucky country but we also have to make our own', *Sydney Morning Herald*, accessed 20 June 2021, <https://www.smh.com.au/money/super-and-retirement/australia-still-a-lucky-country-but-we-also-have-to-make-our-own-20200616-p55321.html>.
- Johnson, R.B. (2006) 'Sustainable agriculture: competing visions and policy avenues', *International Journal of Sustainable Development & World Ecology*, 13: 469-80.
- Kehoe, J. (2021) "'Sugar hit" budget could cost everyone \$10,000 a year,' *Australian Financial Review*, accessed 12 May 2022, <https://www.afr.com/policy/economy/sugar-hit-budget-could-cost-australians-10-000-a-year-20210602-p57xdd>.
- Levine, S. (2017) 'Donald Trump's Earth Day Statement is Shameful', *Huffington Post*, accessed 16 July 2021, [https://www.huffingtonpost.com/entry/donald-trump-earth-day\\_n\\_58fb9b9ee4b06b9cb91759d6](https://www.huffingtonpost.com/entry/donald-trump-earth-day_n_58fb9b9ee4b06b9cb91759d6).
- Martin, S. and B. Smee (2019) 'Australian Election: Queensland drives a stake through Labor's hopes', *The Guardian: Australian Edition*, 18 May 2019, accessed 15 April 2021, <https://www.theguardian.com/australia-news/2019/may/18/australian-election-queensland-labor-hopes>.
- McCarthy, B. and A. Schurmann (2015) 'Sustainable horticulture in North Queensland: resistance to the adoption of innovations?', *Journal of New Business Ideas and Trends*, 13(2): 15-38.
- Miles, S. (2020) 'Pathways to a clean growth economy', *Queensland Climate Transition Strategy*, accessed 15 April 2021,

[https://www.qld.gov.au/\\_\\_data/assets/pdf\\_file/0026/67283/qld-climate-transition-strategy.pdf](https://www.qld.gov.au/__data/assets/pdf_file/0026/67283/qld-climate-transition-strategy.pdf).

Minex (2021) 'Definitions,' accessed 20 May 2022,

<https://minexconsulting.com/definitions/tiers/>.

Moloney, J. (2021) 'Australia truly is the lucky country', *Canberra Times*, accessed 20 June 2021, <https://www.canberratimes.com.au/story/7099286/mature-debate-awaits-a-lucky-country/>.

Morrison, S. (2020) 'Gas-fired recovery', *Media Release*, 15 September 2020, accessed 14 April 2021, <https://www.pm.gov.au/media/gas-fired-recovery>.

Morton, A. (2020) 'Leaked Covid-19 Commission report calls for Australian taxpayers to underwrite gas industry expansion', *The Guardian: Australian Edition*, accessed 14 April 2021, <https://www.theguardian.com/environment/2020/may/21/leaked-covid-19-commission-report-calls-for-australian-taxpayers-to-underwrite-gas-industry-expansion>.

Murphy, K. (2019) 'Labor lost the unlosable election – now it's up to Morrison to tell Australia his plan', *The Guardian: Australian Edition*, 19 May 2019, accessed 15 April 2020, <https://www.theguardian.com/australia-news/2019/may/19/labor-unloseable-election-morrison-australia-plan>.

Murphy, K. and S. Martin (2019) 'Scott Morrison credits "quiet Australians" for "miracle" election victory', *The Guardian: Australian Edition*, accessed 23 June 2021, <https://www.theguardian.com/australia-news/2019/may/19/scott-morrison-credits-the-quiet-australians-for-miracle-election-victory>.

Murray, P. (2022) 'Coal will be around for "decades to come": Scott Morrison,' *Sky News Australia*, 14 March 2022, accessed 25 April 2022, <https://www.skynews.com.au/opinion/paul-murray/coal-will-be-around-for-decades-to-come-scott-morrison/video/28244e1e7fe86b5191dd8ae6549ffe10>.

Pascoe, B. (2018) *Dark Emu: Aboriginal Australia and the birth of agriculture*, London: Scribe.

Pearse, G. (2009) 'Quarry vision: coal, climate change and the end of the resources boom,' *Quarterly Essay*, 33: 1-22.

Porter, M.G. (1984) 'Mining and the economy – some key issues,' in Cook, L.H. and M.G. Porter (eds.), *The Minerals Sector and the Australian Economy*, Sydney: George Allen & Unwin.

Prebisch, R. (1950) 'The economic development of Latin America and its principal problems,' *Economic Bulletin for Latin America*, 7: 1-12.

Rimmer, S.H. and E. Stephenson (2020) 'Remember Quexit? 5 reasons you should not take your eyes off the Queensland election', *The Conversation*, 9 October 2020, <https://theconversation.com/remember-quexit-5-reasons-you-should-not-take-your-eyes-off-the-queensland-election-146926>.

Ross, M. (1999) 'The political economy of the resource curse', *World Politics*, 51(2): 297-322.

Secombe, M. (2019) 'Hydrogen strategy backs dirty coal', *The Saturday Paper*, November 30-December 6 2019, accessed 15 April 2021,

<https://www.thesaturdaypaper.com.au/news/politics/2019/11/30/hydrogen-strategy-backs-dirty-coal/15750324009156>.

Secombe, M. (2022) 'The Adam Bandt interview: what the Greens are promising,' *The Saturday Paper*, May 7-13 2022, accessed 20 May 2022, <https://www.thesaturdaypaper.com.au/news/politics/2022/05/07/the-adam-bandt-interview-what-the-greens-are-promising/165184560013837#hrd>.

Singer, H.W. (1950) 'The distribution of gains between investing and borrowing countries,' *American Economic Review*, 40: 473-85.

Slezak, M. 'Federal election 2022: Labor and the Coalition climate change policies both breach the Paris Agreement. So what does the science say?,' *ABC News*, 18 May 2022, accessed 19 May 2022, <https://www.abc.net.au/news/2022-05-18/federal-election-climate-change-policy-labor-liberal-greens/101074924>.

Stevens, P. (2003) 'Resource impact: curse or blessing? A literature review,' *Journal of Energy Literature*, 9(1): 1-33.

Sutherland, L. (2011) 'Effectively organic: environmental gains on conventional farms through the market?', *Land Use Policy*, 28: 232-40.

Sutherland, L. and I. Darnhofer (2012) 'Of organic farmers and "good farmers": changing habitus in rural England', *Journal of Rural Studies*, 28: 232-40.

TIQ (2020) *Queensland Hydrogen Prospectus*, accessed 20 May 2022, <https://www.tiq.qld.gov.au/international-business/invest-in-queensland/prospectus>

UNDP (2020) 'The next frontier: human development and the Anthropocene,' *Human Development Report 2020*, accessed 12 May 2022, <https://hdr.undp.org/sites/default/files/hdr2020.pdf>.

Vorath, S. (2021) 'Queensland secures land for massive 3GW renewable hydrogen project', *Renew Economy*, 8 June 2021, accessed 20 June 2021, <https://reneweconomy.com.au/queensland-secures-land-for-massive-3gw-renewable-hydrogen-project/>.

Weller, P. and J. Cutt (1976), *Treasury Control in Australia*, Sydney: Ian Novak.



# **A RESOURCE REBELLION: AVOIDING A POLITICAL RESOURCE CURSE DURING THE GOLD RUSH**

**Martin Emmet O'Donnell**

In the last decade, political economy theorists have reinvigorated the resource curse thesis by supplementing the work of mainstream economists. This literature has become known as the political resource curse and has as its focus the often detrimental interplay of resource booms and political institutions. Victoria, which forged its democracy upon a gilded crucible, the gold rush, presents a unique puzzle for this literature. By re-examining Victoria's early democratic advancements through the prism of the political resource curse, this article concludes that ideational as well as material causal mechanisms, when underpinned by energetic political and economic contention, can be crucial in alleviating the worst impulses of a political resource curse.

As the gold rush collided with a previous resource boom, pastoral land, a wave of gold-rush immigration sparked both economic and political contention. Such contention helped to alleviate the worst impulses embedded within a resource curse. Material causal mechanisms – in particular, the management and composition of alluvial gold – sparked economic contention, laying the foundation for emboldened immigrants to voice their demands. Chartism armed social forces with a coherent rhetoric that shaped the character of Victorian political contention; when a constituency has both the ability and the interest to demand better institutions, ideas can equip a citizenry with a cohesive framework to advance their political contention, helping to mitigate the institutional deterioration that can result from resource booms. The theoretical

**O'Donnell, M.E. (2022)**

**'A resource rebellion: Avoiding a political resource curse during the gold rush'**

*Journal of Australian Political Economy*  
**No. 89, pp. 32-50.**

implications of this observation call for the political resource curse literature to better appreciate the interplay of ideas upon a resource curse.

## Methodology

This article has both economic and political contention as its focus. The first factor, economic contention, has as its foundation the material world as a causal factor. The second, political contention, has as its foundation ideas as causal factors. At the centre of this article is the political resource curse: which by its very nature rests upon the notion that material factors act as prime causal elements. In examining economic contention, this article will draw upon the vast and well-established literature that looks to material factors as underpinning social change and individual incentives. However, in mapping out an argument for political contention the article must address ideational causal elements as a factor for change.

The gold rush in Victoria is a period of changing material and ideational factors smashing their way through a kinetic period of history. Materially, it is a clash of two distinct economic resource shocks (pastoral land and alluvial gold fields). Politically, Australia saw its population triple in a mere decade. These immigrants hauled new ideas to Australia's shores and the proceeding ideational diffusion was brisk. Ultimately, the economic and political contention, the material and ideational factors, are intimately connected, consummated by facts of time and place. One does not exist - nor does one remain the same - without the other.

Process tracing, as a case study methodology, allows one to uncover ideational causal mechanisms that exist between historically documented independent and dependent variables. It seeks to avoid temporal sequencing or pattern tracing from X to Y; its efforts are more ambitious: to map the causal mechanism that exists (transient and veiled) between X and Y. This article will employ Beach and Pedersen's (2013) process tracing methodology that focuses on explaining outcomes. Such a technique allows one to make within-case determinations as to the presence of ideational causal mechanisms. Furthermore, this article will draw upon Sheri Berman's (2001) three stage proposal for determining the impact of ideational theory in social change. First, one must determine why one particular idea *rose to prominence*. Second, one must map the ideas' ability to *maintain longevity or significance*. Third, one must address the degree of *influence* of the idea. This methodology - an amalgamation

of explaining-outcome process-tracing and Berman's three stage ideational framework – will be applied to a single ideational causal mechanism: Chartism.

## **Early Australian economic and political development**

The reasons for the British colonisation of Australia are hotly debated, ranging from military and economic imperatives after the loss of the American colonies, to domestic economic and population concerns (Fletcher 1976: 17-21). Whether the forced emigration of convicts was the impetus or not, once the decision to colonise Australia had been made, it is clear that convicts were carefully selected in accordance with the needs of an infant settlement. By and large, the convicts were of a high calibre, mostly skilled and evenly divided into distinct areas of expertise; furthermore, they had been sentenced to a minimum of seven year terms - a suitable time frame for colonial development (Meredith and Oxley 2005). Non-convict immigrants were not a significant contributing factor in the economy until the 1820s (McLean 2013: 45). The UK military administered a virtual command-economy structure over the fledgling settlement, and the skilled convicts were a perfect source of cheap labour. Between 1788 and 1866 (when convict transportation to Australia ended), a total of 139,000 men and 26,000 women were transported to Australian shores to serve various criminal sentences (Tuffin 2013: 1-12). Not only did the convicts possess many skills appropriate to the construction of a colony, but the colony's workforce participation rate was maximised due to its gender, age, and physical condition (McLean 2013: 45). The colony was freed from the responsibilities of care of children and the elderly. Healthy, young, skilled men made up the core of the colony, and they were put to work the moment they landed (McLean 2013: 46). The colony was bolstered with generous financial subsidies from the UK to fund imports (Steven 2000: 49). In order to self-finance its growth the colony embarked on a 'search for a staple'; an item that could be exported cheaply, efficiently, and in large volumes to foreign markets (McLean 2013: 50).

Australia soon found its staple: wool. In the early 1820s, large grasslands were colonised in the central-west of the New South Wales colony; the appropriation of this fertile land heralded Australia's first resource boom (Fletcher 1976: 118). The underlying factor endowments of the settlement matured from being a labour-, capital- and land-scarce settlement to

labour- and capital-scarce but land-abundant (McLean 2013: 59). With land effectively priced at zero a ‘squattocracy’ prospered. Capital inputs were virtually non-existent, excepting the sheep, which themselves reproduced. Squatters drew heavily on convict labour, depressing initial wages (Steven 2000: 48). Wool – as a light, non-perishable, high value good – was a cost-efficient option for transportation from land to port (without the need for capital investment in costly roads or train tracks) (McLean 2013: 61). It required few peripheral industries; the wool was unprocessed, packed into bales, and exported as such. Under such conditions wool became the primary export for Australia over 130 years (1820s to the 1950s [excluding the primacy of gold in the 1850s/60s]) (McLean 2013: 58).

Squatters, who controlled the land, and drew heavily from indentured labour, dominated the colonial economy, and consequently, sought to dominate its nascent political structures. Squatters became incentivised to work together resulting in group enforcement in matters of boundary contestation and political arbitration (Alston *et al.* 2012). A cohesive and powerful political block developed. In 1823, a Legislative Council was created in New South Wales consisting of seven appointed members; in 1842, the Council expanded to 12 nominated and 24 elected members (with suffrage extended to voters meeting certain property-qualifications) (McLean 2013: 63-4). Half of the members of the first three Legislative Councils ‘were shareholders of the Australian Agricultural Company’ (Normington-Rawling 1963: 13). More importantly, rural areas secured three-quarters of the members whilst the burgeoning towns were left with only a quarter (the inverse of their population differences). In 1850, Australian Legislative Councils were required by the British Parliament to be ‘one-third nominated and two-thirds elected’, however, in constructing the first constitution, squatters sought provisions such as ‘a nominated upper house, the perpetuation of unequal electorates, and a restricted franchise favouring property owners’ (McLean 2013: 64). In both form and content, through property and rural franchises, squatters entrenched their political dominance (Fletcher 1976: 148).

The squatter’s distortion of political institutions extended beyond the houses of parliament. Squatters in Australia violently displaced the Indigenous population and illegally secured their claims. Heavily armed police, who took their orders from pastoralist-dominated magistrates, were tasked with ‘overcoming Aboriginal resistance to dispossession’ (McCulloch 1999). Their goal was to protect squatters and open up new

land. Victorian police forces continued to protect squatter interests (at the expense of Aboriginal communities, small farmers, labourers and independent miners) well into the 19th century (McCulloch 1999). Squatters sought to legitimise their land holdings in the 1830s, long after the land was procured and after they had secured the colony's political institutions. By 1850, 2000 squatters in New South Wales accounted for 73 million acres of land (Fletcher 1976: 117).

As the convict trade dwindled, squatters sought to protect their interests through the domination of social, political, and economic systems and rent-seeking behaviour. There were attempts to import indentured labour from India for use in New South Wales and Victoria (McLean 2013: 132). From the mid-1830s to the 1850s 'scarcely a year passed without' a scheme being devised by the squattocracy to legalise forms of bonded labour and other such practices (Roberts 1935: 337). The first effort was the creation of the *Immigration Committee of 1837*, which 'spoke of the colony crumbling into an abyss if some 10,000 labourers were not soon forthcoming' (Roberts 1935: 337).

The institutional capture that the squattocracy achieved was immense. The Australian economic and political landscape of the 1840s consisted of a single-industry economy powered by convict-labour, with little regard for property rights, and a political system engineered to limit the franchise. At this curious historical juncture, it would have been hard to imagine Australia, a mere decade later, fashioning a democracy that would be the envy of the world.

## **The gold rush: A resource curse?**

Countless studies have chronicled the development of Victoria's democratic institutions. This article does not seek to revive the tale of Australia's democratic birth, rather, it seeks to re-examine it against the resource curse literature. The resource curse literature continues to flourish well into the twenty-first century as political-economy theorists reinvigorate the theory by mapping the interplay between political institutions and resource endowments. W. Max Corden and J. Peter Neary (1982) developed an economic model, the Dutch Disease, in response to the 1970s crises that emanated from supply-side shocks born of large resource endowments. They hypothesised an economic model of two tradable sectors (boom and non-boom) and a third non-tradable sector.

When an economy is ensnared by a Dutch Disease, labour costs and the real exchange rate rise resulting in the non-boom sector being crowded out.

The negative economic effects of a resource boom were further developed in what came to be known as the Resource Curse, a term first used by Richard Auty (1993). Scholarly research which scrutinised the link between large resource endowments and stagnant growth proliferated throughout the following decade (Ross 1999). The resource curse expanded its economic analysis to highlight the role of transnational companies, terms-of-trade alterations, volatility in taxes and income, and the rise of emboldened resource-rich elites as all contributing to stagnant growth outcomes (Goodman and Worth 2008: 203). These studies culminated in the mid-90s in a discussion paper presented by Jeffrey D. Sachs and Andrew M. Warner (1995) that applied regression analysis to ninety-seven states and asserted that a 'high ratio of natural exports to GDP' is correlated with depressed growth rates.

The gold rush in Victoria comprises the single largest mining boom relative to GDP in Australia's history (McLean 2013: 81). The years 1851 – 1861, the *Golden Age* (Geoffrey Serle (1963)), encompass the most pivotal period of economic shock and political contestation in Victoria; as such, it is these years which shall define the parameters of this paper. Within this decade, Australia's population trebled to a total of 1.1 million people. The primacy of its economic success was in Victoria, where its population increased nine-fold (Littlejohn 2013: 20). Gold mining at its peak, one year after its discovery, comprised 35% of Australian GDP. Within two years, wages had risen across Australia by 250% (Maddock and McLean 1984: 1049). By the third year, the *Victorian Gold Discovery Committee* concluded that gold 'has made this the richest country in the world; and, in less than three years, it has done for this colony the work of an age' (The Sydney Morning Herald 28 March 1854: 2). As the flood of immigrants urbanised, Australia experienced a housing boom and the subsequent economic benefits that stem from rapid urbanisation (Cross 1996: 5). High marriage and birth rates followed, and urban areas proved fertile ground for economic growth well into the future (Fahey 2010: 160). High overseas transportation costs incentivised local manufacturing industry growth in support of the rapidly developing economy (Fahey 2010: 150).

In managing the boom, the government constructed a license fee to restrict labour fleeing from other industries to the fields. It operated as an effective barrier to entry, yet only had to be paid monthly, allowing for flexibility in the movement of labour from the fields and back to the farms (McLean 2013: 84). The gold license fee - most notoriously associated with the Eureka Stockade - was a regressive tax that had to be paid whether gold was discovered or not. Further, the government regulated the size of mining plots to '12-feet square, about one-fortieth of Californian practice' (Maddock and McLean 1984: 1062). The unusually small size of the claims would result in portentous long-term effects including a relatively even distribution of wealth, ensuring an avoidance of gold mining monopolies and syndicates.

Ian W. McLean (2004, 2013) has investigated whether the economic ailments identified in resource curse literature surfaced throughout the gold gush, concluding that in the short-term, Victoria exhibited elements of the curse, however, over the long-term, the gold rush contributed to a sustained rise in prosperity. Rodney Maddock and Ian McLean (1984) found that Victoria did indeed experience a Dutch Disease; however, the effects were mitigated by the huge immigration boom that followed, coupled with Australia's ability to stymie outflow immigration as the boom faded. Warwick E. Murray and Richard P. Willis (2010) have examined the role of settler capitalism in both Australia and New Zealand in mitigating a resource curse; including: imperial preferences, the abundant reserves of 'free' land, high wages, and the 'egalitarian' nature of settler colonies. Ultimately, Australia awoke from the gold rush in a healthier economic position than it had begun (McLean 2013) avoiding the worst excesses of an economic resource curse.

### **The gold rush: A political resource curse?**

By the early 2000s, scholarship began to scrutinise the political implications of resource endowments with a focus on the interplay of resources and institutions (Ross 2015). These ideas came to be known as the political resource curse. Such literature posited that the interplay of resource revenues and institutions is often correlated with corruption (Brollo *et al.* 2013), an increase in rent-seeking behaviour (Hook Law *et al.* 2014), the concentration of wealth, the deterioration of the state (Luong and Weintal 2006), and less political competition (Goldberg *et al.* 2008).

These adverse outcomes are the product of ‘grabber-friendly institutions, where rent-seeking and production are competing activities’ in contrast to ‘producer-friendly institutions, where rent-seeking and production are complementary activities’ (Mehlum *et al.* 2006: 2-3). Underpinning good governance institutions is the rule of law, particularly regarding property rights (Luong and Weinthal 2006; Brunnschweiler 2008). Further, the incentives of political leaders during a resource boom can become skewed as resource rents raise ‘the value of being in power and [provide] politicians with more resources which they can use to influence the outcome of elections’ (Robinson *et al.* 2006: 466). Further, as governments experiences an inflow of rents, they are freed ‘from levying taxes’, and thus released ‘from the accountability ordinarily exacted’ by a domestic tax regime (Herb 2005: 298).

Andrew Rosser (2007) highlights the role of ‘social forces in shaping economic policy making in resource abundant countries’ (Rosser 2007: 41): concluding that the successful management of a resource boom is driven in large part by social structural forces. Democratic demand side factors are often neglected in the study of a resource curse; however, they play a pivotal role, and it is crucial that in overcoming a resource curse, ‘societal actors [...] have both the interest and ability to make a credible demand for [good governance institutions]’ (Luong and Weinthal 2006: 254). Often, it is a plurality of political and economic contention that can best limit a resource curse from taking hold (Goldberg *et al.* 2008).

The political resource curse literature is also concerned with a rise in insecurity and civil conflict in resource dependent states. There is a correlation between the location and character of the resource. When resources are closer to poorer regions, or marginalised ethnic groups, then civil conflict becomes more likely (Ross 2015: 251). Such conflict was rife during both Australia’s pastoral and gold resource booms. A direct correlation in Australia between the rush to resources and resulting conflict can be drawn (Steven 2000: 63). Squatter expansion across Australia unleashed violence against the indigenous population; and when the land revealed its gold, violence was sanctioned with the same unrelenting passion. Victoria’s gold rush saw an unequivocal rise in civil conflict between the prospectors and the traditional owners of the land (Boucher 2013; Miller 2015). The Australian Aboriginal population declined rapidly throughout the 1850s (Boucher 2013: 97). By the mid-1850s, the *Committee Appointed to Enquire in the Condition of the Aborigines* was created, at the request of Legislative Council member, Thomas

McCombie, who observed in 1856 that there was ‘scarcely a spot... where the aborigine could rest his weary feet [...] Victoria is now entirely occupied by a superior race’ (Boucher 2013: 97).

Australia’s first resource boom (land) exhibited many of the elements of a political resource curse. However, Australia’s second great boom (gold) heralded Australia’s democratic birth. It is this economic contention between pastoralists and diggers (material causal factors) which provided the stage upon which political contention could rage (ideational causal factors).

## **Chartism and writing Australian history**

Many scholars have meticulously documented the role of immigrants in advancing transnational agendas and promoting an egalitarian ethos at the Eureka Stockade including American Republicanism (Potts and Potts 1968: 145-64), Methodist Cornish Miners (Fahey 2008), Irish Catholics (Currey 1954), and the influence of Chinese diggers (Gittins 1981). Yet, only recently has the influence of UK Chartism been examined in detail.

The politics of early Australian history is not easily severed from the politics of today; when we speak of Australia’s nativity, it can be difficult to discern if the narrative one weaves has as its purpose historical observation, or the advancement of a contemporary doctrine. A troubled history, both young and rather artificial, is particularly prone to contestation. Such controversy has come to be known in Australia as the ‘History Wars’ (Clark and Macintyre 2004). This ideological baggage may go some of the way to explain the apparent neglect of appreciation for Chartist ideational influence within colonial Victoria. Chartism, as a failed yet radical working-class British movement, is not the institution of the motherland which the ultra-conservative right most wish to proselytise on. Its’ very British nature also sits just as uneasy with the old labour-Left, who welcomed many foreigners into the narrative of Eureka (and kept just as many out), however, never quite lost their antipathy for the empire.

It is only recently that Chartism, and its effects upon Australia, has enjoyed renewed scrutiny. Kirsty Reid has sought to understand the psychology of individuals who carried Chartist ideas with them to the shores of Australia (Reid 2008). Other scholars, whilst seeking to establish a wider-internationalist tent from which Australian democracy was born, now acknowledge the contribution of Chartist principles as underpinning

Victorian democracy (Beggs-Sunter 2008). Paul Pickering has engaged in the most energetic attempts to re-situate Chartist ideas within Australian colonial development: examining colonial-Australian Chartist ideas in communication with the wider British world (Pickering 2003), arguing that Australia provided a malleable political-space for Chartists to advance their ideological ambitions (Pickering 2011), and seeking to more coherently map their historical influence (Pickering 2001).

### **Political contention and Chartism: 1851-1860.**

Victoria separated from New South Wales and became its own formal colony in 1851. It was granted a limited form of self-government comprised of a single house: the Legislative Council, with twenty members elected (suffrage was extended to literate male constituents, over the age of 21, who met discriminative property requirements) and a further ten members assigned by the Governor, a British appointee (Table Office 2009). Rural pastoral interests were decisively favoured in the parliament with only seven members representing the heavily populated regions of Melbourne and Geelong (Table Office 2010). The primary goal of this Council was to draft Victoria's constitution; they would succeed in this goal by 1855, and it was approved by the British government with its implementation in 1856 (Table Office 2009). The constitution prescribed a Westminster system of two houses: a Legislative Council and a Legislative Assembly, and an appointed Governor who acted on advice of the parliament (Table Office 2009). Utterly unknown to the colony at the time, the drafting of its constitution would play out against the background of the gold rush and the flood of new immigrants. As a consequence, Victoria's constitution would see radical political innovations such as secret ballot introduced, and provision for a fully elected parliament (Table Office 2009).

In 1858, Legislative Council member McCombie noted that Victoria had transformed itself from 'a perfect despotism [...] to the very opposite point of democracy' (Boucher 2013: 83). Victoria had far exceeded the democratic achievements of its 'motherland'. By 1861, full manhood suffrage (1859), a secret ballot (1856), the abolition of the property qualification for the lower house (1857), and shorter parliaments (1858-1859) had all been achieved (Pickering 2001). No substantial improvements could be made regarding skewed constituencies favouring

rural interests and gender restrictions. Chinese immigrants found their freedoms to be further restricted and the Indigenous population continued to have their basic rights restricted. However, in many regards, Victoria accomplished democratic constitutional change considered radical in England: it advanced good governance institutions, fortified the rule of law, expanded the franchise and facilitated political competition, all helping to limit rent-seeking behaviour by vested interests. It is this paper's argument that this dramatic political evolution was driven in large part by an ideational agenda framed, shaped, and propelled by Chartist ideas.

The political institutions of 1851 Victoria had sought to fortify the interests of the pastoral community. However, over the next decade these same political institutions had to contend with a mass of new immigrants. With the squattocracy unwilling to cede power to the demands of this new constituency, the immigrants perceived their economic and political security to be at risk. Chartist ideas bestowed a flexible rhetoric with which the new immigrants could voice a coherent political opposition that went to the heart of their material grievances. The deployment of this ideational force allowed new immigrants to enact short-term political reforms, whilst the Chartist-inspired language of agrarian-equality provided an amenable framework to stage long-term cohesive opposition to pastoral interests.

Chartism, a class-based democratic movement that originated in England, was formed around six core demands first voiced in 1777 when John Cartwright published 'The Legislative Rights of the Commonalty Vindicated' (Rosenblatt 1916: 23). These ideas were not new, and Chartists looked to a wide array of political movements and historical texts in order to bolster their claims (Rosenblatt 1916). The six demands, published in The People's Charter (from which Chartism takes its name) include: universal male suffrage, the elimination of property qualifications for members of parliament, annual elections, equal constituencies, payment for MPs, and a secret ballot (Sawer 2001: 2). As Chartist ideas floundered in the UK, they found amicable recipients amongst the diggers of the Victorian goldfields, and quickly rose to prominence with a swift and energetic resolve. The gold rush brought a substantial contingent of Chartists to the mining fields (Sawer 2001). Their links to the diggings, miner newspapers, and political organisation has been well chronicled (Messner 1999).

The political issues that dominated Victoria differed greatly to the issues that gripped England a decade earlier; however, Chartism provided a flexible framework that allowed the citizenry of Victoria to voice their unique discontent. The immediate issue vexing miners was taxation, and the aggressive government tactics deployed to enforce it. However, the dominant issue, which evolved over the decade, was that of land. The squattocracy, who were seen as the key enemy of democracy, aggressively sought to ratify their unsanctioned claims (Miller 2015). As the new immigrants sought to permanently settle, their hopes for success rested upon more equitable access to farmland. Underlying both these areas of contention (taxes and land) was dissatisfaction with a political system trapped by special interests. It was the political institutions of Victoria - that taxed new immigrants regressively, yet, implemented policies in favour of the squattocracy - that incited discontent. The fundamentals of a parliamentary system proved desirous to the majority of the population, yet, the structural incentives, governed by a limited franchise that favoured rural constituents, proved unacceptable to the colony's new inhabitants.

It is within this world that Chartist ideas rose to prominence. On the 11th of November 1854, 15,000 people gathered at The Ballarat Reform League to protest the miner's licence fee (Beggs-Sunter 2008). By the end of the meeting, they had transcribed their own Charter that contained five demands drawn directly from UK Chartism: 'full and fair representation, manhood suffrage, no property qualification of Members for the Legislative Council, payment of Legislative Members, and shorter duration of Parliament' (Ballarat Reform League Charter 2015). Requiring a framework to express their material grievances, the diggers of Ballarat looked to Chartism. Chartist ideas became the elemental ideational force propelling democratic demands in Victoria. The diffusion of Chartist ideas amongst miners was driven both by a process of rapid learning and emulation. By drawing upon demands previously established by the UK Charter, miners were provided with a framework which defined their end goal and diffused it as shared knowledge. Chartism, as an idea, became not just a roadmap, but a final destination.

By 1861, Victoria had made substantial progress towards fulfilling three of the five demands of the Ballarat Reform League Charter, including full male suffrage (1859), reductions in property qualifications (1857), and shorter parliaments (1858-1859) (Pickering 2001: 36). Gold rush inflation also played a significant role in rendering the property qualification for manhood suffrage inconsequential, quickening its demise (Hirst 1988:

103). Although efforts to unburden miners of the licence fee were shot down at Eureka Stockade, full manhood suffrage was achieved, nullifying the tension resulting from taxation without representation. It was only with regards to payment of members and fair representation (skewed rural constituencies) that progress stalled. As such, these issues continued to cultivate considerable contestation (Scalmer 2011). However, Chartist ideas had institutionalised themselves with rapid speed and, now normalised, expectations evolved.

As land became the dominant issue, political rhetoric became infused with Chartist ideology in the fight against squatter interests. Chartist ideas, which developed in Europe as much against idle landholding aristocrats as against industrial capitalists, was steeped in a language of agrarian equality and natural rights to land (Goodman 1988: 33). Australia's material conditions proved to be fertile ground for the pre-industrial flavoured Chartist philosophy. In Victoria, as the gold rush petered out, immigrants looked to land to secure their opportunity for economic independence. A language that spoke to 'natural rights' proliferated amongst Victorian immigrants. Chartist language created a form of rhetorical momentum that worked to redefine the terms of debate. A vocabulary that spoke to agrarian equality equipped new immigrants with a language that reshaped their conception of fundamental rights. Through expanding miners' rhetorical depth, the language of Chartism opened up new political possibilities.

Local meetings addressing land reform became common as Chartist inspired 'leaders of the anti-licence movement, including J. F. Sullivan, W. D. C. Denovan, John Macintyre and Angus Mackay' led the land reform fight (Fahey 2008: 170). Political agitation grew throughout the 1850s, with breakouts of violence common (Shaw 1973). Protest culminated in the *Victorian Land League* and the *Land Convention of 1857*. Chartists had been forming land associations in the UK since the 1840s (Pickering 2003: 88); and political agitation in Victoria mirrored many of the same tactics employed by Chartists in the UK. The *Victorian Land League* and the *Land Convention of 1857* 'organised hundreds of public meetings and many demonstrations' over the next two years (Scalmer 2011: 345). By mid-1858, parliament responded with a reform-bill seeking to distribute land in a more equitable manner. Although it was rejected by the Upper House (where pastoral interests dominated), 20,000 marched on Parliament and riots broke out; still, the Upper House did not budge, and prorogued itself for half a year until quiet fell back upon Victoria (Scalmer 2011: 346). The conservative-leaning Melbourne newspaper, *The Argus* (2 June 1858: 1),

declared that such agitation resulted from ‘combative Chartists [pronouncing] noisy harangues on the wrongs of the people’ (Shaw 1973: 550). Two years later, in 1860, crowds again stormed Parliament in protest against a second land reform bill, and once again, they were pushed back and violently dealt with (Shaw 1973: 556).

The Ballarat Reform League Charter achieved success in three of its five Chartist-inspired aims throughout the 1850s. Success was limited in the fight against the remaining two: land redistribution and more equal electoral constituencies. By and large, squatters managed to protect their core material interests throughout the 1850s. However, squatters saw their political power diminish over subsequent decades. In large part, this future success is due to the early democratic reforms achieved in the 1850s. Chartism comprised the crucible in which early Australian democracy came to be forged. By securing popular democratic control of the Lower House of Parliament, a generally peaceful (if slow) resolution of the land issue transpired over the next four decades.

### **Overcoming a resource curse: Political and economic contention**

Ultimately, the story of 1850s Victoria is a story of political and economic contention. Core material interests motivated the contention, yet ideational rhetoric helped to consolidate a coherent opposition. Before 1851, Australia was an economy dominated by wool with a governance structure skewed towards pastoral interests. Over the course of the decade, it became an economy dominated by gold and a world leader in democratic governance. Two sides fought it out. The squattocracy sought to secure their land holdings, maintain a cheap labour force, and ensure their dominance of political institutions. They hoped to hoard wealth amongst a few and build ‘grabber-friendly institutions’ diminishing economic competition. The new immigrants sought to open up land, fortify their labour rights, and muscle their way into governance. They pursued ‘producer friendly institutions’ inciting economic competition.

Many of the key material causal factors that resulted in Victoria overcoming an economic resource curse also helped to contain a political resource curse. The allotment size of the claims and the geological nature of alluvial gold resulted in a paucity of wealth concentration and promoted mass immigration. The equitable material foundations worked to contain uneven distribution of rents, limiting the advancement of corruption, rent-

seeking and patronage behaviour. This helped to ensure the gold rush did not have a corrosive or corrupting effect on political institutions. Furthermore, the gold rush did not see huge resource rents flow to the government – a key component that abets a political resource curse – rather, it saw the opposite, as the governments of the colonies financed themselves with large loans from the UK (McLean 2013: 82).

Buttressed by this equitable distribution of wealth, the new immigrants sought to enshrine their future rights through democratic participation and equal access to land. It is here that we see the influence of ideational forces in shaping the political institutions that manage a resource boom. Victoria's achievements in advancing democratic institutions lay in rigorous political competition. As one resource boom balanced another, gold made Victorian politics competitive. A homogenous constituency, emboldened by new wealth from the gold rush, and with access to rhetorical channels of democratic reform, were ready to fight. These social forces clothed themselves in a powerful idea: Chartism, which experienced a rapid rise on the gold fields as it diffused amongst the miners. Chartism gave shape to political ambitions and provided a roadmap to achieve them.

Chartism achieved swift success in advancing three of its five demands. However, land reform revealed itself to be a more stubborn beast. It proved too difficult to wrest control from the pastoral community its key material interest. Yet, early achievements in democratic reform eventually secured the slow dissolution of the squattocracy. Chartism, with its rhetorical and ideational cohesion, allowed for persistent political contention throughout the decade. Perhaps one of the lessons to take from this particular case study is that entrenched constituencies are almost always unwilling to relinquish their material interests, but, if the focus is on the advancement of democratic institutions generally, then those same interests might find themselves unwittingly acquiescing to their eventual decay.

## **Conclusion**

Many propose that the march of liberal history in Australia was inevitable: a gift from the UK, natural to the population and always welcome on Australia's shores. While it is true that the foundations of constitutional democracy were laid before the gold rush, so were the more autocratic foundations of the early squatter-elite. Evidently, the gold rush ignited political and economic contention that moderated the squatters' worst

impulses. By nurturing competition, it mitigated the rent-seeking behaviour so common to a resource curse. Such competition is not only the foundation of long-term stable economic growth, but also of healthy political competition.

Political competition relies on a push and pull as disenfranchised actors demand change and powerful elites object to supplying it. Often following a resource boom, elites fortify their strength, limiting their willingness to supply what is coveted. Yet in Victoria, the gold rush emboldened disenfranchised social forces to voice their demands. Chartism proved agile in articulating the material grievances that plagued many Victorians. It clarified political contention and offered a framework with which to seek change. It was rapidly emulated, facilitated widespread learning, reshaped expectations, made an opposition conceivable, and recast nascent desires as coherent political aims. Even as elites refused to supply all the demands that were petitioned of them, by ceding elements of their political power, they opened up channels that allowed political contestation to thunder in avenues previously closed.

Not all were welcome to participate in this democratic exchange. Chinese immigrants and Indigenous Australians found these same channels of democratic contention closed. It is clear that the gold rush (like the squattocracy) ignited rapid civil conflict as the Aboriginal population of Victoria were displaced, often violently, on a mass scale. The settlers' comparative advantage in violence ensured that this civil conflict was one-sided, and within the decade, starved of any possibility of retaliation. In this regard, Victoria indisputably experienced a political resource curse.

This case study demonstrates that ideational causal mechanisms have a role to play in advancing democratic institutions during a resource boom. This hypothesis demands of a situation a varied and particular set of circumstances. As has been well established in the political resource curse literature, the institutions preceding contention are key: they must allow for channels with which political contention can flood, so competition may thrive. However, the theoretical implications of this observation call for a closer study of the interplay of ideas upon a political resource curse. When a constituency has both the ability and the interest to demand better institutions, the right ideas may equip them with a cohesive framework to advance their political contention, helping to restrain the institutional deterioration that can be born from a resource boom.

*Martin Emmet O'Donnell is a part-time lecturer in the Faculty of Education and Arts, Australian Catholic University*

*Martin.O'Donnell@acu.edu.au*

## References

- Alston, L.J., Harris, E., and Mueller, B. (2012) 'The Development of Property Rights and Frontiers: Endowments, Norms and Politics', *The Journal of Economic History*, Vol. 72, No.. 3. pp. 741-70.
- Auty, R.M. (1993) *Sustaining Development in Mineral Economies: The resource curse thesis*, London; New York: Routledge.
- Ballarat Reform League Charter (2015) 'Eureka Stockade: Ballarat Reform League Charter', Public Record Office Victoria, viewed 27<sup>th</sup> March 2017, available: [http://wiki.prov.vic.gov.au/index.php/Eureka\\_Stockade:Ballarat\\_Reform\\_League\\_Charter](http://wiki.prov.vic.gov.au/index.php/Eureka_Stockade:Ballarat_Reform_League_Charter).
- Beach, D. and Pedersen, R.B. (2013) *Process-Tracing Methods: Foundations and Guidelines*, Ann Arbor: University of Michigan Press.
- Beggs-Sunter, A. (2008) 'Eureka: Gathering "the Oppressed of All Nations"', *Journal of Australian Colonial History*, Vol. 10, No. 1, pp. 15-34.
- Berman, S. (2001) 'Ideas, Norms, and Culture in Political Analysis', *Comparative Politics*, Vol. 33, No.. 2, pp. 231-50.
- Boucher, L. (2013) 'Race, Rights and the Re-Forming Settler Polity in Mid-Nineteenth Century Victoria', *Journal of Australian Colonial History*, Vol. 15, pp. 83-104.
- Brollo, F., Nannicini, T., Perotti, R., and Tabellini, G. (2013) 'The Political Resource Curse', *The American Economic Review*, Vol. 103, No. 5, pp. 1759-96.
- Brunnschweiler, C.N. (2008) 'Cursing the Blessings? Natural Resource Abundance, Institutions, and Economic Growth', *World Development*, Vol. 36, No. 3, pp. 399-419.
- Clark, A. and Macintyre, S. (2004) *The History Wars*, Carlton, Victoria: Melbourne University Press.
- Corden, W.M. and Neary, J.P. (1982), 'Booming Sector and De-Industrialisation in a Small Open Economy', *Economic Journal*, Vol. 92, No. 368, pp. 825-48.
- Cross, G. (1996), 'Labour in Settler-State Democracies: Comparative Perspectives on Australia and the US, 1860-1920', *Labour History*, Vol. 70, pp. 1-24.
- Currey, C.H. (1954) *The Irish at Eureka*, Sydney: Angus and Robertson.
- Fahey, C. (2008) "'Foreign to Their Feelings as Freemen": Liberal Politics in a Goldfields Community, Bendigo 1853-1883', *Journal of Australian Colonial History*, Vol. 10, No. 1, pp. 161-81.
- Fahey, C. (2010) 'Peopling the Victorian Goldfields: From Boom to Bust, 1851-1901', *Australian Economic History Review*, Vol. 50, No. 2, pp. 148-61.
- Fletcher, B. (1976) *Colonial Australia Before 1850*, Sydney: Nelson.

- Goldberg, E., Mvukiyehe, E. and Wibbels, E. (2008) 'Lessons from Strange Cases: Democracy, Development, and the Resource Curse in the U.S. States', *Comparative Political Studies*, Vol. 41, No. 4/5, pp. 477–514.
- Goodman, D. (1988) 'Gold Fields/Golden Fields: The Language of Agrarianism and the Victorian Gold Rush', *Australian Historical Studies*, Vol. 23, No. 90, pp. 19-41.
- Goodman, J. and Worth, D. (2008) 'The Minerals Boom and Australia's "Resource Curse"', *Journal of Australian Political Economy*, Vol. 61, pp. 201-19.
- Herb, M. (2005) 'No Representation without Taxation? Rents, Development, and Democracy', *Comparative Politics*, Vol. 37, No. 3, pp. 297-316.
- Hirst, J. (1988) *The Strange Birth of Colonial Democracy: New South Wales 1848-1884*, Sydney: Allen & Unwin.
- Hook Law, S., Jafari, Y. and Sarmidi, T. (2014). 'Resource Curse: New Evidence on the Role of Institutions', *International Economic Journal*, Vol. 28, No. 1, pp. 191-206.
- Littlejohn, M. (2013) 'The First Mining Boom: The Impact of the Gold Rushes on Colonial Victoria', *Agora*, Vol. 48, No. 1, pp. 20-3.
- Luong, P.J. and Weinthal, E. (2006) 'Rethinking the Resource Curse: Ownership Structure, Institutional Capacity, and Domestic Constraints', *Annual Review of Political Science*, Vol. 9, pp. 241-63.
- Maddock, R. and McLean, I. (1984), 'Supply-Side Shocks: The Case of Australian Gold', *The Journal of Economic History*, Vol. 44, No. 4, pp. 1047-67.
- McCulloch, J. (1999) 'Keeping the Peace or Keeping People Down? Policing in Victoria', History of Crime, Policing and Punishment Conference convened by the Australian Institute of Criminology, viewed 29<sup>th</sup> February 2017, available: [http://www.aic.gov.au/media\\_library/conferences/hcpp/mcculloch.pdf](http://www.aic.gov.au/media_library/conferences/hcpp/mcculloch.pdf).
- McLean, I.W. (2013) *Why Australia Prospered: The Shifting Sources of Economic Growth*, Princeton, New Jersey: Princeton University Press.
- Mehlum, H., Moene, K. and Torvik, R. (2006) 'Institutions and the Resource Curse', *Economic Journal*, Vol. 116, No. 508, pp. 1-20.
- Meredith, D. and Oxley, D. (2005) 'Contracting Convicts: The Convict Labour Market in Van Diemen's Land 1840-1857', *Australian Economic History Review*, Vol. 46, No. 1, pp. 45-72.
- Messner, A. (1999) 'Land, Leadership, Culture, and Emigration: Some Problems in Chartist Historiography', *The Historical Journal*, Vol. 42, No. 4, pp. 1093-1109.
- Miller, P. (2015) 'Antipodean Patrimonialism? Squattocracy, Democracy and Land Rights in Australia', *Political Power and Social Theory*, Vol. 28, pp. 137-63.
- Murray, W.E. and Willis, R.P. (2010) 'Breaking the Resource Curse - the cases of New Zealand and Australia', *Australian Studies*, Vol. 2, No. 2, pp. 1-16.
- Normington-Rawling, J. (1963) 'Before Eureka', *Labour History*; Vol. 4, pp. 11-8.
- Pickering, P.A. (2001) 'A Wider Field in a New Country: Chartism in Colonial Australia', in M. Sawyer (ed.), *Elections Full, Free and Fair*, Sydney: The Federation Press, pp 28-44.

Pickering, P.A. (2003) 'Ripe for a Republic: British radical responses to the Eureka stockade,' *Australian Historical Studies*, Vol. 34, No. 121, pp. 69-91.

Pickering, P.A. (2011), 'A Lesson Lost? Chartism and Australian Democracy', *Agora*, Vol. 46, No. 4, pp. 4-10.

Reid, K. (2008) 'The Horrors of Convict Life British Radical Visions of the Australian Penal Colonies', *Cultural and Social History*, Vol. 5, No. 4, pp. 481-95.

Roberts, S.H. (1935) *Squatting in Australia: 1835 - 1847*, Melbourne: Melbourne University Press.

Robinson, J.A., Torvik, R. and Verdier, T. (2006) 'Political Foundations of the Resource Curse', *Journal of Development Economics*, Vol. 79, No. 2, pp. 447-68.

Rosenblatt, F.F. (1916) *The Chartist Movement in its Social and Economic Aspects*, New York: Columbia University.

Ross, M.L. (1999) 'The Political Economy of the Resource Curse', *World Politics*, Vol. 51, pp. 297-322.

Ross, M.L. (2015) 'What Have We Learned about the Resource Curse?', *Annual Review of Political Science*, Vol. 18, pp. 239-59.

Rosser, A. (2007) 'Escaping the Resource Curse: The Case of Indonesia', *Journal of Contemporary Asia*, Vol. 37, No. 1, pp. 38-58.

Sachs, J.D. and Warner, A.M. (1995) *Natural Resource Abundance and Economic Growth*, Cambridge, Mass.: Harvard Institute for International Development.

Sawer, M. (2001) 'Pacemakers for the World' in M.Sawer (ed.), *Elections Full, Free and Fair*, Sydney: The Federation Press, pp 28-44.

Scalmer, S. (2011) 'Containing Contention: A Reinterpretation of Democratic Change', *Australian Historical Studies*, Vol. 42, No. 3, pp. 337-356.

Serle, G. (1963) *The Golden Age: A History of the Colony of Victoria, 1851-1861*, Melbourne: Melbourne University Press.

Shaw, A.G.L. (1973) 'Violent Protest in Australia History', *Historical Studies*. Vol. 15, No. 60, pp. 545-61.

Steven, R.. (2000) 'White settler origins of Australia', *Journal of Australian Political Economy*, Vol. 46, pp. 44-70.

Table Office Department of the Legislative Council (2009) 'Information Sheet 7 – The Legislative Council's History', Parliament of Victoria, viewed 27<sup>th</sup> March 2017, available: <http://www.parliament.vic.gov.au/council/publications-a-research/information-sheets/7-the-legislative-councils-history>.

Table Office Department of the Legislative Council (2010) 'Information Sheet 17 – The Legislative Council's Electoral System 1851 – 2003', Parliament of Victoria, viewed 27<sup>th</sup> March 2017, available: <https://www.parliament.vic.gov.au/council/publications-a-research/information-sheets/17-electoral-system-1851-2003>.

Tuffin, R. (2013) 'Australia's Industrious Convicts: A reappraisal of archaeological approaches to convict labour', *Australian Archaeology*, Vol. 76, pp. 1-12.

# **A MARSHALL PLAN FOR AUSTRALIAN COAL COUNTRY: AN INVESTMENT-LED STRATEGY TO ADDRESS RESOURCE DEPENDENCY AND FIGHT CLIMATE CHANGE**

**Robert MacNeil and Madeleine Beauman**

Though Australia's abundant coal resources were widely considered a blessing for most of the country's modern history, their sizeable contribution to the escalating climate emergency has made their continued use increasingly dangerous. Indeed, as the world's largest exporter of coal, Australia stands as one of the worst contributors to the growing crisis, with the 'extracted/exported' emissions from its fossil fuel trade making it the fifth largest carbon polluter behind only China, the US, India, and Russia (Carbon Brief 2021). If further large-scale expansions of coal mines in Queensland were to proceed, a recent analysis finds that Australia could account for up to 17 percent of global emissions by the mid-2030s, easily making it one of the world's preeminent climate villains, and placing Canberra in flagrant violation of the Paris climate treaty which it signed in 2015 (Parra *et al.* 2019).<sup>1</sup>

Breaking Australia's reliance on coal exports will undoubtedly constitute one of the greatest political and economic challenges the country has ever faced. But the challenge is made even greater by the complex ways that

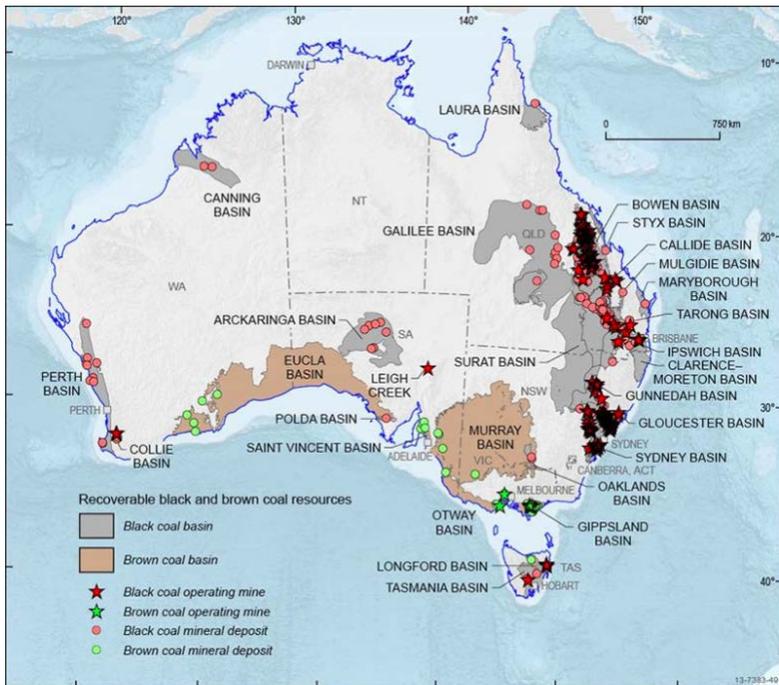
---

<sup>1</sup> This scenario assumes that, over the coming decade, other countries would make significant strides towards achieving their Paris Accord pledges, while Australian coal exports would continue to grow.

**MacNeil, R. and M. Beauman (2022)**  
**'A Marshall Plan for Australian coal country: An investment-led strategy to  
address resource dependency and fight climate change'**  
*Journal of Australian Political Economy*  
**No. 89, pp. 51-66.**

the country’s coal regions have become bound up in this debate. While Australia has a broad distribution of coal resources across its landmass (including locally important mining operations in the Collie Basin in Western Australia, Leigh Creek in South Australia, Fingal in Tasmania, and lignite mines in Victoria), the lion’s share of the industry is clustered along a 2000 km corridor that stretches from Northern Queensland to Central New South Wales (see Figure 1).

**Figure 1: Australian Coal Regions**



Source: Geoscience Australia 2020.

Throughout these regions, hundreds of individual towns and communities have lived in relative prosperity over the past century thanks to the economic stimulus provided by the coal industry. In its sudden and unplanned absence, these communities can anticipate a domino effect of

lost jobs, declining tax bases, shrinking service provision, and diminishing populations. In this context, they have understandably emerged as a powerful reactionary force in resisting climate policies over the past generation and have leveraged their considerable political influence in that effort. This influence finds expression within both major parties, with powerful corporate interests from the coal industry influencing Liberal-National climate policy preferences, and powerful mining unions likewise casting a long shadow over Labor's positions (MacNeil 2021). This has been compounded by the increasing tendency of marginal electorates throughout coal country to prove decisive in national elections. The result has been an extreme reticence on the part of either major party to seriously address this problem, with the Liberal-National coalition content to approve new mines and propagate the falsehood that coal jobs will remain plentiful indefinitely, and Labor staking out weak middle-ground positions that generally convince neither mining communities nor environmentalists.

Given this complexity, how might this problem plausibly be addressed? In this brief article, we argue for a novel strategy for tackling the dual challenges of climate change and looming economic stagnation in Australia's coal regions. The proposal focuses, in particular, on massive state-led investments in the very communities and regions that will be most impacted by the country's transition to a low-carbon future, made expressly on the condition of a phased draw-down of coal extraction.<sup>2</sup> Indeed, rather than exacerbating the country's unhealthy reliance on coal by approving and promoting new mines, Canberra could fundamentally reshape the Australian economy by betting hard on a low-carbon future, and building political support for it by investing heavily in regions whose economies have long relied on fossil fuel extraction. This type of strategy – explicitly designed to bring good paying green jobs to these regions – could resituate coal country as the cornerstone of a low-carbon national economy, and provide an economic buttress for communities being asked to forego development of a resource that has sustained them for over a hundred years. Federal governments led by both major parties have already shown a keen willingness to make massive, concentrated investments in these regions by underwriting billions of dollars' worth of infrastructure for coal extraction and export over the years, and thus there

---

<sup>2</sup> We draw much of our inspiration for this type of strategy from Katz-Rosene's (2020) work on the Canadian context.

does not appear to be any first principle objection to a major government investment strategy of this scale in these communities.

While the notion of low-carbon investments in fossil fuel regions has been discussed by members of the Australian labour and climate movements for a while now, this contribution aims to further develop these ideas by focusing explicitly on the sorts of new industries that could be developed and expanded immediately, piggybacking off the numerous existing skills, capacities, and infrastructures already on offer in these regions. Such speed and overwhelming capital injection will be crucial to developing and maintaining the political support required to integrate Australia's coal regions into a new low-carbon economy. While several key opportunities exist, we focus on three specific ones: renewable energy, regenerative agriculture, and mine reclamation.

## **Climate politics in Coal Country**

Despite the promises of conservative politicians, the future of Australian coal is not particularly promising. At the time of writing, half of the country's remaining domestic coal-fired power plants are scheduled to close within the next 15 years (with several others bringing forward their scheduled closure dates), while many of Australia's key export destinations are projecting major coal phase-outs as they strive for net-zero in the coming decades (Ritchie 2020; O'Malley and Wade 2021). Globally, the International Energy Agency projects a 90% decline in demand for coal by mid-century, with the fossil fuel sector likely to shed more than 5 million jobs worldwide (IEA 2021: 47). To make matters worse, as of 2020, each of Australia's major banks had announced they would no longer finance thermal coal projects in light of fears of stranded assets (Visontay 2020). Even metallurgical coal, long thought to be less vulnerable than thermal coal, has come under increased pressure as excitement builds around cleaner steelmaking alternatives, causing markets to increasingly make less of a distinction between the two types (Cunningham *et al.* 2019).

While coal's looming decline will have significant impacts for the broader Australian economy, its effects will be most acutely felt in Eastern Australia's coal regions, where the industry employs more than 40,000 people and supports many local economies through a combination of wages, royalties, taxes, fees, business purchases, and community

contributions (Woods 2020). Given Australia's neoliberal approach to industrial transitions over the past generation, these regions are likely to face a difficult future as the industry enters into decline. As major industries have closed over the past 40 years in Australia, entire regions have often been left for dead by governments, forced to endure painful processes of structural adjustment on their own as jobs vanished, tax bases dried up, housing prices collapsed, and large segments of the population moved away in search of new jobs (Beer 2018; MacNeil 2019). In many cases, these economic shocks ushered in a range of social problems associated with long-term economic decline, including rising rates of intergenerational poverty, suicide, and substance abuse.

In the United States (Australia's closest neoliberal cousin), the process of coal mine closures throughout Appalachia provides an unnerving preview of a potential future for Australia's coal regions. Following a series of technological changes and regulatory shifts that moved US coal production towards the country's mid-west, Appalachia entered into a brutal economic decline from which it has still yet to recover. Today, communities throughout the coal regions of West Virginia, Eastern Kentucky, and Tennessee are among the most impoverished in the nation, with median household incomes of just AUD \$16,000 per year (Sheldon *et al.* 2018). The region's poverty rate currently sits at 44 percent above the national average, with half of families living below the official poverty line – including three-quarters of those living with children. As suggested above, this economic stress has ushered in an epidemic of social problems, including some of the lowest life expectancies in the country, and highest rates of suicide, alcoholism, addiction, and domestic abuse (Ibid). While Appalachia represents an extreme scenario, it is nevertheless indicative of the style of industrial transition common to neoliberal societies over the past generation, where governments have refused to provide adequate transitional safety nets, and remained content to watch as once-vibrant communities enter into decline and decay (Harrison and Mikler 2014).

In their efforts to defend their local economies and avoid a similar fate, Australia's coal regions have exercised considerable influence over national debates around climate and energy policy. Nowhere has this influence proved stronger than in central-north Queensland, where a chain of marginal electorates has demonstrated an impressive capacity to swing entire national elections. This power was on full display in the 2019 federal election, as the issue of the proposed Adani Carmichael coalmine loomed large over the climate positions of the major parties, and, according to

some commentators, proved decisive in the election's outcome (Paul 2019; Mathiesen 2019; Ludlow 2019). While the Coalition bet hard on the mine's local popularity and greenlit its approvals prior to the campaign, Labor struggled to carve out a message capable of balancing the party's climate goals with the region's economic anxieties. In an effort to appease environmentalists, Labor left open the prospect of stripping the mine's approvals, while offering the creation of an ambiguously defined and unfunded 'just transition authority' as some compensation to communities in the region. However, Labor's efforts fell flat in coal country, resulting in major swings in the region of up to 15 percent after preferences, as voters sought the job security apparently on offer from the Coalition.

Yet, while the Coalition may have made a savvy calculation in 2019, an electoral strategy based around betting hard on coal appears unlikely to succeed over the longer term. Indeed, while its strong support for coal may be popular in parts of central Queensland, it has simultaneously winnowed away the party's support in moderate suburban electorates across the country, with a raft of so-called 'teal' independent candidates winning key seats throughout the party's urban heartlands in the 2022 federal election, including that of Treasurer Josh Frydenberg. In this context, both major parties appear to be in dire need of a more politically sustainable climate policy, one that can balance the need for jobs and economic vitality in the nation's coal regions, while still appealing to climate-conscious urban and suburban voters across the country. Whichever party can pull off this feat could indeed create a lethal and durable electoral coalition, potentially setting itself up for a long tenure in government.

But convincing coal communities to buy-in to progressive climate policies will not be easy. While residents of these regions generally accept that coal mining will not continue indefinitely, most are understandably hesitant to ditch an existing industry with good paying jobs available right now for some ambiguous, hypothetical alternative (MacNeil and Beauman 2022). Indeed, to date, neither major party at any level of government has proposed a transition plan equal to the challenge of guiding these communities through the looming shift, and as a result, residents have grown deeply sceptical that a just and orderly transition will ever materialise. This defensive posture is further compounded by a failure on the part of environmentalists and progressives across Australia to recognise and appreciate the contributions these communities have made to the country's development over the past century, leaving workers in these regions feeling like villains. In this context, feeling abandoned by

governments and alienated from much of the Australian community, many in these regions have simply made a calculated decision to cling ever tighter to the coal industry, despite its impending decline. How, then, might they be convinced to change their view?

## A Marshall Plan for Coal Country

In the remaining sections of this article, we argue for a novel climate strategy that explicitly focuses on securing buy-in from Australia's coal regions, aiming to resituate them as cheerleaders for accelerated national decarbonisation. To do this, we propose a package of massive state-led investments that amount to something of a 'Marshall Plan'<sup>3</sup> for these regions, made on the condition of a negotiated and phased draw-down of coal extraction. If executed properly, such an economic campaign – explicitly designed to bring tens of thousands of good paying jobs to these communities – could simultaneously break the back of their coal dependency and deprive the coal industry of a regional base of popular support to enhance its national political power. While this sort of public investment may seem like a lofty ambition given the reigning neoliberal culture of Australian governance, funding this sort of initiative could be as straightforward as redirecting government subsidies for fossil fuels in Australia, which in 2019 added up to over \$12 billion (Market Forces 2019). Over the course of a decade, this approximate sum of \$120 billion could fundamentally reshape these regional economies, setting them up to become the anchors of Australian economic prosperity in a decarbonised world.<sup>4</sup>

---

<sup>3</sup> The Marshall Plan (officially titled the European Recovery Program) was an American initiative established in 1948 to provide significant levels of foreign aid to European countries struggling to recover following the war. The program provided the equivalent of AUD\$170 billion (in 2020 dollars) over four years to several recipient countries. While its primary political aim was to prevent the spread of communism throughout Europe, its economic impact is generally considered to have been enormous, helping to rapidly rebuild war-torn regions, modernise industry and improve overall growth and prosperity.

<sup>4</sup> This general approach would mimic the sorts of coal transitions rolling out in countries like Germany, where the Structural Strengthening Act for Coal Regions (*Strukturstärkungsgesetz Kohleregionen*) provides approximately €40 billion over 20 years to restructure the impacted regions of North Rhine-Westphalia, Saxony-Anhalt, Saxony, and Brandenburg. These funds are aimed at promoting infrastructure capable of facilitating new economic development;

While there are numerous opportunities waiting to be explored and developed, we limit our focus here to just three: renewable energy, regenerative agriculture, and mine reclamation. We see these as particularly strong candidates for federal investment in these regions given that they are all effectively ‘shovel ready’, and could, with minimal worker retraining, be rapidly developed off the back of the region’s existing skills, capacities, and infrastructures to provide thousands of jobs and billions of dollars’ worth of new economic stimulus.

### **Renewable Energy**

The first sector Canberra could promote in coal regions is clean energy. Opportunities for developing clean energy infrastructure are immense throughout these regions, with the need and potential for wind and solar technologies being much greater than their current installed capacity. As of 2021, only 18 percent of Queensland’s electricity was generated by renewables, meaning that roughly 45 terawatt hours of electricity must be converted away from fossil fuels to decarbonize the state’s grid (Government of Queensland 2022). Likewise in New South Wales, a mere 19 percent of electricity came from renewables in 2021, meaning that an additional 65-terawatt hours will have to be switched over to clean sources in the coming years (Government of NSW 2022). In reality, however, both states will require considerably more capacity than this as they begin to electrify their transportation and home heating/cooking infrastructures in their efforts to decarbonise. It will also entail massive expansions and retrofits of existing grid infrastructure to accommodate these renewables, requiring investments of up to \$33.6 billion and creating around 10,000 jobs in NSW alone (Government of NSW 2022a). All of this production, storage, and transmission infrastructure could be built and deployed in Australia’s coal regions starting right now with the aim of creating thousands of new construction and manufacturing jobs and billions of dollars in new economic activity over the coming years.

Why is coal country an ideal place to do this? As it happens, former mine sites are ideal places to situate large scale solar, wind and storage farms. Given that coal mining is extremely land-intensive in terms of its ecological strain, former mine sites cannot easily be rehabilitated for

---

skills development for retrenched coal workers; scientific research facilities; and public service expansions to help these regions build alternative local economies.

agriculture. They can, however, be converted for wind and solar projects, which would otherwise require the large-scale clearing of new land, with all the attendant social and ecological harms this entails. This has become standard practice in places like Germany, for example, where renewables developers have capitalised on the available former mine sites in its coal regions, along with the industrial capacity and technical skills that workers in these regions tend to have in spades. Across the country's mining belt, states like Brandenburg, Saxony and North Rhine-Westphalia have created tens of thousands of jobs at all stages of the projects (from planning, to manufacturing and installation), greatly outpacing the number of jobs previously provided by the region's coal mines and creating new tax bases for local governments (Gunduzyeli 2020).

If Australia's coal regions are enabled to become renewable energy powerhouses, they can also develop thriving secondary industrial sectors as manufacturing and minerals processing increasingly move to parts of the globe with abundant sources of cheap, clean energy. As Garnaut (2020) suggests, energy intensive industries like steel and aluminium production could find a natural home on Australia's sun-soaked lands and windy shores as the world increasingly comes to place a high premium on low-carbon production in the coming years. If managed and nurtured properly, these sorts of opportunities could lay the foundation for decades of regional and national economic prosperity.

Finally, to avoid purchasing these technologies from foreign firms and countries (and thereby sending billions of dollars' worth of Australian wealth offshore) the federal government could support the creation of domestic wind and solar manufacturing operations in these regions through, for example, the establishment of government-owned corporations designed to produce renewable technologies for the benefit of the Australian people. Indeed, as the outdated canards of market fundamentalism fall away, forward-thinking governments ought to be bold and courageous about the sorts of creative roles they can play in this process.

### **Mine rehabilitation and reclamation**

A second major opportunity for state-led investment lies in mine site reclamation. Unbeknownst to most Australians, after two centuries of intensive mining activities, Australia is home to an astonishing 60,000+

abandoned mines that require urgent clean-up. Data on the disturbance footprint of these mines is spotty and incomplete, but the best estimates suggest that, nation-wide, it is well into the millions of acres, with much of this concentrated throughout Eastern Australia's coal mining regions (Callari 2020). Some of these mines pose significant ecological threats to their surrounding ecosystems from contamination, others pose major safety risks to humans and other animals, while others are simply a blight on public and Indigenous lands that significantly degrade the surrounding landscapes. Around the Hunter region, for example, coal mining operations over the past century have cleared critically endangered woodlands, altered the natural hydrology of the Hunter River and its tributaries, and dug up the cultural heritage of the Wonnarua, Gomeroi and Wiradjuri people. Both the New South Wales and Queensland governments have acknowledged that these derelict mines stand as the largest category of contamination liability for their states and will cost tens of billions of dollars to repair (Unger 2014).

Yet while governments have been content to kick this problem down the road in light of its enormous price tag, this could be reinterpreted by Canberra as an opportunity to provide decades of employment and economic stimulus to the nation's coal regions as they wean themselves off of fossil fuel extraction. Past reports from the federal Department of Industry have pointed in this direction, noting that there are substantial economic opportunities in rehabilitating abandoned mines, including through the development of conservation and tourism sites, and developing unique habitats for biodiversity enhancement (Australian Department of Industry 2016). Of course, many mining sites were imposed without permission on Aboriginal land over the years, and these communities may simply prefer that the sites be returned to their original condition to the greatest extent possible – a request which any decent and ethical government ought to grant.

Germany again provides an instructive example of how this sort of opportunity can play out if done properly. There, the federal government designed an AUD \$20 billion program to clean up several abandoned coal mine sites with the aim of providing tens of thousands of jobs for former miners. In instances like the IBA-SEE project, government funding helped transform old mine sites into specialised landscapes focused on creating new industries for the local economy (IBA-SEE 2021). In so doing, many of the same jobs and businesses created by the mining industry could be sustained by the new reclamation industry, with minimal skills retraining.

## **Regenerative agriculture**

A third critical opportunity lies in the agricultural sector. Away from the mining sites, these areas are some of the country's most important agricultural regions, responsible for providing a large percentage of Australia's domestic food supply. At present, however, this sector is both a significant contributor to Australia's greenhouse gas pollution (accounting for approximately 15 percent of the country's emissions) and is highly vulnerable to the effects of a changing climate (Miller and MacNeil 2022). In this context, with a major federal investment program aimed at supporting a range of on-farm sustainability initiatives throughout these regions, Australia could simultaneously make dramatic reductions to the country's emissions profile, while also making farmers in these regions key partners in Australia's shift to a low-carbon economy.

Among the most discussed methods for achieving these goals is regenerative agriculture. Regenerative agriculture is a method of farming that mimics nature by encouraging polycultures of different plants, grazing animals in more natural ways, and removing the use of chemical pesticides and fertilisers in order to improve agricultural ecosystems and enhance their sustainability. This is needed because after two centuries of industrial agriculture, Australia's arable land has been significantly degraded, rendering it increasingly vulnerable to collapse in the face of a changing climate. In response, regenerative agriculture focuses on practices such as agroforestry, silvopasture, intercropping, no-till farming, and pasture-cropping in an effort to remake food production in nature's image and root out the worst excesses of industrial agriculture. In so doing, these practices can help farmers build resilience to climate change by enhancing soil quality, increasing crop yields, and boosting biodiversity, all while creating high-value food commodities.

While these sorts of practices are not particularly expensive, the cost of switching a conventional farming operation to a sustainable one can be quite costly and time consuming. This is where Canberra could play a productive role in financing this transition. In addition to providing federal funds for the service of shoring up the nation's food supply and reducing their emissions, the federal government could also, for example, fund agroforestry management planning and mass tree planting, exchange conventional machinery for new no-till equipment, and provide funding for soil carbon testing, expert consultation, and farm labourers (Katz-Rosene 2020). All of this would both give the region further buy-in to a

low-carbon economy and introduce new sources of wealth to stimulate the local economy as these regions transition away from coal dependency.

## Conclusions and Caveats

The three cases on which this article has focused represent just a small sample of the opportunities available in this effort to transform coal regions. Indeed, to a limited extent, many of the opportunities outlined above are already being pursued in different parts of the country. Projects like the Hunter Renewal have, since 2018, been bringing together activists and community members throughout the region to develop plans for a transition beyond coal, and have explored ideas like those discussed above (Hunter Renewal 2021). Likewise, major unions like the Australian Manufacturers Workers Union (AMWU), Electrical Trades Union (ETU), and the Australian Council of Trade Unions (ACTU) have begun to develop detailed blueprints for potential industries to employ displaced coal workers, along with ideas around retraining programs for younger workers, early retirement packages for older workers, financial support mechanisms for those experiencing periods of prolonged unemployment as mines shut down, and locally governed ‘transition authorities’ to give communities political autonomy over the transition process (see *e.g.*, ACTU 2020). Several of these ideas have also been increasingly discussed by state governments in Queensland and New South Wales, both of which have increasingly acknowledged the precarity of coal in their economies and begun discussing the need for a broader economic plan for the future (Government of NSW 2021; Government of Queensland 2022).

Despite their efforts, the limited array of local and state initiatives currently on offer simply lack the resource capacity required for this effort. Only Canberra can provide the requisite financial investment, facilitative regulation, R&D support, and coordination between states, unions, communities, and the private sector that will be required to successfully execute this type of large-scale transition. In so doing, the federal government could finally realign conservative working-class communities in these regions with action on climate change and create the conditions for a renewed period of regional and national economic prosperity. And there is indeed plenty of reason to be optimistic that these communities would thrive under such conditions. These regions are home to fertile soils, extensive railway systems, diverse port infrastructures, broad expertise in

engineering, construction, and energy, and most importantly, hardworking communities of people who urgently want to ensure a viable future for themselves and their children in the region (Woods 2020).

To be sure, this strategy has some obvious pitfalls that need to be minded. In particular, despite the preferability of renewables over fossil fuels, they are not without their ecological drawbacks, and given their intensive land-use and disruption, they have considerable potential to impose on Indigenous lands (see *e.g.*, National Academy of Engineering 2010). In this context, this type of strategy would need to be informed by ongoing periodic reviews designed to ensure that investments are continually revised to reflect both the democratic will of these communities and the sovereignty of Australia's first peoples (Katz-Rosene 2020).<sup>5</sup>

Implementing any sort of plan along these lines will clearly not be easy. To the extent that such a strategy aims to phase out fossil fuel production in Australia, it poses an existential threat to an industry that is deeply embedded within Australia's economic and political system, and exercises considerable influence within both Coalition and Labor governments. In this context, implementing a plan of this scale and consequence would require a level of political boldness not currently on offer from either of the two major parties, and thus it is not realistic to expect governments to willingly endorse or lead on it.<sup>6</sup> What this type of plan ultimately requires, therefore, is a renewed climate movement that brings together disaffected Liberals, Laborites, and Greens with unions and grassroots groups in these regions, explicitly aimed at reframing climate action in terms of working-

---

<sup>5</sup> This is clearly no small task, and we do not mean to minimize it. Ensuring that a clean energy economy does not simply reproduce the same sorts of social and environmental exploitation as a carbon based one will be one of the biggest political and ethical challenges for the climate movement in the twenty-first century. For eco-socialists, this is a challenge which presupposes moving beyond capitalist modes of production and consumption. Indeed, given its underlying incentive structures, capitalism is seen as being unable to fundamentally solve the environmental crisis, but rather creatively reshuffles it, solving individual crises in service of continued growth and accumulation, while pushing the biosphere towards collapse (see *e.g.*, Magdoff and Foster 2010).

<sup>6</sup> To date, the only political party that has proposed policies approximating the ambition of this type of strategy is the Greens. In the 2022 campaign, the party proposed a \$19 billion plan to diversify fossil fuel reliant communities and provide subsidies for coal workers transitioning into new jobs. As part of the strategy, the Greens proposed a 'job-for-job' guarantee for all displaced coal workers, and a \$2.8 billion fund to seed new industries in former coal towns.

class politics and security for blue-collar workers. Failing this, the industry's capture of the state and its policies will likely see Australian climate action continue to idle along, and these vulnerable communities go down with the ship of the coal economy.

*Robert MacNeil is a Senior Lecturer in the Department of Government and International Relations at the University of Sydney.*

*robert.macneil@sydney.edu.au*

*Madeleine Beauman is a researcher in the Department of Geography at the University of Melbourne.*

*madeleine.beauman@gmail.com*

## References

ACTU (2020) 'Sharing the challenges and opportunities of a clean energy economy: A Just Transition for coal-fired electricity sector workers and communities', <https://www.actu.org.au/media/1032953/actu-policy-discussion-paper-a-just-transition-for-coal-fired-electricity-sector-workers-and-communities.pdf>.

Australian Department of Industry (2016) 'Mine Rehabilitation: Leading Practice Sustainable Development Program for the Mining Industry', Available at: <https://www.industry.gov.au/sites/default/files/2019-04/lpsdp-mine-rehabilitation-handbook-english.pdf>.

Beer, A. (2018) 'The closure of the Australian car manufacturing industry: redundancy, policy, and community impacts', *Australian Geographer*. 49 (3), 419-38.

Callari, M. (2020) 'With its mining boom past, Australia deals with the job of cleaning up', *Mongabay News*, Available at: <https://news.mongabay.com/series/land-rights-and-extractives/>.

Carbon Brief (2021) 'Australia', <https://www.carbonbrief.org/the-carbon-brief-profile-australia>.

Cunningham, M., Van Uffelen, L., and Chambers, M. (2019) 'The Changing Global Market for Australian Coal', *Reserve Bank of Australia*,. Available at: <https://www.rba.gov.au/publications/bulletin/2019/sep/the-changing-global-market-for-australian-coal.html>

Garnaut, R. (2020) *Superpower: Australia's low carbon opportunity*, Melbourne: Latrobe University Press.

Geoscience Australia (2020) 'Applying Geoscience to Australia's Most Important Challenges. Australian Government', Available at: <https://www.ga.gov.au/data-pubs/data-and-publications-search/publications/australian-minerals-resource-assessment/coal>.

Government of NSW (2021) 'The sensitivity of the NSW economic and fiscal outlook to global coal demand and the broader energy transition for the 2021 NSW Intergenerational Report' Treasury Technical Research Paper Series.

Government of NSW (2022) 'State of the Environment: NSW Energy Consumption', Available at: <https://www.soe.epa.nsw.gov.au/all-themes/human-settlement/energy-consumption>.

Government of NSW (2022a) 'The Electricity Infrastructure Roadmap', Available at: <https://www.energyco.nsw.gov.au/index.php/about-energyco/the-electricity-infrastructure-roadmap>.

Government of Queensland (2022) 'Managing Queensland's Transition to Renewable Energy', Available at: <https://www.qao.qld.gov.au/reports-resources/reports-parliament/managing-queenslands-transition-renewable-energy>.

Gunduziyeli, E. and Muhlenhoff, J. (2020) 'Coal regions to become renewables hubs through just transition', *Climate Action Network Europe*, Available at: <https://caneurope.org/coal-regions-to-become-renewables-hubs-through-just-transition/>.

Hunter Renewal (2021) 'About the Hunter Renewal Project', Available at: <https://www.hunterrenewal.org.au/about>.

IBA-SEE (2021) 'Overview', Available at: <http://www.iba-see2010.de/en/verstehen/projekte.html>.

IEA. (2021) 'Net Zero by 2050: a roadmap for the global energy sector', [https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector\\_CORR.pdf](https://iea.blob.core.windows.net/assets/deebef5d-0c34-4539-9d0c-10b13d840027/NetZeroBy2050-ARoadmapfortheGlobalEnergySector_CORR.pdf).

Harrison, N., and Mikler, J. (2014) *Climate Innovation: Liberal Capitalism and Climate Change*. Springer.

Katz-Rosene, R. (2020) 'Transforming Alberta: an investment-based strategy for combatting Western alienation and climate in Canada', *Studies in Political Economy*, 101 (1): 77-91.

Lachapelle, E., MacNeil, R., and Paterson, M. (2017) 'The political economy of decarbonisation: from green energy "race" to green "division of labour"', *New Political Economy* 22 (3), 311-27.

Ludlow, M. (2019) 'Adani blamed for Labor's wipe-out in Queensland', *Financial Review*, Available at: <https://www.afr.com/politics/federal/adani-blamed-for-labor-s-wipe-out-in-queensland-20190519-p510wn>.

MacNeil, R., Beauman, M. (2022) 'Understanding resistance to just transition ideas in Australian coal communities', *Environmental Innovation and Societal Transitions* 43, 118-26.

MacNeil, R. (2021) 'Swimming against the current: Australian climate institutions and the politics of polarisation', *Environmental Politics* 30 (sup1), 162-83.

MacNeil, R. (2019) *Thirty years of failure: Understanding Canadian climate policy*, Halifax: Fernwood.

Magdoff, F., Foster, J.B. (2010) 'What every environmentalist needs to know about capitalism', *Monthly Review*, <https://monthlyreview.org/2010/03/01/what-every-environmentalist-needs-to-know-about-capitalism/>.

Market Forces (2019) 'How your tax dollars subsidise fossil fuels', Available at: <https://www.marketforces.org.au/campaigns/ffs/tax-based-subsidies/>.

Mathiesen, K. (2019) 'Australia's coal communities, ignored by Labor, deliver brutal election defeat', *Climate Home News*, Available at: <https://www.climatechangenews.com/2019/05/20/australias-coal-communities-ignored-labor-deliver-brutal-election-defeat/>.

Miller, G., MacNeil, R. (2022) 'Farmer perceptions of climate change and adaptation during the 2017–2020 Australian drought', *Australian Journal of Political Science*, 1-18.

National Academy of Engineering (2010) *The Power of Renewables: Opportunities and Challenges for the United States*, Washington: National Academies Press.

O'Malley, N., Wade, M. (2021) 'NSW coal industry would die in 20 years, worst case scenario predicts', *Sydney Morning Herald*, Available at: <https://www.smh.com.au/national/nsw-coal-industry-would-die-in-20-years-worst-case-scenario-predicts-20210607-p57yvy.html>.

Parra, P., Yanguas, B., Fuentes Hutfilter, U., and Roming, N. (2019) 'Evaluating the significance of Australia's global fossil fuel carbon footprint', Report prepared by Climate Analytics for the Australian Conservation Foundation, Available at: [https://climateanalytics.org/media/australia\\_carbon\\_footprint\\_report\\_july2019.pdf](https://climateanalytics.org/media/australia_carbon_footprint_report_july2019.pdf).

Paul, S. (2019) 'In coal we trust: Australian voters back PM Morrison's faith in fossil fuels', *Reuters*, Available at: <https://www.reuters.com/article/us-australia-election-energy-idUSKCN1SP06F>.

Ritchie, H., (2020) 'Electricity mix. Our world in data', Available at: <https://ourworldindata.org/electricity-mix>.

Sheldon, P., Junankar, R., and De Rosa Pontello, A. (2018) 'The Ruhr or Appalachia? Deciding the future of Australia's coal power workers and communities', IRRC Report for CFMMEU Mining and Energy. Industrial Relations Research Centre.

Tranter, B. and Foxwell-Norton, K. (2021) 'Only in Queensland? Coalmines and voting in the 2019 Australian federal election', *Environmental Sociology*, 7 (1): 90-101.

Unger, C. (2014) 'What should we do with Australia's 50,000 abandoned mines?', *The Conversation*, Available at: <https://theconversation.com/what-should-we-do-with-australias-50-000-abandoned-mines-18197>.

Visontay, E., (2020) 'Nationals call for ANZ boycott after bank's push for net zero emissions', *Guardian*, Available at: <https://www.theguardian.com/australia-news/2020/oct/29/nationals-call-for-anz-boycott-after-banks-push-for-net-zero-emissions>.

Woods, G. (2020) 'Transforming Australia's coal country', *Earth Island Journal*, Available at: <https://www.earthisland.org/journal/index.php/articles/entry/transforming-australia-coal-country/>.

Wordsworth, M. (2019) 'Vote Compass response shows most Australians want Adani mine stopped', *ABC News*, Available at: <https://www.abc.net.au/news/2019-05-16/federal-election-vote-compass-adani-mine-response/11110408>.

Yeates, C. (2017) 'Big four banks slash lending to coal miners', *Sydney Morning Herald*, Available at: <https://www.smh.com.au/business/banking-and-finance/big-four-banks-slash-lending-to-coal-miners-20170720-gxf9u8.html>.

# MOZAMBIQUE'S COAL IMPLOSION AMIDST GLOBAL CLIMATE CATASTROPHE

**Thomas Selemane**

The arrival of Vale and other mining companies, causing massive local displacement and ecological damage, has driven a debate over Mozambique's development model, as an exporter of unprocessed raw material. Different schools of thought have weighed-in on the costs and benefits, from neoliberal 'economist's to heterodox and radical political economists and environmentalists. Using dependency theory as the core analytical framework, augmented by David Harvey's theory of accumulation by dispossession, this article critically reviews the debate surrounding Tete coal, Vale's operations, the grassroots movement of the resettled population in local villages, and the Government's responses. The analysis focuses on the last five years of Vale's operations in Tete, 2016-20, and concludes by considering how to ensure a greater understanding of the international division of labour in extractive projects and a potential future beyond extractivism.

The question of how natural wealth can be transformed into peoples' wellbeing is as old as the history of natural resources exploitation itself. The attempts to answer it and formulate policy recommendations have varied according to the schools of thought among classical economists such as Adam Smith, David Ricardo, Thomas Malthus and Karl Marx who focused on macroeconomic conditions for the creation and multiplication of capital in market economies (Amin 1974; Weeks 2011). As posited by British political economist, Ben Fine (Fine 2000), in his widely cited journal article 'Economics, imperialism and intellectual progress: The present as history of economic thought?', the neoclassical school of

**Selemane, T. (2022)**  
**'Mozambique's coal implosion amidst global climate catastrophe'**  
*Journal of Australian Political Economy*  
No. 89, pp. 67-89.

thought addressed the same question by looking at micro-economic factors given its methodological approach based on individual rationality – *homo economicus*.

This article discusses the theoretical grounds of coal exploration and extraction from the perspective of heterodox economics, in contrast to the orthodox approach. The focus is on subnational analysis in line with studies like *Coal and Energy in South Africa: Considering a Just Transition*, edited by Lochner Marais and colleagues (Marais *et al.* 2021). The reason for the abovementioned choice is that the orthodox framework of resource curse is growth-centred and neglects structural inequalities and the political economy of land and territory as demonstrated by, *inter alia*, Franklin Obeng-Odoom in his 2020 book *Property, Institutions, and Social Stratification in Africa* (Obeng-Odoom 2020).

The article is structured as follows. Following this introduction, the second section discusses the dominant theoretical models on resource dependent economies – the Dutch disease and the resource curse. The third section develops an alternative theoretical model to the Dutch disease and the resource curse – Karl Marx’s primitive capital accumulation augmented by David Harvey’s accumulation by dispossession within the broad dependency theory. The fourth section analyses the Mozambican coal industry, focusing on the conflicting relationship between multinationals and local communities. The last section summarises the debate with concluding remarks.

## **Dutch disease, resource curse and their fragilities**

The designation ‘Dutch disease’ originated from the phenomenon that occurred in the 1960s, following the Netherlands discovery of natural gas in the North Sea. The Dutch found that their manufacturing sector suddenly started performing more poorly than anticipated. There was a de-industrialisation in output and employment following the resource boom. Put differently, Dutch disease is the condition whereby a resource boom leads to appreciation of the real exchange rate and in turn damages manufacturing and other trade sectors (Heal 2007; Hujo 2012a, 2012b, 2012c; Sachs and Warner 1995). As Poteete (2009) puts it, the Dutch disease is considered as the product of rentier politics that undermine long-term economic performance in resource dependent economies resulting in a resource curse.

Dutch disease is the condition whereby a resource boom leads to appreciation of the real exchange rate and, in turn, damages manufacturing and other tradable sectors (Auty 2001; Rosser 2006; Ross 2013). Institutions and state development during resource booms are locked into development trajectories. What results from such processes are negative development outcomes such as poor economic performance, growth collapses, and a high degree of corruption, ineffective governance and greater political instability (Collier and Hoeffler 2004; Olanya 2012; Ross 2013).

The resource curse is also known as 'the paradox of plenty'. It refers to the contradiction between natural resources typically, a mineral, oil or gas abundance in a certain economy (a country) and their correspondingly poor economic performance. More precisely, the lack of acceptable development outcomes resulting from the extractive activities is explained as a result of their very dependence on extracting natural resources (Huju 2012a, 2012b; Poteete 2009; Sachs and Warner 1995).

According to the mainstream development literature, *e.g.* Collier and Hoeffler (2004), and Sachs and Warner (1995), the existence of abundant mineral resources is expected to generate high levels of well-being, employment or more broadly development. The contrary is said to be a paradox of plenty widely known as 'resource curse' (Sachs and Warner 1995; Ross 2013). Following that rationale, Mozambique faces a paradox of co-existence of massive coal exploitation and exports and persistent levels of poverty and unemployment. However, for progressive economists such as Patrick Bond (Bond 2006; 2019), Carlos Castel-Branco (2014), Alfredo Saad-Filho and John Weeks (Saad-Filho and Weeks, 2013), the paradox is only apparent in the sense that it is part of the construct – it is an essential characteristic of the accumulation model and not a failure.

The proponents of the Dutch disease and resource curse models continue to be debunked by some researchers (Dietsche 2014; Saad-Filho and Weeks 2013) who stress that these two analytical frameworks not only fail to demonstrate convincingly that their explanations are reflected by the econometric proxies they use, but have also failed to present valid and consistent solutions for the diagnosed problems.

Mozambican political economist Carlos Castel-Branco (Castel-Branco 2017) notes that the so-called 'curse' in the resource curse debate is in the

approach. Using the Mozambican case, he posits that clear specification of resource abundance creates contradictory results:

- (i) If abundance is defined as the weight of natural resource exports on exports and on GDP, the curse is likely to be confirmed, because the definition introduces bias in sample selection, by choosing countries that are more resource-dependent (which includes those that have failed to diversify) and countries that are less developed (which tend to have less diversified economies);
- (ii) But, defining resource abundance by total output, total reserves, reserves per capita or exports per worker is likely to reject the curse and confirm the blessing, because the bias now tends to favour countries that may have succeeded in expanding production and retaining the gains from natural resources. The hypothesis claims that adverse effects, the curse, are the result of rents generated by primary exports, but rent-based measures have failed to support the curse and may have supported the blessing instead.

Castel-Branco (2017) has also noted that the studies on causality sought to demonstrate that resource abundance is not only correlated with, but is the cause of, poor growth and poor export diversification. He contends that even if this correlation could be demonstrated, there are some challenges to the definition of resource abundance, which makes it difficult to decide what correlates to what, as there is no proof of causality. Instead, poor growth could be the cause of reliance on natural resources (rather than the other way around, as predicted by the curse hypothesis), or could be the effect of other problems such as a Washington Consensus style of structural adjustment programme.

According to Dietsche (2014), the initial research was framed in a very simplistic manner, juxtaposing a hypothetical economic-rational explanation against an equally hypothetical socio-political explanation, which found that ‘greed’ rather than ‘grievance’ leads rational individuals to fight over resources. To test these propositions, Collier and Hoeffler (2004) and Dietsche (2014) assigned proxies to these two dichotomously framed hypotheses and subjected them to a statistical analysis. Both authors found ‘greed’ to be of greater statistical significance.

While the popular publication *Greed and Grievance in Civil War* (Collier and Hoeffler 2004) was discredited by Marxist economist critics of the neoclassical approach, more unexpectedly perhaps, one of the initial attacks came from a Pretoria-based political science professor Laurie Nathan (2003) in a laudable publication entitled: *The frightful inadequacy of most of the statistics: A critique of Collier and Hoeffler on causes of Civil War*. Here he metaphorically accuses these authors of ‘having mixed apples with oranges’ by inferring causality with inappropriate proxies:

'Collier and Hoeffler view ethnic and religious hatreds as grievance variables. Yet their proxies measure heterogeneity and do not capture hatred or the kind of ethnic and religious discrimination and propaganda that might generate hatred' (Nathan, 2003: 7-9).

Another comprehensive critique is the seminal work by two political economists from the School of Oriental and African Studies (SOAS), Alfredo Saad-Filho and John Weeks: *Curses, diseases and other resource confusions* (Saad-Filho and Weeks 2013). These authors looked at the data available between 1980 and 2010 from a sample of 29 countries to analyse the curse. The oil and gas share of total exports of these countries varied from 54 percent (Cameroon) to 100 percent (Brunei). The sample excludes developed countries (as not cursed), large producers that are not exporters (export channels not in operation), and countries with recent discoveries of oil, gas or other minerals riches (Saad-Filho and Weeks 2013, as cited in Castel-Branco 2017).

Saad-Filho and Weeks (2013) note that the critique of both models does not dismiss the evidence that many so-called resource-rich countries have not fared well with respect to economic, social and political performance over long periods. However, it does change the question of inquiry from 'Why natural resource wealth has fostered different political pathologies?' to 'What political and social factors enable some [so called] resource abundant countries to utilise their resources for development [however defined] and prevent others from doing the same?' (Saad-Filho and Weeks 2013, as cited in Castel-Branco 2017).

The fragilities of the Dutch disease and resource curse models discussed above take me to a more nuanced theoretical and conceptual framework – the Marxist primitive accumulation model, augmented by David Harvey's accumulation by dispossession in line with dependency theory.

### **Primitive capital accumulation, accumulation by dispossession and dependency theory**

At the core of Karl Marx's political economy is the notion of primitive capital accumulation, which is essentially the characterisation of the historical capitalist process consisting of the separation between producers and production (Marx 1991; Sassen 2010). The separation leads to a situation where the producers possess neither the means of production – for example, land – nor any other means of subsistence, besides their

labour. At this stage, according Marx, the only way forward for the ex-producers to survive is to sell their labour to the capitalist who turns them into remunerated workers.

Karl Marx's notion of capital accumulation (Marx 1991) was recast as 'accumulation by dispossession' by David Harvey in his widely cited book *The new imperialism: Accumulation by dispossession* (Harvey, 2003). As described by Sassen (2010), Harvey considers Marx's use of 'primitive' or 'original' accumulation as misleading since the history of capitalism contains repeated instances of this kind of accumulation. Harvey (2003), therefore, recasts the term as 'accumulation by dispossession', defining it as a core mode of capitalism that is omnipresent. Harvey argued it can occur in a variety of ways (whatever the historical period) and which can pick-up strongly when crises of over-accumulation occur in expanded reproduction, when there seems to be no other exit except devaluation.

Dependency Theory is the analysis of a country's economic development in terms of its political, historical, economic and cultural external influences (Ferraro 1996; Poteete 2009). To use Ferraro's (1996: 1) description:

Dependency Theory developed in the late 1950s under the guidance of the Director of the United Nations Economic Commission for Latin America, Raúl Prebisch. Prebisch and his colleagues were troubled by the fact that economic growth in the advanced industrialized countries did not necessarily lead to growth in the poorer countries. Indeed, their studies suggested that economic activity in the richer countries often led to serious economic problems in the poorer countries. Such a possibility was not predicted by neoclassical theory, which had assumed that economic growth was beneficial to all (Pareto optimal), even if the benefits were not always equally shared.

Dependency Theory, also known as 'the centre-periphery thesis', was originally used in the 1940s in Latin America by an Argentine economist, Raúl Prebisch (Love 1980). The notion of 'unequal exchange' was at the centre of the theory as developed by Latin American economists like Raúl Prebisch and Celso Furtado within the UN Commission for Latin America and the Caribbean from the 1950s. The theory emerged from the disconnection between the continuing development of Western countries (specifically the members of the Organisation of Economic Cooperation and Development – OECD) and the continuing underdevelopment of the southern countries (Latin America, Asia and Africa). Prebisch's prescription to overcome the underdevelopment of the global south was

so-called import-substitution: developing countries should embark on locally producing those goods they used to import, and so replace the imported with locally produced ones (Ferraro, 1996).

Contemporary scholars associated with this school include Patrick Bond, who dedicates some of his analyses to South-South relations, which he calls 'sub-imperialism.' In a recent paper 'Western Imperialism and the Role of Sub-imperialism in the Global South', co-authored with two Brazilian colleagues, Bond questions whether the bloc known as BRICS (Brazil, Russia, China and South Africa) is capable of reversing historical, unequal relations of trade and investment between the 'core' and 'peripheries,' in an uncomfortable middle ground of 'sub-imperialism' (Garcia *et al.* 2021).

Dependency Theory is being updated with new awareness of 'unequal ecological exchange' (Raqqa *et al.* 2011). The concept builds on the work of scholars such as Arghiri Emmanuel (1972) and Samir Amin (1976), and latterly that of Alf Hornborg (Hornborg 2011). It recasts 'unequal exchange' to encompass ecological impacts such as the climate catastrophe affecting poor countries, the five hardest hit from 2000-19 being Puerto Rico, Myanmar, Haiti and the Philippines and Mozambique, and the impacts of non-renewable resource depletion. Natural Capital Accounting (NCA) developed in part by the World Bank has been developed to measure the latter.

Patrick Bond (Bond 2018) highlights the fact that the 2018 World Bank report 'Changing Wealth of Nations 2018' is 'only the most recent reminder of how much poorer Africa is becoming by losing more than \$100 billion annually from minerals, oil and gas extraction.' This is uncompensated by capital reinvestment, profit sharing to local investors, job creation, new infrastructure, royalties and taxes, and new backward and forward economic linkages. This has been as true for coal extraction in Mozambique as for other non-renewable minerals and fossil fuels, leading to a conservatively estimated net annual drawdown of wealth equivalent to around 3 percent of GDP during the 2010s. The Bank does not include Platinum and diamond wealth depletion and if it were, would push the 3 percent net drain even lower.

## Resource extraction and coal implosion in Mozambique

Mozambique's extractive industry consists of two major components: hydrocarbons (oil and gas) and solid minerals. According to the National Petroleum Institute (INP, *Instituto Nacional de Petróleos*), there were 61 wells, 24 appraisals and 12 production wells in operation in Mozambique in 2019-21; another four wells were located offshore the Zambezi Delta in Sofala province, and one well had been drilled in the Rovuma Basin onshore in Cabo Delgado province (INP 2021).

Mozambique has been extracting natural gas from the Southern province of Inhambane since 2004. The concession belongs to the South African energy company Sasol. Huge reserves of natural gas were expected from the Northern province of Cabo Delgado. A concession was granted to a consortium of big oil and gas multinationals including the French Total, the Italian ENI, the Portuguese GALP, worth \$ 23 billion. However, since 2017, the gas rich province is under attack by Islamist insurgents who have forced more than 900,000 people to flee their homes, and more than 300 have died. In this context the leading company Total Energies declared 'force majeure' and left Cabo Delgado, stating it would only return to Mozambique when Cabo Delgado province is at peace (Hanlon 2021). This coincided with the publication of a dramatic International Energy Agency (IEA) report that declared the end of the fossil fuel gas industry: as recounted by journalist Joseph Hanlon, a specialist in Mozambican development affairs, the IEA had stated 'Mozambique's gas fields cannot be developed if global warming is to be kept to 1.5° above pre-industrial levels' (Hanlon 2021).

As Figure 1 below indicates, Tete province has the biggest reserves of coal in Mozambique. The giant Brazilian company Vale with its subsidiary, Vale Mozambique, quickly became the biggest producer in the coal sector in Mozambique. The second biggest is Indian Coal Ventures Limited (ICVL), which operates in the coal mines located in Benga village. Benga coalmines were first granted to Riversdale, which sold the concession to Rio Tinto, which then later sold it to the Indian ICVL. ICVL is a joint venture between five Indian State-owned concerns set up to guarantee safe supplies of coking coal for the Indian steel industry, demonstrating how Mozambique's coal industry has been drawn into the Indian economic growth dynamic during the 2010s that depended on coal-fired electricity generation (Club of Mozambique 2017).

**Figure 1: Mineral Resources Present in Mozambique**



Source: Deloitte and EITI Mozambique (2018)

In 2004, Brazil's Vale became the first major international mining company to be granted a concession in Mozambique, with its coal mine in Moatize officially opening in mid-2011 (Ali and Miclea 2013). The initial \$1.7 billion investment by Vale was the largest single investment in Mozambique's history (Selemane 2009; 2010). It surpassed the investment cost of a BHP Billiton owned aluminium smelter at Mozal in Maputo, the first mega-project to be set up by foreign direct investment after the 16-year civil war. According to Castel-Branco and Cavadias (2009), Mozal was conceived as part of SA's Eskom's energy expansion strategy – during the 1990s when the South African parastatal had a major energy surplus as a result of overbuilding coal-fired power plants. As described by Fine and Rustomjee (1996), the motivation for Mozal's establishment in

Mozambique, particularly in the south of the country, involved integrating Mozambican energy into Eskom's grid in the South African energy structure, a strategic move that combined the capabilities, interests and strategies of Eskom, BHP-Billiton, the financial system and the mineral energy complex (MEC). Ironically, the core power source in Mozambique, the Cahora Bassa dam, sends electricity first to South Africa, and then it is rerouted back to Maputo and is mainly consumed by the aluminum smelter Mozal to the detriment of millions of Mozambican households with no electricity

The strategies of international capital and how they exploit and exacerbate national-level vulnerabilities is critical. Mozambican political economist Carlos Castel-Branco (Castel-Branco 2014) posits that the accumulation system (production, appropriation, distribution, usage and cumulative reproduction of the surplus) in Mozambique is predominantly articulated around the connection between national and international capital, which, for objective historical reasons, generates an internationally traded extractive economy (structurally 'extroverted', in Samir Amin's terms).

The dominance of international capital closely relates to the three long-standing problems of resource extractivism (Bond 2018b; Grove 2017), of (i) economically-uncompensated resource depletion; (ii) political corruption; and (iii) vulnerability to extreme weather events under climate change, such as floods, cyclones and drought. These three long-standing problems are intrinsically linked to the process of wealth generation based upon coal extraction, which contains a problem of sustainability. In Mozambique these are now sharply posed, both in terms of local impacts and in terms of accelerating climate disruption. In 2019 Cyclone Idai devastated the central region mainly Beira city and Cyclone Kenneth affected the northern province of Cabo Delgado. In addition, there were droughts in the southern provinces of Inhambane, Gaza and Maputo due to climate change. As noted by Raqa *et al.* (2011), environmental problems are significantly socially distributed and the problem of how human societies distribute ecological risks among societies should not be separated from the problem of how they distribute resources among people in a society.

## **Tete's coal mining**

Vale Mozambique, a subsidiary of the Brazilian Vale, arrived in Mozambique in 2004 having won a concession of 23,780 hectares under a 30-year contract, (renewable) to dig coal in a project worth \$1.3 billion. The company is reported to have paid \$123 million for the coal mining rights but the money was never registered with State agents (Kabemba and Nhancale, 2012). There were also tax incentives. Castel-Branco and Cavadias (2009) exposed the fiscal benefits the government of Mozambique gave to the mining companies. In the case of Vale, the fiscal incentives consisted of a reduction in Corporate Tax from 32 percent to 15 percent during the first 10 years of exploration, freedom to repatriate 100 percent of the profits and dividends and exemption of custom duties and VAT.

Coal extraction started in 2007 with production and exports of 11 million tons per annum. According to Selemane (2012), in the process of setting up, the company displaced 1,313 families (equivalent to over 5,000 people) from arable land in Moatize, near Tete to Cateme village, 40km away. In 2014, the company expanded its project by opening a new mine, 'Moatize Mine II', aimed at doubling the coal production to 22 million tons per annum. However, the plans did not go ahead due to water, soil and air pollution that subsequently motivated several communities to resist the mine's development. This impeded the company's progress as the mine was closed for 19 days. However, on 23 October 2018, Vale Mozambique decided to reopen Mine II without the community's consent and there were threats by community members to continue protests including sabotage of the mines' facilities and machinery. These protests then followed as warned (Maolela 2018).

## **Vale divided to rule**

Large-scale mining (and other) projects often require the displacement of people from their land and houses, a process that is referred to as 'involuntarily resettlement'. It is involuntary because decisions over land use lie with the government, as in Mozambique all land is owned by the state (Wiegink 2020). The displacements result in a situation where vulnerable communities are resettled in new areas, they usually lose their fertile land, they struggle to get access to potable water and more generally,

their living conditions deteriorate. Displacement is part of what David Harvey calls ‘accumulation by dispossession’ (Harvey 2003) – the mining company aims to accumulate more capital through its extractive project by dispossessing local communities its large areas of land (Lesutis 2019).

The implantation of Vale's coal mega-project in Moatize in 2009 caused the displacement of 1,313 families – around 5,000 people who were split into two different groups: 717 families were considered ‘rural’ and resettled in Cateme, which is 37km from their original locality of Moatize. The remaining 596 families, considered ‘urban’, were transferred to Bairro 25 de Setembro in the Municipality of Moatize, in the urban area of the city (Selemane 2010; Mosca and Selemane 2011, 2012).

The resettlement of Cateme became famous and appeared in various media reports (*e.g.*, AIM 2021; SEKELEKANI 2021; Maolela 2018) due to the large number of irregularities in the process: lack of dialogue between the company and the government, compensation considered unfair by the resettled, poor quality houses, no access to arable land, nor transportation to and from the city. The resettlement simply impoverished already vulnerable communities and the government responded to their contestations with armed repression (Wiegink 2020).

The Indian-based company of ICVL was the third beneficiary of the Benga coal mine concessions. The mine's concession was first granted to Australian Riversdale Mining in 2010 with projections to produce 20 million tons of coal per annum in a concession of 127,900 hectares (the initial phase explored being only 4,560 hectares). A year later the concession was taken over by the mining giant Rio Tinto at US\$4 billion. Mozambican authorities also never taxed the deal: as Caste-Branco (2014: 14) puts it, ‘the transaction between Riversdale and Rio Tinto was not taxed because the government had not prepared for this, having no institutions in place to check, monitor and control’. In 2014, the India-based company took over the concession for US\$50 million, which had previously cost Rio Tinto \$4 billion just three years earlier. The installation of Benga's coalmines under Rio Tinto resulted in the displacement of another 600 families from Benga to Mwaladzi village some 44km away from Tete town (Selemane 2012).

The above scenarios raise the question of *who benefits and who loses* from Mozambique's coalmines. Mosca and Selemane (2012) have summarised the answer to this question in Table 1 on the following page.

**Table 1: Winners and Losers from Coal Extraction in Tete**

<b>BENEFICIARIES AND WINNERS</b>		
<b>Foreigners</b>	<b>National/Capital Maputo</b>	<b>National/Tete Province</b>
Construction (ports, rail road, housing)	Highly qualified technicians	Speculation of mining licenses
Transportation (miners, workers of contractors)	Specialised technicians	Construction and property maintenance
Logistics (food, technical assistance, etc.)	Big and small speculation of mining licenses	Hotels and catering
Consultancy businesses	Consultancy businesses	Local transportation
Highly qualified technicians		Rentals and property speculation
Specialised professionals		Small businesses resulting from demographic increase
		Benefits to public servants
		Non qualified jobs
		Illicit businesses

<b>LOSERS</b>
<ul style="list-style-type: none"> <li>• Resettled population</li> <li>• Unemployed migrants</li> <li>• Population in general due to environmental damages – climate change victims</li> <li>• Low income population due to inflation</li> <li>• Public servants and unemployed due to inflation</li> </ul>

As Table 1 shows, the main beneficiaries of the coal mining mega-projects are the sub-contractors, usually the branch offices of foreign capital, that are awarded contracts to develop the mines and associated infrastructure, such as railways, ports, housing and hostels.

The Mozambican economy is less developed than that of South Africa hence most of the goods and services required by the coal mining companies are imported from South Africa. The importation of goods or the hiring of foreign companies (mostly South Africans) to provide goods and services to mining companies in Mozambique is often criticized by the Mozambicans.

However, as noted by Mosca and Selemene (2012) the main critique has been that the Mozambican government is making little effort to favour its own national businesses in the development of the industry (Mozambican providers are often incapable of providing the required goods and services in the quantities, quality and regularity demanded by the mining companies).

### **Community resistance**

The existence of winners and losers in the development process can be understood as uneven development (Bond 1998). This set of factors often motivates the losers to pursue community resistance. Mozambique's history contains various episodes of community resistance by grassroots and social movements. The causes range from the displacement or loss of arable land by peasants, for example led by members of the National Union of Peasants (*União Nacional dos Camponeses, UNAC*) and the Rural Women's Assembly. Environmental justice advocates, for instance Academic Actions for the Development of Rural Communities (ADECURU) and Justiça Ambiental (JA), are active in raising issues of pollution, of soil, air or water.

According to Marshall (2017), the first popular resistance episodes centred on the new coal mines began in late January 1990 when health and construction workers in Beira, bus drivers in Nampula and coal miners in Moatize, Tete went on strike. Of interest here will be those cases of community resistance involving political activists resisted extractivism by hijacking Vale's train line for a week, or community members who blocked access to the coal mines in Tete (Johansson and Sambo 2014; Marshall 2017; Mosca and Selemene 2012). Based upon a wide range of

sources, Table 3 below shows the frequency of protests around Tete coalmines in the last decade.

**Table 3: Protests Around Tete Coal Mines from 2009 to 2021**

Year	Type of action	Protagonists	Targets	Issues raised
2009	Wildcat strike	1200 construction workers	Odebrecht/Vale	Salaries, working conditions, severance
	Work stoppage	Construction workers	Odebrecht/Vale	Working hours, ex-pat salaries and benefits
2011	Official letter of protest	Community displaced by Vale from Moatize to Cateme	Vale and the Government of Mozambique	Access to arable land, houses, water, livelihoods
	Rail road blockade	700 resettled families in Cateme	Vale and the Government of Mozambique	Broken promises and silence from Vale and government
	Strike notice	Kenmare bargaining committee	Kenmare	Wages, health care, foreign workers
2012	Wildcat strike	Kentz construction workers	Kentz	Severance, Labour law implementation
	work stoppage, attacks on ex-pats	Jindal workers and affected community	Jindal and the Government of Mozambique	Lack of environmental study, insults, no resettlement plan

	Mine blockade	800 brick makers	Vale and the Government of Mozambique	Loss of livelihoods
	Railway blockade	Cateme brick makers	Vale	Compensation for loss of small business
2013	Demonstration at Vale offices	Brick makers	Vale	Response to new compensation proposal
	Mine blockade	Community resettled at 25 <i>de September</i> village	Vale	Compensation for lost livelihoods
2014	Blockade threats	bricks makers	Vale	Loss of livelihoods and land grabs
	Coal mine blockade	Resettled community and bricks makers	Vale	Land grabs, dispossession
2015	Work stoppage	ICVL mine workers	Jindal (ICVL) and the Government of Mozambique	'Slave labour' conditions, racism
	Mine blockade	500 families of four affected villages	Jindal (ICVL) and the Government of Mozambique	False promises of land, resettlement, jobs and better living conditions
2016	Work stoppage	1400 mine workers	Vale	Better salaries and bonuses
2017	Work stoppage	More than 1000 mine workers	Vale	Better salaries and bonuses

2018	Mine blockade	Residents of Nhancere village	Vale	Pollution of air, water and soil
	Mine blockade	Around 300 residents of Cassoca village	ICVL	Resettlement conditions
2019	Roads and mine blockade	Around 500 residents of 25 <i>de Setembro</i> village	Vale	Fair compensation and jobs
2020	Roads blockade	Around 300 residents	Vale	Resettlement conditions
2021	Mine blockade	Around 500 residents	Vale	Better living conditions, fair compensation
2022	Work stoppage and mine blockade	Around 1000 mineworkers	Vulcan	Continuation of contracts signed with Vale and better salaries

*Source:* Adapted from Marshall (2017) and updated by the author based upon Machava (2018); Maolela (2018); Lesutis (2019); SEKELEKANI (2021); and Mosse (2022).

In its announcement of withdrawal from Mozambique Vale stressed that it wanted to disinvest from all coal production (Hanlon 2021a). Yet Vale's departure will not lead to the closure of its coal operations, which have been sold on to a new owner, Vulcan for \$270 million. As part of Vale's exit, its project partner Mitsui transferred its share of operations to Vale for \$1 and Vale itself wrote-off \$2.5 billion in accumulated losses (AIM 2021). Vulcan hopes to mine 15 million tonnes in 2022 and 18 million tonnes in 2023.

Since May 2021, Moatize coal town has seen community protests against the deterioration of living conditions. Vale had occupied huge areas of land that was previously used by the local peasants for several economic

activities such as brick fabrication, farming and cattle feeding. Local artisans prior to Vale's entry into activity in Moatize were engaged in the manufacture of bricks for the local market and for Malawi. The start of mining led to the closure of its small factories, which were followed by promises of fair compensation from Vale, which were never satisfactorily delivered. Information recently released by Vale about its upcoming withdrawal from Tete province has rekindled the claims of victims in Moatize, fearful of being left behind. Not surprisingly, the company supplanting Vale – Vulcan - has not improved on its predecessor in terms of work conditions, remuneration and community relations. Within six months of the takeover mineworkers had laid down tools and protested for a week against poor salaries and unstable contracts and poor working conditions (Mosse 2022).

### **Governmental responses**

The boom of coal industry in Mozambique has brought not only community protests but also a debate around the local benefits to be gained by the inhabitants in the areas where mineral or hydrocarbon resources are exploited. The Government had responded to these protests by passing legislation to ensure some benefit for local development. The *Mining Law 11/2007* and *Petroleum Law 12/2007*, both of June 2007, provided for the allocation of a percentage of mining and oil revenues for 'development of communities in the areas where the respective petroleum projects are located' (under Article 11).

Nevertheless, the percentage of revenue to be allocated locally was not determined until after six years of advocacy work by Mozambican civil society organisations. In 2013, the Government proposed that 2.75 percent of revenues would revert to benefit of local communities. The decision was made in light of a parallel mechanism in logging operations that requires 20 percent of the revenues to revert to the local communities. The commitment for mining operations is significantly lower, and much delayed. Even with the new laws in place, affected communities are still protesting against the loss of their livelihoods.

The relationship between the coal companies and peasants has always been tense and conflictual. In turn, government policy responses to the grievances have not been sufficient and often its actions have been repressive. The government has responded to protests with police riots and

the detention of activists who questioned the practices of the coal companies. Such an approach is not only unsuccessful but also has deepened divides in society, especially in mining sites where capital is seen as acting against peasants, and the government is understood to be favouring capital to the detriment of its own people.

## **Concluding remarks**

Tete coalmines have become an epicentre for accumulation by dispossession, where multinational capital has displaced poor peasants in favour of coal extraction, as David Harvey has posited (Harvey 2003).

Amidst the climate catastrophe, the Brazilian Vale left Mozambique, announcing it would divest from fossil fuels, but the damage created by its operations remains. Millions of tons of coal have left Mozambique to Chinese, Indian and Japanese markets but the loss of livelihood for Mozambicans has not been resolved. Mozambican citizens affected by coal and other resource extraction operations continue to contest the deterioration in their already vulnerable living conditions. The coal boom may have passed but its consequences remain, raising the question of alternative post-extractivist development trajectories.

The extractive economic model embraced by the Mozambican government at the height of the search for energy in the years 1990-2000, made Tete the epicentre of the country's new coal industry. It meant both the province and city of Tete became an imaginary place in the dreams of policy-makers – believed to be a place of riches, immense opportunities and wellbeing of companies, civil servants, small and medium-sized entrepreneurs, an El Dorado Tete. This happened thanks to the presence of some of the world's biggest mining companies such as the Brazilian Vale and the Indian ICVL, which succeeded Rio Tinto in the Benga coal mines concessions (Mosca and Selemene 2011).

However, the 2008-09 global financial crisis and demise of the commodity price super-cycle in 2015, combined with the rise of environmental awareness and disputes over the role of coal as an energy source, caused the El Dorado Tete mirage to evaporate. Already, the arrival of Vale and other mining companies, causing massive local displacement and ecological damage, had created a national debate over Mozambique's development model, as an exporter of unprocessed raw material. At the same time, the disruption to climate from fossil fuel emissions has

dramatically politicised coal production, both nationally and internationally, pointing to coal phase-out, and a potential future beyond extractivism.

*Thomas Selemane is a PhD Candidate at the Wits School of Governance, Johannesburg, South Africa*

*tselemane9@gmail.com*

## References

- AIM (2021) 'Mozambique: Government Monitoring Vale's Withdrawal', *Mozambique News Agency and All Africa*, available: <https://allafrica.com/stories/202105140713.html>.
- Ali, M. and Miclea, A.M. (2013) 'Mining in Mozambique', *Engineering & Mining Journal - Global Business Reports*, available: [https://www.gbreports.com/wp-content/uploads/2014/08/Mining\\_Mozambique\\_2013.pdf](https://www.gbreports.com/wp-content/uploads/2014/08/Mining_Mozambique_2013.pdf).
- Amin, S. (1974) 'Accumulation and development: A theoretical model', *Review of African Political Economy*, 1(1), 9-26.
- Auty, R.M. (2001) The political economy of resource-driven growth, *European Economic Review*, 45(4-6), pp. 839-46.
- Bond, P. (1998) *Uneven Zimbabwe: A study of finance, development, and underdevelopment*, Africa World Press.
- Bond, P. (2006) *Looting Africa: The economics of exploitation*, Zed books.
- Bond, P. (2018) 'Towards a Broader Theory of Imperialism', *Review of African Political Economy* online, available: <https://roape.net/2018/04/18/towards-a-broader-theory-of-imperialism/>.
- Bond, P. (2019) 'Luxemburg's Critique of Capital Accumulation, Reapplied in Africa', *Journal Für Entwicklungspolitik*, 35, 92-117.
- Castel-Branco, C. and Cavadias, E. (2009) 'O papel dos mega projectos na estabilidade da carteira fiscal em Moçambiqu', Comunicação apresentada no II Seminário sobre Execução da Política Fiscal e Aduaneira, 6-7 March, Maputo.
- Castel-Branco, C.N. (2014) 'Growth, capital accumulation and economic porosity in Mozambique: Social losses, private gains', *Review of African Political Economy*, 41(sup1), S26-S48.
- Castel-Branco, C.N. (2017), 'Political Economy and Natural Resources: The "Curse" is in the Approach', Lisbon School of Economics and Management, Centre for Africa, Latin American and Asian Studies.
- Club of Mozambique (2017, setembro), 'ICVL to resume mining coal in Tete', *Club of Mozambique*, available: <https://clubofmozambique.com/news/icvl-to-resume-mining-coal-in-tete/>.

- Collier, P. and Hoeffler, A. (2004), 'Greed and grievance in civil war', *Oxford Economic Papers*, 56(4), pp. 563-95.
- Deloitte and EITI Mozambique (2018) 'Final Report - Independent Administrator of EITI in Mozambique', available: [https://eiti.org/sites/default/files/documents/mireme\\_eiti\\_relatorio\\_final\\_eng\\_versao\\_final\\_2015\\_-\\_16.pdf](https://eiti.org/sites/default/files/documents/mireme_eiti_relatorio_final_eng_versao_final_2015_-_16.pdf).
- Dietsche, E. (2014) '*Good governance*' of the extractive resources sector: A critical analysis, unpublished doctoral dissertation, University of Dundee.
- Ferraro, V. (1996) 'Dependency theory: An introduction', in G. Secondi (ed.), *The development economics reader*, London: Routledge, pp. 58-64.
- Fine, B. (2000) 'Economics imperialism and intellectual progress: The present as history of economic thought?', *History of Economics Review*, 32(1), pp. 10-35.
- Fine, B. and Rustomjee, Z. (1996) *The political economy of South Africa*, Witwatersrand University Press.
- Garcia, A., Borba, M. and Bond, P. (2021) 'Western Imperialism and the Role of Sub-imperialism in the Global South', *New Politics*, Vol. XVIII, No. 2(Number 70), available: [https://newpol.org/issue\\_post/western-imperialism-and-the-role-of-sub-imperialism-in-the-global-south/](https://newpol.org/issue_post/western-imperialism-and-the-role-of-sub-imperialism-in-the-global-south/).
- Grove, R.H. (2017) 'Colonial conservation, ecological hegemony and popular resistance: Towards a global synthesis', in J.M. MacKenzie (ed.), *Imperialism and the natural world*, Manchester University Press, pp. 15-50.
- Hanlon, J. (2021a) 'Vale pulling out means end of coal', *Mozambique News Reports and Clippings*.
- Hanlon, J. (2021b) 'Energy agency says no more Moz gas; Total demands peace', *Mozambique News Reports and Clippings*.
- Harvey, D. (2003) 'The new imperialism: Accumulation by dispossession', *Socialist Register*, Vol. 40, pp. 63-87.
- Heal, G. (2007) 'Are oil producers rich?', in M.E. Hunphreys, J.D. Sachs and J.E. Stiglitz (eds), *Escaping the Resource Curse*, Columbia University Press, pp. 155-72.
- Hornborg, A. (2015) 'Ecologically Unequal Exchange', Environmental Justice Organisations, Liabilities and Trade, available: <http://www.ejolt.org/2015/02/ecologically-unequal-exchange/>.
- Hujo, K. (2012a) 'Introduction and overview: Blessing or Curse? Financing social Policies in Mineral-rich Countries', in K. Hujo (ed.), *Mineral Rents and the Financing of Social Policy*, Springer, pp. 3-25.
- Hujo, K. (2012b) *Mineral Rents and the Financing of Social Policy: Opportunities and Challenges*, Springer.
- Hujo, K. (2012c) 'Mineral rents and the financing of social policy: Options and constraints', *Research and Policy Brief*, 16.
- INP. (2019) 'History of Petroleum Exploration in Mozambique', available: <http://www.inp.gov.mz/pt/Pesquisa-Producao/Historial-da-Pesquisa-de-Hidrocarbonetos-em-Mocambique>.

- INP. (2021) 'History of Petroleum Exploration in Mozambique', available: <http://www.inp.gov.mz/pt/Pesquisa-Producao/Historial-da-Pesquisa-de-Hidrocarbonetos-em-Mocambique>.
- Johansson, K. and Sambo, M. (2014) 'As revoltas do pão: Um exercício de cidadania?' in *Agora Eles Têm Medo de Nós! Uma colectânea de textos sobre as revoltas populares em Moçambique (2008–2012)*, IESE, pp. 88-117.
- Kabemba, C. and Nhancale, C. (2012) 'Coal versus communities: Exposing poor practices by Vale and Rio Tinto in Mozambique', *Southern Africa Resource Watch (SARW)*.
- Lesutis, G. (2019) 'Spaces of extraction and suffering: Neoliberal enclave and dispossession in Tete, Mozambique', *Geoforum*, 102, pp. 116-25.
- Love, J.L. (1980) 'Raul Prebisch and the origins of the doctrine of unequal exchange', *Latin American Research Review*, 15(3), pp. 45-72.
- Machava, R. (2018) 'Carvão mineral de Tete já é vendido no mercado internacional', *O Paí*, available: <http://opais.sapo.mz/carvao-mineral-de-tete-ja-e-vendido-no-mercado-nacional>.
- Maolela, A. (2018), 'Vale reabre a poluente e contestada "Mina Moatize II" - Comunidades não desarmam e prometem sabotagem', *SAVANA*, pp. 14–15.
- Marais, L., Burger, P., Campbell, M., Denoon-Stevens, S.P. and Van Rooyen, D. (2021) *Coal and Energy in South Africa Considering a Just Transition*, Edinburgh University Press.
- Marshall, J. (2017) *Mozambican Workers and Communities in Resistance (Part 2)-ROAPE*.
- Marx, K. (1991) *Capital*., Penguin.
- Mosca, J. and Selemane, T. (2011) *El dorado Tete: Os mega projectos de mineração*, CIP (Centro de Integridade Pública).
- Mosca, J. and Selemane, T. (2012) 'Mega-projectos no meio rural, desenvolvimento do território e pobreza: O caso de Tete', *Desafios Para Moçambique*, pp. 231-55.
- Mosse, M. (2022) 'Greve na Vulcan: Mineradora que comprou Vale Moçambique está a operar a meio gás', *CARTA de Moçambique*, available: <https://cartamz.com/index.php/politica/item/10648-greve-na-vulcan-mineradora-que-comprou-vale-mocambique-esta-a-operar-a-meio-gas>.
- Nathan, L. (2003) 'The frightful inadequacy of most of the statistics: A critique of Collier and Hoeffler on causes of civil war', *Track Two: Constructive Approaches to Community and Political Conflict*, 12(5), pp. 5-36.
- Obeng-Odoom, F. (2020) *Property, Institutions, and Social Stratification in Africa*, Cambridge University Press.
- Olanya, D R. (2012) *'Resource curse, staple thesis and rentier politics in Africa'*, paper presented to Iii Conferência Internacional Do Iese, *Moçambique: Acumulação E Transformação Em Contexto De Crise Internacional*, 4-5 September.
- Poteete, A.R. (2009) 'Is development path dependent or political? A reinterpretation of mineral-dependent development in Botswana', *The Journal of Development Studies*, 45(4), pp. 544-71.
- Ross, M.L. (2013) *The oil curse: How petroleum wealth shapes the development of nations*, Princeton University Press.

Rosser, A. (2006) 'The political economy of the resource curse: A literature survey', *Working paper series*, 268, Brighton: IDS

Saad-Filho, A. and Weeks, J. (2013) 'Curses, diseases and other resource confusions', *Third World Quarterly*, 34(1), pp. 1-21.

Sachs, J.D. and Warner, A.M. (1995) 'Natural resource abundance and economic growth', National Bureau of Economic Research.

Sassen, S. (2010) 'A savage sorting of winners and losers: Contemporary versions of primitive accumulation', *Globalizations*, 7(1-2), pp. 23-50.

SEKELEKANI (2021) 'Violência policial em Moatize agride manifestantes pacíficos incluindo crianças', *Civilinfo*.

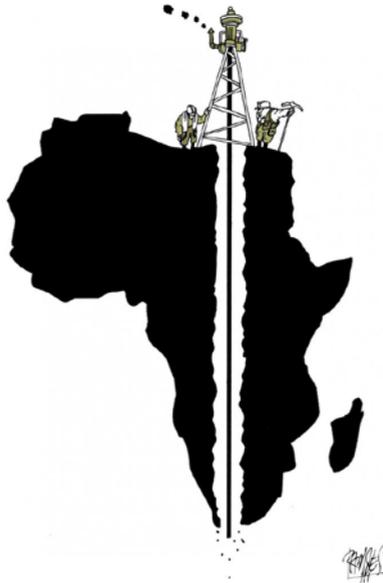
Selemane, T. (2009) 'Alguns desafios na indústria extractiva em Moçambique', Centro de Integridade Pública, Maputo.

Selemane, T. (2010) 'Questões a volta da mineração em Moçambique,' Centro de Integridade Pública, Maputo.

Selemane, T. (2012) 'Os mega-projectos de mineração em Moçambique: Impactos socio-económicos e demanda pela terra', *Publicado No SAVANA De*, 30.

Weeks, J. (2011) *Capital, exploitation and economic crisis*, Routledge.

Wiegink, N. (2020) 'Learning lessons and curbing criticism: Legitimizing involuntary resettlement and extractive projects in Mozambique', *Political Geography*, 81(4).



# **COUNTERING THE COAL CURSE THROUGH COMMUNITY RIGHTS: STOPPING COAL-EXTRACTION THROUGH FOREST RIGHTS IN SINGRAULI, CENTRAL INDIA**

**Ruchira Talukdar and Priya Pillai**

In April 2020, the walls of a fly ash dam of a coal fired power plant in central India's Singrauli region collapsed, spilling toxic sludge into villages and farms, killing six people, and contaminating water reservoirs. Operational since 2013, Reliance Power's 3960-megawatt Sasan Ultra Mega Power Project (UMPP) is one of the world's largest integrated power projects. Reliance Power is part of the Reliance Group, one of India's largest business houses. While the corporation had ignored notices from the state Pollution Control Board on the fly ash pond and continued to discharge slurry beyond permitted limits, the district administration had ignored citizens' appeals to enforce proper guidelines for building and maintaining ash dams. The state and corporation were also slow and unforthcoming with post-disaster restorations (Dutta 2020).

Such events present an everyday story of corruption and violations by the state-corporate nexus in India's largest industrial zone. Covering 2,200 square kilometres, the Singrauli region is shared between the states of Uttar Pradesh and Madhya Pradesh. It generates 10% of India's electricity and is hailed as the energy capital. It contains eleven operational coal-fired power plants and associated coalmines including some of the oldest state-owned plants and mines. Although the place now appears overcome by an energy juggernaut, just two generations ago peasants and Indigenous Adivasis in the region were leading forest and subsistence farming based

**Talukdar, R. and P. Pillai (2022)**

**'Countering the coal curse through community rights:  
Stopping coal-extraction through forest rights in Singrauli, Central India'**  
*Journal of Australian Political Economy*  
No. 89, pp. 90-113.

lives. Singrauli's 200 kilometres long stretch of open coalfields remained untapped till the late 1960s when the construction of the massive Rihand Reservoir ensured water supplies for the coal and power sectors (Chakravartty 2018).

Pollution from four decades of intensive mining and burning of coal beginning from the 1980s has had a telling effect on this landscape: livelihoods and health have been damaged through destruction of soil, water and air quality (Dokuzovic 2012). Singrauli also stands out amongst displacement-affected Indian landscapes from dams and coalmines, both in terms of the intensity and frequency of land acquisition. Adivasis have borne the biggest burden, comprising nearly half the number of displaced people in the region (Sharma and Singh 2009). Further, while Singrauli supplies electricity to sixteen states, 50% of its own population lives below the poverty line and without electricity (Singh 2015).

This article draws on the case of the environmental destruction and social collapse in Singrauli for powering India's coal economy, and a rights-based community resistance to the coal-extractive economy in the region, to address a significant socio-political area that the macro-economic perspectives of the resource curse theory first espoused by Richard Auty (1990) do not adequately address. The primary focus of the resource curse theory has been on the experience of resource-rich developing countries where resource extraction and exports have been found to generate underdevelopment in the long term (Oskarsson and Ottosen 2010). The resource curse thesis has been criticised for not considering the close relation between political institutions and economic factors (Mehlum *et al.* 2005) or the unequal and unjust relationship between powerful state agencies and corporations and the communities living in mineral-rich areas (Lahiri-Dutt 2006). We address these criticisms through a reflection on the state of disempowerment of Adivasis in Singrauli. Conversely, through the case of the resistance to the Mahan coalmine in Singrauli by forest-dependent communities in collaboration with Greenpeace India activists, we argue that where communities have been able to assert their capacity to refuse consent for mining on their lands and pursue a legal right over natural resources (forests in this case), outcomes have proven to be different from the historic process of ecological and social disruption.

In the second section of the article, we profile the political economy of coal extraction since the beginning of India's privatised economic development from the 1990s and its effects on the ecology and society of

Singrauli. The region emerged as the centerpiece of India's increased coal production to fuel a high rate of economic growth since economic liberalisation. Drawing on this, the third section of the article conceptualises a framework to investigate Singrauli's coal curse based on institutional and political cultures of mineral governance and ongoing conflicts between Adivasis and the state over their *Jal, Jangal, Jameen* (water, forests, land). The fourth section then discusses the arc of coal-development and coal governance in India that has driven coal's ecological and social curses. The fifth section discusses the grassroots resistance to coalmining in Singrauli's Mahan forests through the assertion of community rights under the Forest Rights Act. These sections contextualise the minerals curse within the Indian democratic system through a discussion of the political health of institutions and resource governance.

The concluding section addresses how India's coal curse can be reversed, through strengthening democratic governance and legal empowerment of communities, and how the renewables industry can avoid the persistent problems of the coal complex. The article's key findings strengthen the case for a stronger focus in resource curse literature on empowering communities in resource rich tracts in developing countries. Apart from policy documents and news articles, this article draws on fieldwork from doctoral research between 2017 and 2019 and long-term environmental campaign participation in Singrauli by the authors.

## **Background – The making of *Singrauli, the Coal Curse***

Economic liberalisation since the 1990s led to a drastic increase in India's coal-based power generation. Singrauli became the driver for this model of development<sup>1</sup> and experienced a flood of capital for coalmines and power plants (Singh 2015). From 2005, India's largest private energy companies, including Essar and Reliance, entered Singrauli. Despite being designated as a critically polluted industrial zone, a moratorium on new mines and power plants in Singrauli was lifted to facilitate the grand design of coal and electricity production under India's 12<sup>th</sup> Five Year Plan for

---

<sup>1</sup> The region was expected to supply an additional 35,000MW of electricity to the central grid by 2017. This was part of the grand ambition of India's 12th 5 Year Plan (2012-2017) to add an unprecedented 100,000MW of electricity generation capacity to India's central grid.

economic development (2012-2017) that aimed for a high growth rate of 8% of GDP per annum. Almost all the new coalmines were allocated in the region's remaining forests, risking further loss of animal habitats and forest livelihoods. From the 1960s to 2011 Singrauli had already lost one-third of its forest cover (Pillai *et al.* 2011).

Although coalmines and power plants were approved with the purported aim of powering the nation, the state and capitalist nexus in Singrauli has also driven an agenda of environmental and social collapse. Reliance Power's Sasan power plant, for instance, was commissioned despite Singrauli being designated a critically polluted area, compounding the historic disregard for the region's environment (Vyawahare 2018). The state-corporate agenda of neglect manifests through repeated accidents: the April 2019 fly ash breach was one of three such events within a 12 month period.<sup>2</sup> India's energy capital has been rebranded as India's *Coal Curse* on account of the indiscriminate destruction of its environments and livelihoods through planning and operations singularly focussed on maximising coal extraction. The coal-developmental mindset has encouraged corruption, unaccountability and non-compliance amongst mine and plant operators and inadequate governance in the administration (Pillai *et al.* 2011).

Resource abundance cannot be considered the only dominant factor behind Singrauli's minerals curse. Institutions, policies and governance have combined with economic factors in deeming Singrauli a sacrifice zone. A state-corporate nexus in mineral extraction operating at various levels from the national through to the local has disenfranchised communities in central India's mineral rich tracts. There are deeper social and historical dimensions to the neglectful attitude of political and business elites towards central India than just its mineral richness. Present day discontents over coalmining in Singrauli, and mining in central India more broadly, have deeper roots in colonial land and forest laws, and mindsets that regarded Adivasis as stumbling blocks to resource extraction. People's discontents have been exacerbated owing to a continuation of the colonial mindset through postcolonial institutions, policies and practices.

---

<sup>2</sup> The other breaches occurred from the slurry dams of Essar Energy's 1200-megawatt Mahan power plant and the state-owned NTPC 4760-megawatt Vindhyachal Super Thermal Power Plant.

Home to large Adivasi populations, forested central India has served as a site of conflict since the British colonial era, between the rights and sovereignty of Adivasis over *Jal, Jangal, Jameen*, and extractive state capitalism. Colonial laws that vested control of Adivasi forests in the hands of the state and sanctioned the arbitrary takeover of Adivasi lands were met with revolts that forced the colonial government to pass countervailing legislation.<sup>3</sup> Colonial land and forest laws were overhauled only after six decades of independence. Paradoxically, although postcolonial Indian governments took over Adivasi lands and forests for minerals and energy in the same vein as their colonial counterpart, this was deemed to be in the national interest for developing a sovereign country (Ramesh and Khan 2015).

The colonial-extractivist mindset persisted amongst political and business elites even after the passing of the *Forest Rights Act 2006* (FRA) which sought to redress historical injustices towards forest-dependent peoples. The twin motivation of state administrations in central India to not give up control over forests and to facilitate mining for revenues is evident through the poor implementation of the FRA, violation of its provisions for community consent for mining, and even overturning previously granted forest rights (Chowdhury and Aga 2020). The question of how mining drives Adivasi disenfranchisement and deepens central India's mineral curse needs to be considered within the wider context of historical and present struggles for rights and protections over *Jal, Jangal, Jameen*. The question of countering the resource curse needs to pay attention to the scope for strengthening community rights in central India.

## Criticisms of resource curse literature

The resource curse thesis emerged in the aftermath of the 1960s global economic boom. Its main focus has been on the experience of resource-rich developing countries (Oskarsson and Ottosen 2010), and on the

---

<sup>3</sup> The British colonial government's Land Acquisition Act 1892 (LAA) continued unchanged for nearly a century till 1984. It vested arbitrary powers in the state for land acquisitions, using a justification of public purpose. The colonial era Forest Act passed in 1878 restricted the access of forest-dependent communities to forest commons and produce under the guise of scientific forestry. The Santhal Parganas Tenancy Act 1949 and Chotanagpur Tenancy Act 1908 were passed after long struggles and restricted mortgages and prohibited the transfer or purchase of Adivasi lands by non-Adivasis.

‘paradox of plenty’ wherein, empirically, being rich in minerals is associated with being poor in material wealth (Mehlum *et al.* 2005). The phenomenon is found to also afflict industrialised countries where it can be understood through the ‘Dutch disease’. This term was coined to describe the 1960s experience in the Netherland after it prioritised the export of newly discovered natural gas, resulting in a rise in exchange rates and affecting the prosperity of other export sectors like manufacturing (Auty and Warhurst 1993). Essentially, conceptualisations across both industrialising and industrialised economies have recognised similar maleffects from the preponderance of resource-extractivism: economic distortion, corruption, inequality, a negation of democracy to environmental destruction.

Resource curse literatures have largely assumed mineral wealth to be state owned (Luong and Weinthal 2006) and national mineral political economies to be export-oriented and therefore strongly influenced by global resource prices (Stevens and Dietsche 2007). The literature has brought empirical evidence of economic, political, social and ecological impacts in minerals rich countries (Auty 1990; Gelb 1988; Gylfason *et al.* 1999; Sachs and Warner 1997, 2001) and more recently of the impact of entrenched coalmining interests on climate change (Goodman and Worth 2008). The disproportionate impacts of resource extraction on vulnerable groups dependent on nature-based livelihoods has emerged as a central challenge in the literature (Martinez-Alier 2002; McCarthy 2002; Schlosberg 2007). With regards to Indigenous peoples, the resource curse reflects ‘the long arc of violent extractivist frontiers and resource colonialism that was responsible for their historic dispossession’ (Parson and Ray 2016).

The theory has been critiqued for its implicit economic determinism. Studies exploring and quantifying the relationship between economic growth, resource abundance and institutional capacity have argued that assessments about the impacts of mineral extraction need to consider the close relationships between economic factors and political institutions (Mehlum *et al.* 2005, 2006; Sarmidi *et al.* 2012). India’s coal economy was developed for domestic industrialisation and power generation and was facilitated by policies to keep the price of energy low (Gopal 2016). In this India deviates from the standard model of resource-exports oriented economies in the resource curse literature.

This makes it imperative to examine India's coal curse through a focus on coal governance. There are two main issues. The first is the legislative complex of coal, land, forests and community rights management, and of coal-development undercutting land, forest and community rights through a combination of 'national interest' exceptions and state actions to dilute or violate legal clauses for rights and consent. The second is persistent corruption, as seen through the 'Coalgate' coalmine allocation scandal between 2004 and 2012, one of the largest government scandals in the country (Amnesty International 2016).

Kuntala Lahiri-Dutt has summarised the problem as a failure to address the domestic impacts of extractivism. In 'A critique of 'resource curse' and conflict theories' (2006) Lahiri-Dutt criticises the lack of empathy in popular macro-economic theories which do not address unequal and unjust control of mineral resources by corporations and states and the drain of wealth from communities (apart from the destruction of their livelihoods) through mining. It argues for a rethinking of mineral governance in developing countries through a critical focus on ameliorating policy frameworks and reallocating decision-making powers on minerals to communities in resource rich tracts. Although this paper does not focus on the specific question of community rights over mineral resources, it picks up crucial elements from Lahiri-Dutt's critique to focus on the historic and present conflict around forest rights in central India.

Although they make up only 8% of India's 1.2 billion population, Adivasis have constituted 40% of the 60 million displaced by large development projects since independence, demonstrating industrialisation's disproportionate burden on them (Kohli *et al.* 2018). One in every six of 87,000 Indians displaced by the state-owned Coal India Limited mines between 1976-2016 is Adivasi (Amnesty International 2016). Adivasis have lived on their lands for generations without possessing formal land titles. Further, India's legal framework does not fully recognise Adivasi rights to free prior and informed consent over matters of extraction and development on their lands. During the coal boom following economic liberalisation in the 1990s, even fertile agricultural lands (apart from forests) were taken over without consent and often under duress and through state-sanctioned violence (Amnesty International 2016). This paper turns to the pressing question of enforcing community rights over forests and consent for extractive development on Adivasi lands, against the political reality of mineral extraction in central India.

## Coal in India: King and a curse

Coal is India's most abundant fuel and has served as the resource backbone for post-independence development since the 1950s. Indian coal is thermal coal with a low calorific value used for electricity generation. As a developing economy with a large poor population, India linked coal production for electricity to the moral imperative of poverty alleviation, since electricity use is strongly linked to development in the Human Development Index (Ghosh 2016).<sup>4</sup>

Electricity needs during the first four decades since independence were met through domestic coal produced from India's coal reserves. During this time India built a 'national coal economy' through a legal framework that gave coal eminence while undercutting protection for Adivasi lands under the Constitution. National policies and public companies aimed to provide power for rapid economic growth (Gopal 2016). Coalmining was brought completely under the purview of the public sector through the *Coal Mines Nationalisation Act 1973*, making coal synonymous with the national interest (Lahiri-Dutt 2016).

The state monopoly over coal and electricity began to ease from the early 1990s with the initiation of structural reforms to liberalise the economy and allow private capital and Foreign Direct Investments (FDIs) in the energy sector. From 2004 the Indian government allocated 194 coalmines either directly to private companies or to state enterprises, which in turn contracted private operators. Private corporations were allowed to mine coal for their power plants and to sell electricity. They stood to profit due to the constantly rising demand for electricity, producing the phenomenon of 'neoliberal coal' (Lahiri-Dutt 2016). Finally, from 2015 private and foreign corporations were permitted to commercially mine coal. Meanwhile, rapid growth increased energy and minerals needs, making India the world's second largest importer of coal.

Despite these changes, the majority of India's coal production is still controlled by the state-owned Coal India Limited (CIL), the world's single largest coal producer. Most of India's coal-fired electricity is also state controlled through the public power utility NTPC Ltd. Coal supplied 75% of the electricity and accounted for 56% of the primary energy consumed

---

<sup>4</sup>An estimated 240 million Indians still live without electricity (International Energy Agency (IEA) 2015).

in India in 2018-2019 (Central Electricity Authority 2018). It is still seen as critical for industrialisation, lifting millions out of poverty, and meeting India's sustainable development goals.<sup>5</sup> Coalmining directly employs half a million Indians and nearly the same number indirectly. Although not a major contributor to the national economy, the sector plays a significant role in the regional economies of major coal-producing states. Beyond formal employment in the sector, the livelihoods of peasants and Adivasis displaced by coalmining and not employed in the new coal economy are dependent on artisanal coalmining or subsistence coal gathering (in lieu of collecting forest produce), creating many worlds and informal economies of coal (Lahiri-Dutt 2016: 204). The coalmining sector is also intricately tied to the economy of the Indian Railways, the world's largest rail network that transports the bulk of the domestic coal.

India is now the world's third largest electricity generator and consequently the third highest emitter of greenhouse gases (GHG) due to a primary dependence on coal. Long-term and concentrated coalmining and power generation has created harmful effects: soil and water degradation, displacement of Adivasi and peasant communities and disruption of their livelihoods through pollution and deforestation. Major coal-producing regions are also some of the most economically backward and least economically diversified parts of India. Such regions are doubly vulnerable to coal, both to the impacts of its mining and burning and to a dependency on it for revenues, employment for a section of the local workforce and by local elites.

As an industrialising nation, India continues to argue for its right to grow based on coal, while urging developed nations to take bigger steps towards reducing emissions. India's Paris commitments did not indicate when coal usage will peak, but set ambitious targets for renewable energy development. Renewable energy developments and coal production have grown in a mutually independent manner since the 2000s, indicating no clear policy pathways for a transition away from coal. A move by the Indian government to auction 50 new coal blocks in 2020 further undermines efforts to transition away from coal (Roy and Schaffartzik 2021). It also serves as a reminder of the approach that India has maintained in global climate politics, that coal is expected to dominate

---

<sup>5</sup> India has adopted the United Nation's 2030 Agenda for Sustainable Development that aims to end poverty in all forms; the Agenda contains the provision of affordable, reliable, sustainable and modern energy for all as one of its main goals.

India's energy mix into the foreseeable future (Planning Commission 2015). However despite government rhetoric and actions, the energy sector has responded to the global decline in coal demand and profitability; India's coal producers are diversifying their energy sources, ramping up renewable energy production, and setting net zero emissions targets. This shift and a declining coal demand in India was reflected in the results of the Indian government's coalmine auctions in 2020 where over 70% of the designated coalmines failed to secure any bids from private companies (Varadhan 2021).

On the one hand, this arc of post-Independence development demonstrates a material and ideological dependency on coal; on the other, it demonstrates its deleterious eco-social effects. In this respect, coal is both King and a Curse. Coal being deemed as King has served to deepen its curse, especially under exacerbating climate change, as India continues to expand coalmining despite declining demand, and fails to end its primary reliance on coal despite significant increases in renewable energy generation. The following subsections discuss the outstanding issues of legal conflict and inefficacy and corruption in the governance of coal; they analyse the political culture that permeates executive and legal oversight of mineral extraction, turning India's coal abundance into its coal curse.

### **Legal regimes and the coal curse**

Coal mining became the chief agent of disruption for forest-dependent communities in central India in the post-Independence era (Lahiri-Dutt 2016). An Amnesty International report on Indigenous rights has argued that a mosaic of laws with vastly different mandates has created a legal conundrum leaving critical gaps in safeguarding Adivasi land rights in the face of coalmining (Amnesty International 2016).

For example, while the Indian Constitution acknowledges historical marginalisation of Adivasi people and safeguards Adivasi lands through geographically demarcated tribal majority Scheduled Areas<sup>6</sup>, many of which are in central India, the *Coal Bearing Areas (Acquisition and*

---

<sup>6</sup> Article 244 of the Constitution enshrines special safeguards for Adivasi land rights through geographically demarcated tribal majority Scheduled Areas where separate legal and administrative frameworks apply. The Fifth Schedule of the Constitution maps out tribal majority areas across nine states, six of which are in central India.

*Development) Act 1957* (CBAA) gives coal greater priority over other forms of land use, including over the land rights of Adivasis in the designated Scheduled Areas, to allow ‘greater public control over the coal mining industry and its development’ (CBAA 1957: 1). Together, the CBAA and the (now repealed) *Land Acquisition Act 1894* (LAA) vested ultimate power in the state to acquire any land for coalmining (Lahiri-Dutt 2016).

Rights based legislations have also either been poorly implemented or violated. The Indian government passed democratic reforms such as the *Forest Rights Act 2006* (FRA) and the *Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act 2013* (LARR) to overhaul land acquisition and give people a say about how the state should deal with their lands and forests<sup>7</sup> (Ramesh and Khan 2015). The FRA holds the potential to substantially alter living conditions of forest-dependent communities, but this potential has been undermined in two significant ways. First, state governments eager for mining revenues have misused the provision for community consent for mining on Adivasi lands under the FRA, to the extent of forging consent for mining (Chowdhury 2016). And second, a slow and flawed implementation of the FRA and high rates of rejections of community forest rights claims (as high as 50% in central India) has meant that a mere 3% of the total potential for community forest rights (excluding India’s north-eastern region) has been realised in 10 years of the FRA (CFR-LA 2016). A state government even went to the extent of removing already granted community forest rights to facilitate private mining, setting a dangerous precedent for Scheduled Areas around India (Sethi 2016).

Mining of coal and other minerals rose by 75% between 1994 and 2009, requiring a growing proportion of land to be acquired and forests to be cleared (Shrivastava and Kothari 2012). India’s coalmine lease area and coal production capacity roughly doubled between 2007 and 2011. Virtually all new coalmines and most planned power plants were located in central India, and a significant proportion in forests. Coalmining was granted the highest share of environmental and forest clearances.

---

<sup>7</sup> The LARR made it mandatory to seek approvals from affected communities through the clauses of consent and social impact assessment (SIA), as well as to resettle and rehabilitate title-holders and livelihood losers. It set compensation formulas at four times the value of rural and twice that of urban land, and also contained provisions related to return of unused lands and food security (Kohli *et al.* 2018).

Alongside a high GDP growth rate of 7-8% since mid-2000s, the Indian government diluted the FRA and LARR for ease of business, dealing a blow to legal democracy (Nayar 2016). With states acquiring an increasing proportion of land for private mining in central India, including in designated Scheduled areas; there was a ‘ground-clearing’ of Adivasis in this period (Bharadwaj 2018).

The Congress Party and its United Progressive Alliance (UPA) government (2004-2014) which passed these reforms already began diluting them, especially the provisions for public consultation for mining. Narendra Modi’s Bharatiya Janata Party (BJP) and their National Democratic Alliance (NDA) government (2014 onwards) took even more drastic steps in diluting democratic provisions, social impact assessments and environmental protections under these laws (Amnesty International 2016). These state practices in the neoliberal era of India’s post-independence development entrenched the resource curse in central India.

### **Corruption in coal governance**

Coalmining has been synonymous with corruption in the public consciousness. Even the nationalisation of coalmines since 1976 did not remove corruption in coal governance, nor prevent the flouting of environmental laws and safety standards by mine operators (Thakurta 2013). Neoliberal reforms since the 1990s specifically reoriented the state’s behaviour in favour of private resource extraction and made the state a land broker for private mining (Levien 2011). Neoliberalism added another dimension to corruption in coal governance by transforming the state-business nexus, which now became characterised by a narrow alliance of business and political elites. As Thakurta argues, it created the phenomenon of ‘crony capitalism’, causing undue favours to be extended to corporations, and the neglect of the public interest (Thakurta 2015).

A 2012 report by India’s Comptroller and Auditor General (CAG) revealed that from 2004 the Indian government had allocated coal blocks without any transparent assessment of financial capacity or technology and without following a process of competitive bidding (CAG 2012). In many cases coalmines with much higher production capacities than what was required to be supplied to power stations were approved. Corporations profited from the flawed allocation process; they acquired coal cheaply from allocated coalmines and then diverted them to power plants that were

selling at market rates; companies also acquired coalmines as speculative assets without any actual intention of mining. The CAG report estimated the loss of revenue to government, and consequent gain to private companies, at over A\$200 billion (Mehdudia 2012).<sup>8</sup> This corruption under the United Progressive Alliance (UPA) government came to be known as ‘Coalgate’. It revealed the extent of the corporate-political nexus and corruption within the highest levels of government, with the state giving land and coal to corporations for free (Inamdar 2013).

Based on the CAG investigation, in 2014, India’s Supreme Court ordered the cancellation of 214 coal blocks that had been ‘illegally’ and ‘arbitrarily’ allocated to private corporations (Rajagopal 2014). The Supreme Court judgement provided an opportunity to reform legislation and prosecute violators (Nileena 2018). Against the backdrop of its predecessor’s ‘Coalgate’ scam, the Modi government promised to better manage India’s coal sector. The Mahan coalmine in a forested part of Singrauli that sparked a local anti-coalmining movement from 2011 (discussed in section 3) was part of ‘Coalgate’. The Modi government cancelled Mahan (amongst other coalmines) following the Supreme Court’s directive, but it failed to deliver on the bigger promise of reforming coal governance (Kohli and Menon 2020).<sup>9</sup>

The Mahan coalmine also found itself at the centre of an interrelated conflict of interest within the UPA government regarding coalmine allocations in forests. In 2006, the Ministry of Coal allocated the Mahan coalmine to a private corporation formed as a joint venture between the

---

<sup>8</sup> The CAG Report named twenty-five companies including some of India’s largest power and resources corporations – Essar Power, Hindalco, Tata Steel and Power, Adani Group, Lanco, Vedanta group, Arcelor Mittal, Jindal Steel and Power – as beneficiaries in the private allocation process.

<sup>9</sup> The *Coal Mines (Special Provisions) Act 2015* mandated auctions for coalmines offered to private companies; it retained the government’s power to allot coalmines without auction to state enterprises but banned the latter from new joint ventures with private firms for new coalmines (while allowing the loophole of bringing private firms as contractors or subcontractors). Based on the new rules, the Modi government auctioned the first set of coalmines to private companies in 2015. The auctions were characterised by aggressive biddings with the amount and royalty payable to six mineral-rich states has been estimated to be to the tune of Rs. 1 lakh crore (A\$20 billion) over the next 30 years. But the risks involved in this new approach need to be understood in light of its consequences on Adivasi and forest-dwelling communities: although the system of auction in the 2015 Act appears transparent, it essentially means that money will determine everything, and other social determinants including the consent of landowners, will become dispensable.

power giant Essar and the aluminium manufacturer Hindalco to supply their new power plants in the region<sup>10</sup> (Fernandes 2012). Unlike the developed northern parts of the Singrauli coalfields where forest cover had been destroyed, the Mahan coalmine lay in the relatively undeveloped southern coalfields, which contain one of Asia's oldest contiguous Sal tree forests. The Mahan forest supports the livelihoods of 50,000 people across 54 villages, serves as a tiger habitat and elephant corridor and is a catchment of two major rivers that feed the Rihand Reservoir (Padel 2016).

The Ministry of Environment and Forests (MoEF) and Ministry of Coal (MoC) had established a joint criterion to designate which forest zones across central India's coalfields were inviolate on account of their outstanding biodiversity. This 'go-no-go' exercise was part of a government agenda to avoid clearance delays for coalmining while keeping environmental interests in mind (Kohli *et al.* 2012). The initial exercise identified 396 coalmines as 'go' areas for coalmining and 206, including Mahan and six other Singrauli coalmines, as 'no-go'.

But the coal ministry stepped back from the process upon seeing the extent of coalmines rendered inviolate. Following interventions from the Prime Minister's Office, and objections from the coal, power and steel ministries, the environment ministry moved 70 no-go coal blocks to the go list, including Mahan (Down To Earth 2015). With Essar's thermal power plant in advanced stages of development, its executive exerted pressure for a 'fait accompli' forest clearance for Mahan, creating the situation for the Environment Ministry to push 'done deals' for approvals. The MOEF even recommended an alternative coalfield for Essar in the neighbouring district where 70% of the coal blocks were in the 'go' list (Ramesh and Khan 2015).

A high-level committee steered by India's Finance Minister granted a first-stage forest clearance for Mahan in 2011 disregarding the MOEF's disapproval. The extent of Essar's influence in the clearance was exposed through a series of leaked emails (Kaushik 2015). The Modi Government later cancelled the coalmine following the Supreme Court order against it, on the grounds that it was located in 'inviolate' forests. But it contradicted its own action by simultaneously approving an adjoining coalmine in the Mahan forests. Yet again the Indian government had failed to apply a

---

<sup>10</sup> Mahan was expected to produce 8.5 million tonnes of coal per year through a 1000 hectares open cut coalmine over a lifetime of only 14 years.

common rationale in making decisions critical for the environment and communities (Pillai 2017). Despite this, the story of halting the mine at Mahan offers many insights into the process of overcoming India's coal curse.

## **Coalmining versus forest rights in the Mahan forests**

At a time when the first forest clearance was contentiously granted for Mahan, a collaboration between the Indian arm of the international environmental group Greenpeace and grassroots mobilisation at Mahan came together to resist the approval and to demand community forest rights (CFRs) under the *Forest Rights Act* (Pillai 2017).

### **Legal empowerment**

As a part of Greenpeace's international climate campaign focussed on 'keeping coal in the ground' to stop climate change, Greenpeace India had been strategically campaigning against a massive build up of new coalmines in central Indian forests since 2004 (Fernandes 2012). Bearing in mind the context of social conflict in central India over mining without Adivasi consent, Greenpeace's anti-coal climate campaign also sought to work with local communities to raise their awareness about forest rights and the right to have a say over mining activities on their lands (Talukdar 2019). A survey of the community by Greenpeace showed that the forests were indispensable for the locals, but they were unaware of their rights under the *Forest Rights Act* (Kohli *et al.* 2012).

Eleven villages fringing the Mahan forests first faced prospects of displacement in 2007 when the state government acquired land for Essar's thermal power plant. Although Essar purported to offer generous rehabilitation and resettlement packages, affected people alleged procedural irregularities and broken promises over compensation (Sharma and Singh 2009). An alliance eventually formed between the globally oriented Greenpeace activists and the local forest community. A Mahan Sangharsh Samiti (MSS) (Mahan Resistance Front) was formally formed in 2012. The MSS logo consisted of a ring of dancing people around a circle of peacock feathers, with a mahua tree at the centre. The mahua tree symbolises people's custodianship of the forest. Mahan villagers resolved to fight the coalmine when local government and company agents forged

villagers' signatures on a referendum on coalmining in 2013. People were especially motivated to fight the state's corrupt behaviour when they learnt they had legal rights over their local forests through the *Forest Rights Act*.

### **Legal violations**

Under the FRA the state government was required to conduct village council meetings across the 54 potentially impacted villages around Mahan, to determine whether the community consented to mining, before forest clearance could be granted. But in reality administration and company agents disrupted village meetings. The police intimidated movement members from organising village council meetings and arrested local movement members and Greenpeace activists on false allegations (Talukdar 2017). As with several other peoples' movements in India, women put themselves at the forefront at Mahan and faced significant abuse. Forest officials and company agents harassed women when they stopped trees from being marked and felled in the forest. The local legislative assembly member threatened MSS women with rape; the police refused to investigate their complaints and sometimes even planted false cases (Pillai 2019).

Company-hired agents physically disrupted council proceedings in Amelia, Mahan's largest village, to prevent people from registering their community forest rights under the FRA. The corrupt practices extended beyond the forging of signatures of one village council in Amelia to determine consent for mining, to the state government completely avoiding the community consent process in the other 53 villages (Greenpeace India 2014). The state government was asked to conduct fresh council meetings to determine people's consent after Greenpeace and MSS took the matter to the tribal affairs ministry in the central government. The central government ministry expressed concerns at violations to the FRA both in Mahan and more widely in central India (Sethi 2015). However, in a new twist, a new Environment Minister in the Indian government who was known to have strong links with Essar, directly undermined the tribal affairs ministry by issuing a final forest clearance in February 2014, on the basis of the fraudulent village council resolution (Press Trust of India 2014).

## Resistance and assertions

Having become aware of their rights, the Mahan community demanded that forest clearance not be granted till the process of recognising their individual forest rights (IFRs) and community forest rights (CFRs) could be completed, as required under the FRA (Kohli *et al.* 2012). The community persisted with forest blockades for five months in 2014 after the Indian government granted a final clearance based on the fraudulent referendum, and as company contractors began marking trees in the forest for felling. Despite numerous threats, three villages in Mahan had succeeded in organising village council meetings and submitting claims for community forest rights by 2016 (Talukdar 2018).

The victory over the coalmine in 2015 following the Modi government's decision brought a sense of empowerment. At the second anniversary celebrations of their victory in 2017, bright yellow banners with slogans celebrating people's forest rights lined the walls of the function tent in Amelia village. These slogans, such as '*Jan Jan ka naara hai, van adhikar hamara hai*' (a people's chorus for forest rights'), and '*gaon gaon ki yahii pukaar, le ke rahenge van adhikar*' ('village after village will claim forest rights') had motivated them to keep persisting with the forest blockades. The assertion '*Purkho ka naata nahi todenge, jangal zameen nahi chodenge*' ('we will respect our ancestral land, we will not give up our forests') had grown to become an MSS anthem. The largest said '*Loktantra Zindabad*' (Long Live Democracy). This became a slogan for the MSS when they recognised their fight to stop the coalmine was a struggle to democratise India's coal-led development and assert alternative development models for coal-imperilled landscapes such as Singrauli.

## Significance and consequences of anti-coal activism

In fighting the coalmine, the Mahan resistance challenged the structural disenfranchisement of Adivasis in coal rich central India both through national-level coal governance and the state administrations' handling of people's livelihood rights. The resistance drew attention to the ecological and social curse of coal in central India. As a successful livelihood and land rights movement from the heart of India's coal region, it symbolised empowerment and historic justice. Although the movement claimed victory for Mahan, they had not won security for the forests, for their rights

and a sustainable future. Paradoxically, although the Modi government de-allocated Mahan, it cracked down on the resistance, and particularly on Greenpeace. Repeated cancellations of Greenpeace's registration to operate in India and freezing of its funds by the Modi government forced the ENGO to close down most of its campaigns and particularly its anti-coal activism in India (Talukdar 2019).

## Conclusions

This article has argued that the resource curse is mainly constituted politically, institutionally, and administratively. It thrives in a culture of corruption in mineral extraction where corporations are blatantly favoured at the expense of the public interest, as reflected in land grabs, the violation of rights-based legislation, mining without Indigenous consent and often through violent repression of communities. With a transition away from fossil fuel towards renewable energy already under way, resource curse literature needs to examine what might constitute as resource curse in the clean energy sector.

Corrupt coalmine allocations under neoliberal policy are systemic indicators of the coal curse in India. They benefit private players and their political allies, violate or dilute of legislations that address the social and environmental effects of coalmining, neglect safety and environmental norms in thermal power generation, and regard Adivasis and forest-dependent communities as stumbling blocks to coal-development. Their wider repercussions for resource governance and democracy are writ large across landscapes like Singrauli. In Singrauli, toxic and acidic fly ash has turned some water bodies into what locals called 'death water' capable of corroding the flesh; companies have largely disregarded the pleas of locals to build bridges across the toxic waters (Dokuzovic 2012). Governments and institutions have largely ignored pleas from pollution action networks to address the coal ash problem in Singrauli and other central Indian coalfields (Sapor and Raheja 2021).

Economic withdrawal from coal alone is unlikely to resolve Singrauli's critical environmental problems due to disregard for sustainability. The mismanagement of waste from coal extraction – mining overburden, coal burning and fly ash can remain a problem long after coalmines and power plants stop operating. There is an urgent need for political and institutional action to address the many dimensions of the coal curse in Singrauli

around human health, critical pollution and environmental destruction caused by thermal plant and coalmine operators.

However, as seen in Mahan, when communities become aware and claim their forest rights, and demand a say over coalmining on their lands, a sustainable vision separate from coal juggernauts is possible. Awareness, mobilisation and assertion of forest rights can break a historic pattern of injustice and conflict in central India, and prevent the state from dictating decisions over resources on the lands of Adivasi people (Kohli *et al.* 2012). Claiming community forest rights (CFRs) under the FRA can bring a sense of ownership over forest commons that communities did not know before, and help underpin sustainable livelihoods.

The need to build a future based on the forest economy became a central topic of discussion in the years following the Mahan struggle. These conversations in turn have reflected an aspiration for decolonising development in central Indian landscapes by affirming local and alternative development practices and priorities. The *Forest Rights Act* and other legal mechanisms for community participation and decision-making in minerals development offer a potential basis for this and need to be strengthened, protected, and effectively implemented.

Finally, a transition from coal to renewables in India's political economy in response to the climate crisis should aim to address the fundamental political and institutional mistakes of the coal complex. Renewable energy projects have already caused similar human rights problems to coalmining, particularly land dispossession, livelihood disruption, and the inability of local communities to access the electricity generated from the project (Roy and Schaffartzik 2021). Strengthening democratic governance and grassroots capacity to exercise civil rights and forest rights will be critical to ensuring environmental and energy justice for affected communities.

*Ruchira Talukdar has a PhD in Social and Political Sciences from the University of Technology Sydney, and has worked in Greenpeace in India and Australia and for the Australian Conservation Foundation.*

*ruchira.talukdar@gmail.com*

*Priya Pillai is a PhD candidate at the University of Technology Sydney and has worked with Greenpeace, the Right to Food campaign, Action Aid, and Oxfam.*

*vakilpriya@gmail.com*

## References

- Amnesty International India (2016) “‘When Land is Lost, Do We Eat Coal?’: Coal Mining and Violations of Adivasi Rights in India’, Bangalore, viewed 20 June 2021, available: <https://www.amnesty.org/download/Documents/ASA2043922016ENGLISH.PDF>.
- Auty, R. (1990) ‘Economic Development and the Resource Curse Thesis’, in O. Morrissey and F. Stewart (eds), *Economic and Political Reform in Developing Countries*, Springer, pp. 55-80.
- Auty, R. and Warhurst, A. (1993) ‘Sustainable development in mineral exporting economies’, *Resources Policy*, Vol. 19, No. 1, pp. 14-29.
- Bharadwaj, S. (2018) *The legal face of the corporate land grab in Chhattisgarh*, Janhit People’s Legal Resource Centre.
- Central Electricity Authority (CEA) (2018) *India: Composition of Installed of Power Stations (344002.39 MW) as on 31 March*, viewed 20 September 2019, CBAA 1957, p. 1.
- CFR-LA (2016) *Promise and Performance: Ten Years of the Forest Rights Act in India*, New Delhi: Citizens’ Report, Community Forest Rights—Learning and Advocacy.
- Chakravarty, A. (2018) ‘Returning Home: A story of displacement, dispossession and homecoming’, *Dispossession and resistance in India and Mexico*; Ritimo, 14 May, viewed 30 September 2019, available: <https://www.ritimo.org/Returning-Home-A-story-of-displacement-dispossession-and-homecoming>.
- Chowdhury, C. (2016) ‘Making a hollow in the forest rights act’, *The Hindu*, 7 April, viewed 20 September 2019, available: <https://www.thehindu.com/opinion/columns/Making-a-hollow-in-the-Forest-Rights-Act/article14226592.ece>.
- Chowdhury, C. and Aga. A. (2020) ‘Manufacturing Consent: Mining, Bureaucratic Sabotage and the Forest Rights Act in India’, *Capitalism, Nature, Socialism*, Vol. 31, No. 2, pp. 70-90.
- Comptroller and Auditor General of India (2012) *Performance Audit of Allocation of Coal Blocks and Augmentation of Coal Production*, Ministry of Coal, Report No. 7, 2012- 13.
- Dokuzović, L. (2012) *Bhikharipore Singrauli: A Case for Just Development* [1], 30 September, viewed 27 September 2019, available: <http://sanhati.com/excerpted/5621/>
- Down to Earth. (2015) ‘Auto Yes to Coal: High Powered Panel recommends freeing coal blocks in forests’, June 27, viewed 27 September 2019, available: <https://www.downtoearth.org.in/indepth/auto-yes-to-coal-33976>.
- Dutta, A. (2020) ‘Fly ash slurry in Singrauli contaminates water reservoir’, *Mongabay Environment and Health Series*, 29 April, viewed 20 June 2021, available: <https://india.mongabay.com/2020/04/fly-ash-slurry-in-singrauli-contaminates-water-reservoir-after-taking-lives-and-homes/>.
- Fernandes, A. (2012) *How Coal Mining is Trashing Tigerland*, Greenpeace India Society, Bangalore, viewed 14 August 2019, available: <https://www.greenpeace.org/india/en/publication/984/how-coal-mining-is-trashing-tigerland/>.
- Gelb, A. (1988) *Windfall Gains: Blessing or Curse?* Oxford University Press, New York.
- Ghosh, D. (2016) ‘We don’t want to eat coal: Development and its Discontents in a Chhattisgarh district in India’, *Energy Policy*, Vol. 99, pp. 252-60.

- Goodman, J. and Worth, D. (2008) 'The Minerals Boom and Australia's 'Resource Curse'', *Journal of Australian Political Economy*, Volume 61, pp. 201-19.
- Gopal, V. (2016) 'Coal Accounting: The story of a fuel kept cheap', in K. Kohli and M. Menon (eds), *Business Interests and the Environmental Crisis*, New Delhi, Sage Publications India Ltd.
- Greenpeace India. (2014) 'Civil Society urges the centre not to trample over the rights of forest dwellers in Mahan. Implement FRA in 54 villages of Mahan, demand Mahan Sangharsh Samiti', *Press Release*, 1 August, viewed 20 September 2019, available: <https://www.greenpeace.org/india/en/press/2537/civil-society-urges-the-centre-not-to-trample-over-the-rights-of-forest-dwellers-in-mahan-implement-fra-in-54-villages-of-mahan-demand-mahan-sangharsh-samiti/>.
- Gylfason, T., Herbertsson, T. and Zoega, G. (1999) 'A mixed blessing: natural resources and economic growth', *Macroecon*, dyn. 3, pp. 204-25.
- Inamdar, N. (2013) '7 things you wanted to know about "Coalgate": A quick summary of the coal allocation scam,' *Business Standard*, 15 October, viewed 14 August 2019, available: [https://www.business-standard.com/article/companies/7-things-you-wanted-to-know-about-coalgate-113101500366\\_1.html](https://www.business-standard.com/article/companies/7-things-you-wanted-to-know-about-coalgate-113101500366_1.html).
- International Energy Agency (IEA) (2015) *India Energy Outlook: World Energy Outlook's Special Report*, Paris.
- Kapoor, M. and Raheja S. (2021) *Lest We Forget: A status report of neglect of coal ash accidents in India, August 2019-May 2021*, Flyash Watch Group, August, viewed 30 July 2021, available: <https://www.manthan-india.org/lest-we-forget-a-status-report-of-neglect-of-coal-ash-accidents-in-india-august-2019-may-2021-by-the-fly-ash-watch-group/>.
- Kaushik, K. (2015) 'Doing the Needful: Essar's Industry of Influence', *Caravan Magazine*, 1 August, viewed 27 September 2019, available: <https://caravanmagazine.in/reportage/doing-needful-essar-industry-influence>.
- Kohli, K., Kothari, A. and Pillai, P. (2012) *Countering Coal?*, Discussion paper by Kalpavriksh and Greenpeace India, New Delhi/Pune and Bangalore, viewed 15 September 2019, available: <https://www.greenpeace.org/india/en/publication/989/countering-coal-community-forest-rights-and-coal-mining-regions-of-india/>.
- Kohli, K., Kapoor, M., Menon, M. and Vishwanathan, V. (2018) *Midcourse Manoeuvres: Community strategy and remedies for natural resource conflicts in India*, CPR-Namati Environmental Justice Program, New Delhi.
- Kohli, K. and Menon, M. (2020) 'India's U-Turn on 'Clean' Energy is a Bad move', 16 June, viewed 20 September 2020, available: <https://thewire.in/environment/coal-washing-environment-ministry-changing-rules>.
- Lahiri-Dutt, K. (2006) 'May God Give us Chaos, So That We Can Plunder': A critique of 'resource curse' and conflict theories', *Development*, Vol. 49, No. 3, pp. 14-21.
- Lahiri-Dutt, K. (2016) 'The diverse worlds of coal in India: Energising the nation, energising livelihoods', *Energy Policy*, Vol. 99, pp. 203-13.
- Levien, M. (2011) 'Special Economic Zones and Accumulation by Dispossession in India', *Journal of Agrarian Change*, Vol. 11, No. 4, pp. 454-83.

Luong, P. and Weinthal, E. (2006) 'Rethinking the resource curse: ownership structure, institutional capacity and domestic constraints', *Annual Review of Political Science*, Vol. 9, pp. 241-63.

Martinez-Alier, J. (2002) *The environmentalism of the poor. A study of ecological conflicts and valuation*, Edward Elgar, Cheltenham.

McCarthy, J. (2002) 'First world political ecology: Lessons from the wise use movement', *Environment and Planning A: Economy and Space*, Vol. 34, No. 7, pp. 1281-302.

Mehdudia, S. (2012) 'Congress will take on CAG over Coalgate report before PAC', *The Hindu*, 21 September, viewed 15 September 2019, available: <http://www.thehindu.com/todays-paper/tp-national/congress-will-take-on-cag-over-coalgate-report-before-pac/article3920568.ece>.

Mehlum, H., Moene, K. and Torvik, R. (2005) 'Cursed by Resources or Institutions?', *The World Economy*, Vol. 29, No. 8, pp. 1117-31.

Mehlum, H., Moene, K. and Torvik, R. (2006) 'Institutions And the Resource Curse', *The Economic Journal*, Vol. 116, No. 1, pp. 1-20.

Nayar, L. (2016) 'Unlock Mantri: Javadekar's Key to Success', *Outlook India*, 5 July, viewed 20 September 2019, available: <https://www.outlookindia.com/website/story/unlock-mantri-javadekars-key-to-success/297036>.

Nileena, MS. (2018) 'Coalgate 2.0: The Adani Group reaps benefits worth thousands of crores of rupees as the coal scam continues under the Modi government', *Caravan Magazine*, 1 March, viewed 20 September 2019, available: <https://caravanmagazine.in/reportage/coalgate-2-0>.

Oskarsson, S. and Ottosen, E. (2010) 'Does Oil Still Hinder Democracy?', *Journal of Development Studies*, Vol. 46, No. 6, pp. 1067-83.

Padel, F. (2016) 'Investment Induced Displacement and the Ecological Basis of India's Economy', in S. Venkateshwar and S. Bandyopadhyay (eds), *Globalisation and the Challenges of Development in Contemporary India*, Springer, Singapore, pp. 147-69.

Parson, S. and Ray, E. (2016) 'Sustainable colonization: Tar sands as resource colonialism', *Capitalism, Nature, Socialism*, Vol. 29, No. 3, pp. 1-19.

Pillai, P., Gopal, V. and Kohli, K. (2011) *Singrauli: The Coal Curse – A fact finding report on the impact of coalmining on the people and environment of Singrauli*, Greenpeace India, September 2011, viewed 27 September 2019, available: <https://www.greenpeace.org/india/en/publication/1006/singrauli-the-coal-curse/>.

Pillai, P. (2017) 'An ongoing battle', *Frontline*, 15 September, viewed 27 September 2019, available: <https://frontline.thehindu.com/social-issues/an-ongoing-battle/article9831547.ece>.

Pillai, P. (2019) 'Coal Mining and Ecological Fragility', in P. Ray (ed.), *Women Speak Nation: Gender, Culture, Politics*, Routledge.

Press Trust of India (2014) 'Moily planning to give oil field to Essar cheaply, alleges AAP', *Economic Times*, New Delhi, 17 April, viewed 27 September 2019, available: <https://economictimes.indiatimes.com/news/politics-and-nation/moily-planning-to-give-oil-field-to-essar-cheaply-alleges-aap/articleshow/33828233.cms>.

- Rajagopal, K. (2014) 'Supreme court quashes allocation of 2014 coal blocks', *The Hindu*, 24 September, viewed 15 September 2019, available: <http://www.thehindu.com/news/national/supreme-court-quashes-allocation-of-all-but-four-of-218-coal-blocks/article6441855.ece>.
- Ramesh, J. and Khan, M.A. (2015) *Legislating for Justice: The Making of the 2013 Land Acquisition Law*, Oxford University Press.
- Roy, B. and Schaffartzik, A. (2021) 'Talk renewables, walk coal: The paradox of India's energy transition', *Ecological Economics*, Vol. 180, February, No. 106871.
- Sachs, J. and Warner, A. (1997) *Natural resource abundance and economic growth: the curse of natural resources*, National Bureau of Economic Research Working Paper No. 5398, Harvard University, Cambridge, MA.
- Sachs, J. and Warner, A. (2001) 'Natural resources and economic development: the curse of natural resources', *European Economic Review*, Vol. 45, pp. 827-38.
- Sarmidi, T., Law, S. H., and Jafari, Y. (2012) 'Resource Curse, New evidence on the role of institutions', *International Economic Journal*, Vol. 28, No. 1.
- Schlosberg, D. (2007) *Defining environmental justice: Theories, movements, and nature*, Oxford University Press, Oxford.
- Sethi, N. (2015) 'NDA govt's grouse with Greenpeace: Mahan coal block protests', *Business Standard*, New Delhi, 20 February, viewed 20 September 2019, available: [https://www.businessstandard.com/article/economy-policy/nda-govt-s-grouse-with-greenpeace-mahan-coal-block-protests-115022000023\\_1.html](https://www.businessstandard.com/article/economy-policy/nda-govt-s-grouse-with-greenpeace-mahan-coal-block-protests-115022000023_1.html).
- Sethi, N. (2016) 'Chhattisgarh government cancels tribal rights over forest lands', *Business Standard*, 18 February, viewed 20 September 2019, available: [https://www.business-standard.com/article/current-affairs/chhattisgarh-govt-cancels-tribal-rights-over-forest-lands-116021601327\\_1.html](https://www.business-standard.com/article/current-affairs/chhattisgarh-govt-cancels-tribal-rights-over-forest-lands-116021601327_1.html).
- Sharma, R.N. and Singh, S.R. (2009) 'Displacement in Singrauli region: entitlements and rehabilitation', *Economic and Political Weekly*, Vol. 44, No. 51, pp. 62-9.
- Shrivastava, A. and Kothari, A. (2012) *Churning the Earth: The Making of Global India*, Penguin, New Delhi.
- Singh, S.R. (2015) 'Neither Switzerland nor Singapore but a site of daily struggle', *The Wire*, 24 July, viewed 30 September 2019, available: <https://thewire.in/economy/neither-switzerland-nor-singapore-but-a-site-of-daily-struggle>.
- Stevens, P. and Dietsche, E. (2008) 'Resource curse: an analysis of causes, experiences and possible ways forward', *Energy Policy*, Vol. 36, No. 1, pp. 56-65.
- Talukdar, R. (2017) 'Hiding Neoliberal coal behind the Indian poor', *Journal of Australian Political Economy*, No. 78, pp. 132-58.
- Talukdar, R. (2018) 'Sparking a debate on coal: Case study on the Indian government's crackdown on Greenpeace', *Cosmopolitan Civil Societies: an Interdisciplinary Journal*, Vol. 10, No. 1, pp. 47-62.
- Talukdar, R. (2019), 'Profit Before People: Why India has Silenced Greenpeace', *New Matilda* 29 March, viewed 20 June 2020, available: <https://newmatilda.com/2019/03/29/profit-before-people-why-india-has-silenced->

[greenpeace/?fbclid=IwAR2NwczXun5q1Ug-g3kSxvaOJLnTfwNlnS6Up3Xxts7A7XZF\\_wbvOsHKYc](https://www.greenpeace.org/india/?fbclid=IwAR2NwczXun5q1Ug-g3kSxvaOJLnTfwNlnS6Up3Xxts7A7XZF_wbvOsHKYc).

Talukdar, R. (2021) *Cutting Carbon from the ground up: An ethnography of anti-coal movements in India and Australia*, Unpublished Doctoral Thesis, University of Technology Sydney, viewed 20 June 2021, available:

[https://www.academia.edu/49272347/Cutting\\_Carbon\\_from\\_the\\_Ground\\_Up\\_A\\_comparative\\_ethnography\\_of\\_anti\\_coal\\_activism\\_in\\_Australia\\_and\\_India](https://www.academia.edu/49272347/Cutting_Carbon_from_the_Ground_Up_A_comparative_ethnography_of_anti_coal_activism_in_Australia_and_India).

Thakurta, P. (2013) *Coal Curse: A film on the political economy of coal in India*, viewed 20 June 2021, available: <https://www.youtube.com/watch?v=MrVLBLzs3Uo>.

Thakurta, P. (2015) *Gas Wars, Crony Capitalism, and the Ambanis*, New Delhi.

Varadhan, S. (2021) No bids for over 70% of Indian coalmines up for auction, *Reuters*, viewed 20 August 2021, available: <https://www.reuters.com/world/india/no-bids-over-70-indian-coal-mines-up-auction-2021-07-09/>.

Vyawahare, M. (2018) 'State apathy continues to choke Singrauli,' *Hindustan Times*, Singrauli, 20 August, viewed 20 September 2019, available:

<https://www.hindustantimes.com/india-news/state-apathy-continues-to-choke-singrauli/story-xrsGiqftFRnhRjgvNGobgO.html>.



# **IMAGINING A JUST FUTURE FOR NEW CALEDONIA: GREEN MINING, CLIMATE JUSTICE, AND THE KANAK FIGHT FOR INDEPENDENCE**

**Nicole Gooch**

Can a just transition be achieved within the context of decolonisation in the south Oceania Island of New Caledonia, a *suis generis* overseas collectivity of the French Republic? Like its Pacific neighbours, New Caledonia is already feeling the catastrophic impact of climate change. Yet, its post-colonial future, like its past, is deeply linked to struggles over mining sovereignty. New Caledonia is the fourth largest producer of nickel in the world (US Geological Survey 2022), a mineral used historically to make stainless steel for the construction industry. However, with the sudden increase in demand for nickel for lithium-ion batteries in electric cars, New Caledonia is now at the forefront of the global energy transition. One of the country's three nickel refineries, Prony Resources, signed in 2021 its first multi-year agreement with Tesla to supply the electric car maker directly with nickel. As such, the island has been thrown deep into the contradictory global goal of achieving a low-carbon economy whilst extracting even larger quantities of energy transition minerals, with the potential to 'enlarge and intensify social and ecological injustice' (Bainton *et al.* 2021: 1).

New Caledonia has been described by Le Meur and Levacher (2022: 88) as 'a classical instance of a globalised mining economy'. The contemporary political context of mining operations includes large multinational extraction companies alongside international environmental

**Gooch, N. (2022)  
'Imagining a just future for New Caledonia:  
Green mining, climate justice, and the Kanak fight for independence'  
*Journal of Australian Political Economy*  
No. 89, pp. 114-135.**

and indigenous NGOs and the use of new development discourses and regulations (Le Meur and Levacher 2022: 88). Crucially, the country's indigenous Kanak people have conducted their fight against metropolitan France for post-colonial sovereignty 'on the mining front' following the bloodshed years of the 1984-88 civil conflict for independence (Demmer 2018: 37) (pers. trad.). Since the 1990s, independence leaders have focussed on the social, environmental, and cultural injustices of nickel mining, promoting a Kanak discourse of resource nationalism in which participation in the ownership and control of mining is viewed as a central instrument for achieving economic autonomy and political emancipation (Le Meur and Levacher 2022: 88).

This article addresses first the historical entanglement of nickel extraction, colonisation and indigenous claims to sovereignty which characterise the resource curse in New Caledonia. Understanding to what extent extraction capitalism has shaped the political environment and legal architecture (Le Meur *et al.* 2013) of New Caledonia is a necessary precursor to examining a way forward for the island, out of the grasp of its resource curse.

Secondly, the article lays out the concept of a just transition as it may apply to New Caledonia, and the possibility of it beyond government and corporate greenwashing whilst avoiding the reproduction of capitalist extraction structures (Bainton *et al.* 2021). Considering the impact of climate change, the environmental impacts of mining, and the country's increasing social and economic inequalities, such a debate presents an important opportunity to open new agendas on climate justice, energy democracy and decarbonised degrowth in an island whose political horizon has long been framed by the nickel industry (Banaré 2017).

Indeed, nickel extraction may be part of New Caledonia's 'chosen path of emancipation, which is hardly questioned today' however this raises the issue of the place in the world for an island in the South Pacific also confronted with the imperative of sustainability (Sourisseau *et al.* 2016: 450) (pers. trad.). New Caledonia, or Kanaky, belongs to the tightly connected 'Sea of Islands' as described by Tongan poet and scholar Epeli Hau'Ofa (2008). A Sea of Islands where the world of Oceania is no longer constructed through a western imperial prism as a series of 'small, poor, and isolated' islands (Hau'Ofa 2008: 34) in a far sea – fated to become helpless victims of climate change (Jolly 2019). Rather, Pasifika activists imagine a decolonised Oceania where the agency of its people across many different cultures is recognised, an agency increasingly loud and visible on

the international stage, including through regional long-term planning such as the '2050 Strategy for the Blue Pacific Continent' (Pacific Islands Forum).

### **A historical trajectory defined by a colonialism of everyday violence and nickel mining**

New Caledonia is classified by the International Union for the Conservation of Nature (IUCN) as a biodiversity hotspot and is ranked third in the world for its level of endemism. The flora of its mining soils is particularly rich and original (IEOM 2020). It hosts the second largest barrier reef in the world, and its maritime zone extends over 23,000 km<sup>2</sup>, more than half of which is listed in six sections as UNESCO World Heritage sites. In 2020, the Agence Française de Développement (AFD), the WWF-France (WWF) and the Agence de la Transition Ecologique (ADEME) commissioned research seeking to explore a future for New Caledonia on the principle of ecological sustainability, arguing that 'New Caledonia is not an isolated archipelago in the Pacific, it is a laboratory at the heart of planetary issues that can become an example on a world scale' (Renault cited in Vertigo Lab and Bioeko Consultants 2020: iv).

However, like many other countries throughout Oceania, colonisation and resource extraction have gone hand in hand in New Caledonia and the island shares a history with its neighbours of damaging social, environmental, and cultural impacts (Banivanua Mar 2016). Banaba, Nauru, Bougainville, Papua New Guinea, and West Papua (Teaiwa 2014; Allen 2018; Storr 2016) are all examples of countries in Oceania which were exploited for their resources by colonial powers with devastating consequences.

Hau`Ofa argued in 1993 'Nineteenth-century imperialism erected boundaries that led to the contraction of Oceania, transforming a once boundless world into the Pacific Island states and territories that we know today' (Hau`Ofa 2008: 34). The colonial imposition of borders enabled environmental devastation, and as Storr found, 'Systematic and direct practices of environmental pressure and resource exploitation have characterised imperial treatment of ocean islands for centuries' (Storr 2016: 534).

When France annexed New Caledonia in 1853, it had been home for over three thousand years at least to the Melanesian people, descendants of the

Lapita culture, with more than thirty languages spoken. France turned New Caledonia into a convict colony between 1864 and 1898 – deporting political prisoners from the Commune de Paris insurrection and from other colonies within its Empire, such as Algeria.

Nickel was discovered in New Caledonia shortly after colonisation, and the island's nickel exports quickly grew to dominate the world's supply for several decades. As a key ingredient in the production of steel, nickel was essential in the lead up to the first world war (Black 2015: 1). Between 1870 and 1920 indentured workers arrived from other French colonies - Indochina, New Hebrides, and the Dutch East Indies, as well as Japan to work in mining and agriculture (Le Meur 2017: 37).

The colonial culture of the 'brutalisation of social relationships' (Merle 2017) normalised violence against the Kanak population, amidst land dispossession and the establishment by the colonial power of an administrative chiefdom (Le Meur 2017: 37) (pers.trad.). In 1887, France imposed the disciplinary Code de l'Indigenat, 'confining Kanaks to reserves, imposing a per head tax, circumscribing their freedom of movement and requiring them to perform free labour' (Fisher 2014: 3). Less than ten years earlier, in 1878, Chief Ataï had led a major uprising after denouncing the destruction of Kanak agricultural land by European cattle. The uprising was quelled by the French, just as was the one in 1917, which had been sparked by the recruitment of 'volunteer' Kanak to fight in Europe. Both rebellions had traumatic consequences as entire villages were destroyed or displaced, with repercussions lasting to this day.

From the 1940s onwards France progressively allowed New Caledonia more political autonomy and ended the Code de l'Indigenat in 1946. This increased autonomy was short-lived however as the nickel boom of the 1960s saw France increase its strategic interest in mining in New Caledonia – by 1974 France owned 50 percent of the Société Le Nickel (SLN), the largest mining company in New Caledonia at the time (Horowitz 2004: 292). Simultaneously, France tightened its control over New Caledonia's government as well as its authority over rural districts, investments, and mining regulations (Horowitz 2004: 292). France also began actively promoting immigration to New Caledonia from France and other French Pacific Islands (Horowitz 2004: 292), which led to 'heightened tensions among ethnic groups, and between Noumea and the rural areas as most migrants supported France's rule' (Horowitz 2004: 300). The arrival of construction workers from French Polynesia and

Wallis and Futuna on the back of the nickel boom for instance ‘modified on the long term the demographic balance and the population politics on the island’ (Nickel Syndex 2015: 7).

Until mid-2021, a large statue of Governor Olry dominated the townhall square in Nouméa, New Caledonia’s capital. It is under Governor Olry’s leadership that Chief Ataï was decapitated, and his head sent to France during the 1878 uprising. In 2022 a statue representing the 1988 handshake between Kanak visionary Jean-Marie Tjibaou and French conservative settler and mining magnate Jacques Lafleur is set to take the place of Governor Olry’s statue, and the plaza is to be renamed the ‘Peace Plaza’. The handshake marked the end of New Caledonia’s 1984 to 1988 civil conflict for independence, which had culminated with a hostage crisis on the outer island of Ouvéa and the death of 19 Kanak men and six members of the French military. Tjibaou and Lafleur shook hands over the signature of the Accords de Matignon treaties in June 1998– it was the start of an arduous journey towards a ‘common destiny’, a term which made its first appearance ten years later with the next treaty, the Accord de Nouméa. For anthropologist Pierre-Yves Le Meur, a ‘common destiny’ refers ‘to the difficult political, social and cultural articulations between socio-ethnic worlds’ which have been, throughout New Caledonia’s colonisation, ‘constructed in a radically segregated manner and continue to function in a very segmentary mode despite the multiple individual, family, friendly or professional ties crossing the ethnic borders’ (Le Meur 2017: 36) (pers.trad.).

In 2019, New Caledonia’s indigenous people represented 41 percent of its population of 270,000 (ISEE 2020). The remainder is made up of 24 percent European – descendants of convicts and more recent arrivals from France, 11 percent mix communities, 8 percent from the French Pacific collectivity of Wallis and Futuna and 7 percent are ‘other’ – descendants of indentured workers, and from French Polynesia (ISEE 2020).

New Caledonia is one of 17 Non-Self-Governing Territories which remain on the agenda of the C-24, the United Nation’s Special Committee on Decolonisation. The country was first added to the list in 1946, however France negotiated its removal in 1947. It was reinserted onto the list in 1986.

In 1983, France recognised the Kanak people’s right to auto-determination under international law, which then ‘took about forty years to be able to be expressed’ (David and Tirard 2022: 2) (pers. trad.). The Kanak leaders,

though not obliged to do so, agreed to include the country's non-Kanak communities in future votes on independence (David and Tirard 2022: 2). The participation of all ethnic communities has never since been disputed, however only individuals enrolled on a specific electoral list according to strict criteria are allowed to vote in the referendums which took place in 2018, 2020 and 2021. These referendums marked the conclusion of the twenty-year framework which set the path towards a negotiated decolonisation under the terms of the Accord de Nouméa, signed in 1998. The preamble of the Accord de Nouméa also acknowledged, for the first time, the impact of colonisation on the dignity of the Kanak people, 'deprived of their identity' (Le Meur 2017) (pers. trad.).

Each of the three referendums asked voters the same question: 'Do you want New Caledonia to gain full sovereignty and become independent?'. The first two referendums, in 2018 and 2020, took place in peaceful conditions, with the Kanak independence movement gaining votes between each as the loyalists' 'No' won with 56.7 percent then 53.3 percent of the vote. The Kanak population was however largely absent from the third vote in 2021 after pro-independence leaders instructed against voting (David and Tirard 2022). Just over 45 percent of the electoral body took part in the referendum, 96 percent of whom voted against independence, highlighting a much-deteriorated political climate (David and Tirard 2022).

In July 2021, France's Overseas Ministry had released a document explaining the consequences of a Yes or No to independence vote. Under the hypothesis of a 'Yes' outcome, the document stated financial assistance from France to New Caledonia would decrease on a large scale and very rapidly, creating what Kanak leaders described as a climate of fear unfavourable to the country's access to sovereignty (David and Tirard 2022: 6). Later in the year, New Caledonia suddenly experienced an 'exponential surge' (David and Tirard 2022: 7) (pers. trad.) in covid cases, which deeply affected the Kanak and Pacific Islander communities. Customary Kanak leaders declared a year of mourning. Despite a request from New Caledonia's pro-independence leaders, the French government refused to delay the referendum, leading some to believe it was no longer upholding its role of neutral facilitator in the decolonisation process (David and Tirard 2022).

The country now faces an uncertain future – the next deadline for the end of negotiations is June 2023. Meanwhile, the first pro-independence

government in forty years is attempting to implement new financial and economic reforms. Despite its GDP ranking close to that of France, New Caledonia is experiencing increasing social and economic inequalities that are much worse than in France (David and Tirard 2022; IEOM 2020). In such a pivotal context, opening a debate on reversing the resource curse and extending it to address concepts of degrowth and energy democracy in New Caledonia may offer an alternative steppingstone towards reaching a common destiny in a decolonised future.

### **Understanding the resource curse and mineral sovereignty in New Caledonia**

New Caledonia suffers from the classical syndromes of ‘the resource curse’ and ‘Dutch Disease’ attributed to mining enclaves, to which local experts also add the ‘French Disease’ – ‘a specific Caledonian effect’, thanks to its stifling dependency on financial transfers from France – through aid money for development, through the indexed payment of civil servants on French salaries, and through tax benefit schemes (Ris *et al.* 2017: 4). Mining companies do not pay tax for their first fifteen years of operation, and benefit from considerable tax benefits. In seminal research published in 1995, Jean Freyss further argued these financial transfers from France have served to create an enduring ‘assisted economy’, whereby ‘even as local officials have been granted more political responsibilities, ever-increasing financial assistance has served to augment New Caledonia’s economic dependence on the metropole’ (Horowitz 2004: 294).

Nickel mining and production represent about 90 percent of New Caledonia’s exports. It’s share in the country’s GDP varies depending on the global market conditions, from a low of 3 percent in 1998 to a peak of 18 percent in 2007 (Sourisseau *et al.* 2017: 64) and currently averaging about 7 percent (IEOM 2020).

In comparison, services – including administration, account for 61 percent of GDP, and agriculture 2 percent (IEOM 2020). Nickel mining’s share of GDP offers however a poor reflection of the actual contribution of the nickel industry to New Caledonia’s economy, which accounts for 14 percent of private direct and indirect employment (Ris *et al.* 2017; ISEE 2022). The culmination of the direct, indirect, and induced impacts of the nickel industry in New Caledonia represents 20 percent of the market

wealth produced in-country (ISEE 2022). However, for Lagadec and Sudrie, since there is no taxation on extraction, this, ‘in practice, makes ore a free resource for the companies that exploit it’ (Lagadec and Sudrie 2013: 2) (per.trad.). In addition, for Ris *et al.* (2017: 4), New Caledonia’s ‘extractive sector is developing rather autonomously from the rest of the economy, without pulling up productivity’ (pers. trad.).

Furthermore, the mining and metal processing industry consumes 80 percent of the island’s electricity production (IEOM 2020), with the concomitant CO<sub>2</sub> production resulting in New Caledonia ranking, on a per capital basis, as third in the world in terms of greenhouse gas emissions, and first in the world in terms of greenhouse gas emissions relative to the combustion of coal. It should be noted that 52 percent of these emissions come directly or indirectly from the nickel industry – including 32 percent related to energy production for this sector and 20 percent related to the activity itself (Vertigo Lab and Bioeko Consultants 2020: 15).

Today, New Caledonia hosts about 20 small local mining companies – which focus on ore extraction only, and three multinational mining companies which also operate a refinery each. The Société Le Nickel (SLN), Koniambo Nickel SAS (KNS) and Prony Resources plants were all established in different local political conditions and are linked to specific political groups, around questions of independence and anti-independence (Kowasch 2012). In 2009 New Caledonia’s umbrella pro-independence party, the Front de libération kanak national et socialiste (FLNKS), developed a ‘Nickel Doctrine’ based on three principles: control of resources, local treatment of nickel only – except for Caledonian offshore plants, and the desire to become a majority shareholder in the Société Le Nickel (SLN), the country’s oldest mining company, which operates from the southern province of New Caledonia (Roger 2021).

There exists a large body of work in relation to the concept of resource curse (Ballard and Banks 2003, Banks 2008, Filer and Macintyre 2006, Watts 2004) however Goodman and Worth (2008) offer an overarching definition of the resource curse as ‘the socio-economic disadvantage, political disruption or environmental degradation that results from dependence on extractive industries’, a situation ‘where dependence on resource exports locks these countries into low-growth underdevelopment’ (Goodman and Worth 2008: 202).

Le Meur *et al.* (2013: 194) emphasise the need to gain a better understanding of the specific local power relations at play around

extraction when examining the characteristics of a country's resource curse by historicizing 'mining development and outcomes as resulting from the interplay between actors and institutions involved in the mining arenas at different levels'. In New Caledonia, 'sovereign pluralism' first resulted from the context of 'shared sovereignty' between the New Caledonian and French governments opened by the political agreements of Matignon and Nouméa (Le Meur and Levacher 2022).

The Matignon Accords split New Caledonia into three provinces, each with its own local government, in an attempt to 're-balance' the political and economic power between the island's north – mostly rural and at the time home to a larger Kanak population, and the south, more developed and host to the affluent Nouméa. Only one refinery existed in New Caledonia at the time, the Société Le Nickel (SLN), sitting at the entrance of Nouméa in the Southern Province. Owned by French company Eramet, the SLN was established in 1880 by the Rotschild family. Eramet currently owns 56 percent of the SLN, whilst New Caledonia's three local provincial governments own 36 percent together (as well as 4 percent of Eramet) and the Japanese company Nisshin Steel owns 10 percent. Despite financial difficulties due to the vagaries of the international nickel market, social and technical difficulties, the SLN has survived with considerable financial support from France. The company is currently the world's first producer of ferronickel, aimed at the stainless-steel market. In March 2022 the SLN entered a new agreement with Australian-based Queensland Pacific Metals (QPM) to supply it with nickel ore. QPM is developing its Townsville Energy Chemicals Hub (TECH) Project—a battery metals refinery for the lithium-ion battery and electric vehicle sector. The government of New Caledonia approved an increase of the SLN's annual nickel ore export quota to allow it to do so.

New Caledonia's second refinery, on the other hand, sits in the far north of New Caledonia. In 1990, two years after the Accords de Matignon were signed, the Northern Province, led by the pro-independence party PALIKA – Party de Libération Kanak, bought the Société Minière du Sud Pacific (SMSP), a mining company belonging to the French loyalist political leader Jacques Lafleur. By the mid-nineties, the SMSP had become one of the largest nickel producers in the world. Ten years later, in 1998, New Caledonia should have held a referendum on independence, as the Accords de Matignon stipulated. Instead, Kanak leaders agreed to a compromise, the Accord de Nouméa, which set the path for 'negotiated decolonisation' over the next twenty years with a gradual, irreversible, transfer of

executive powers to New Caledonia, except for justice, public order, defence, finance and currency (MacLellan 1999: 246).

In the lead up to signing the Accord de Nouméa, the country's Kanak leaders had negotiated the 'Accord de Bercy', or 'mining preamble'. The Accord de Bercy set out the terms for the transfer to the Northern Province of one of the world's richest mining deposits - the Massif du Koniambo, in the north of New Caledonia, previously owned by the Société Le Nickel (SLN). Koniambo Nickel SAS refinery (KNS) was therefore the result of many years of planning by the pro-independence leadership and, whilst not without controversy and social conflict (Horowitz 2003; Kowasch 2012), it benefited from a large support base. Now a 51/49 joint-venture with multinational Glencore, KNS began production in 2013. It has however been plagued with technical and social problems which have slowed production. The Northern Province was in 2021 criticised by New Caledonia's Territorial Chamber of Accounts for not having yet provided dividends to the province's population, as was its strategic goal. The Chamber concluded the 'only benefits for the Northern Province was 'employment and irrigation of the economic fabric'' (MD 2021) (pers. trad.). However, according to Batterbury *et al.* (2020: 112), 'Nowhere else in the world does an indigenous group [...] control the majority shares in a mining enterprise on the scale of Koniambo'.

Hence, 'beyond this formal layering' of claims to sovereignty, exemplified by the Matignon and Nouméa Accords, Le Meur and Levacher argue 'alternative forms of sovereignty claims structure the mining/decolonising New Caledonian context'. They are usually 'bottom up' claims to sovereignty around mining, and include indigenous, corporate, nationalist, and environmental sovereignties (2022: 88). This was particularly the case from the begin of the years 2000s onwards when the two new nickel refineries were being built, KNS and Prony Resources, albeit in opposite political conditions. Le Meur and Levacher found a 'wide range of actors made increasing claims of sovereignty, explicit and implicit, over governments (the 3 provinces, the New Caledonian government, the French state), indigenous associations, customary authorities, supra-national organisations, the global mining sector, big international NGOs running protected areas, etc. These processes can be seen as an expression of 'sovereignty from below'' (Le Meur and Levacher 2022: 74).

In New Caledonia's deep south for instance, Prony Resources was initially owned by Canadian mining company INCO, which begun building one of

the world's largest hydrometallurgical refineries, along with a seaport and tailing dams at the start of the 2000s without all the required permits, and 'behind the back' (quoted in Horowitz 2004: 303) of the local Kanak population. Classified SEVOSO II, the highest level of industrial risk by European standards, the refinery is different to New Caledonia's two other refineries as it uses high-pressure acid leaching, a technology then untested on such a scale.

The southern refinery was built at a time when the country was focused on 're-balancing' economic and political power between the north and the south by building the KNS refinery in the Northern Province, not adding another to the Southern Province. Brazilian mining giant Vale took over the southern refinery in 2006, sparking violent protests. Finally, in 2008, Vale signed with leaders of the local Kanak clans and Indigenous Environmental NGO Rhéébù Nùù a thirty-year 'Sustainable Development Pact' (Horowitz 2015; Levacher 2017). The refinery however experienced a series of acid spills after it began operations in 2010, amid controversy over other environmental pollution issues (MacLellan 2020).

Walker and Johnson (2018: 57) have proposed the term 'mineral sovereignty' as a method and concept to attempt to understand the power or geological agency of a mining operation in its 'historically organised, legible, and institutional forms' of the private corporation and the state: the 'subterranean' power of mining operations tends to shape all levels of a country's public governance (2018: 61).

Walker and Johnson argue 'conflicts over the exploitation of mineral resources and distribution of mineral wealth' are central to geopolitical history (2018: 61). Indeed, Sourisseau *et al.* (2017: 65) show how, in the 2000s, 'controlling the income from mining and metal processing was at the heart of the debate surrounding the country's future legal and political status. At stake was the nature of its future development: exogenous or endogenous; part of France or more or less autonomous'. The development of new nickel smelters had in fact 'long since come to symbolise this choice'.

In March 2021, leaders from both sides signed a historical political agreement allowing the sale of Vale New Caledonia to Prony Resources, a new consortium with a 51 percent majority local ownership – 30 percent owned by the SPMSC, a company made up of the island's three Provinces, and 21 percent owned by employees and local populations, in partnership with Swiss-based commodities trading house Trafigura, which owns 19

percent, and the Company Financière de Prony, which owns 30 percent. Vale's headquarter in Brazil had been suffering from the financial fall out of the recent collapse of two of its tailing dams - similar to those used by Vale in the south of New Caledonia, which had killed over two hundred people. The sale of the 'Usine du Sud' or Southern Refinery came after months of political turmoil over the future ownership of the mine, at times violent, reminiscent of the conflict which tore the island apart in the mid-1980s. Negotiations around the sale took place in the lead up to the country's second referendum on independence in October 2020, and when Sofinor, the development arm of New Caledonia's pro-independence Northern Province initially mounted a bid to purchase the mine from Vale, Sonia Backes, the French loyalist leader of the Southern Province responded with the claim that 'Those who propose this have a desire to economically colonise the Southern Province' (Maclellan 2020).

As Walker and Johnson put it, 'the authority to grant rights to mine and assert property in extracted minerals, to regulate mining profits and labour, to claim royalties and revenues, and to oblige companies to be responsible for environmental damage goes to the heart of questions of state, national and popular sovereignty' (2018: 61). New Caledonia's geopolitical history presents a complex illustration of this concept, from the importation of indentured labourers who worked in its nickel mines from the end of the 19<sup>th</sup> century to the development of indigenous resource nationalism as a path towards political independence from the 1990s onwards, and to France's migration push following the nickel boom of the 1960s.

The political contest for geological agency can also be found in the systemic narrative of nickel in New Caledonia, 'where economic growth and a sense of community are intrinsically linked' (Banaré 2017: 8) (pers.trad.). For Professor of Public Law in New Caledonia, Mathias Chauchat, and Dr Dominique Nacci, senior advisor on foreign trade, this narrative can lead to a 'mental block' (2016: 3) and is obvious in the way New Caledonia responds to financial losses on the nickel market: 'When nickel made money, New Caledonia built castles in the air. When the prices are low, people only see losses.' (Chauchat and Nacci 2016: 2).

Initially 'a great colonial narrative', the systemic narrative binding nickel extraction to New Caledonia's prospects and status within the French empire - and later, to emerging New Caledonian nationalisms and identities- was developed from the 1860s with chronicles, prospecting reports, and travelogues (Banaré 2017: 8). 'From the 1970s, with the

emergence of Kanak demands for political emancipation, this systemic narrative was 'retranslated' by anti-colonial separatists as a condition for the birth of a fair and independent nation: Kanaky' (Banaré 2017: 8). For academic Eddy Banaré (2017), this highlights a complex and contradictory political narrative, where the involvement of Kanak people in nickel extraction is 'both triumphant and traumatic'. Examining the meaning of the work 'Le Dernier Crépuscule' (2001), by Kanak playwright Pierre Gope, Banaré realises the sacred link to earth enters into contradiction with mining extraction, lived both as a colonial act and as an economic imperative of the Kanak independence project (2017: 2).

How then, do the Kanak people attempt to resolve this contradiction? A contradiction which pits a deep cosmologic connection to earth and the sea against mining, which damages forests, waterways and fisheries and creates social conflicts. How can a space be made, within the imperative to persuade, engage and negotiate with the non-indigenous community in New Caledonia under the terms of modern constitutionalism and international capitalism, to envision a just, plurinational, decolonised future?

As Ballard and Banks (2003) argue, the relationships that coalesce around mining projects are exceptional in their complexity, pitting European discourses of law, state, nation and economy originating in imperial histories against the efforts of indigenous peoples to both reground, restore and re-imagine their traditions, culture and identity. As Banks puts it, 'the very different conceptualisation of natural resources in most Melanesian societies—as elements of the social as much as any external environmental sphere—means that resources become a conduit for local social and political agendas and tensions to be expressed' (Banks 2008: 23). In New Caledonia's case it has however meant that in recent decades the indigenous Kanak minority were 'able to turn natural resource wealth some way to their own advantage' (Batterbury *et al.* 2020: 596). Batterbury *et al.* (2020) found 'the Kanak leadership have turned mineral resources to their economic and geopolitical advantage to benefit their own historically oppressed and marginalized population'.

In order to understand how this unique Kanak claim to mineral sovereignty was advanced and developed, we need to consider in more detail the complex relationships between the political economy of nickel mining and its formative role in political identities and relationships within New Caledonia as a 'pluri-national' community.

At the heart of it was the key idea of Kanak nationalism - the idea of achieving the full recognition of the Kanak people by entering the game of capitalism and (re)taking control of an economy dominated by settlers and largely dependent on transfers from France (Demmer 2017, 2018). Kanak leaders were aware of the ‘pitfalls of relying heavily on aid from metropolitan France’ (Horowitz 2004: 294). Hence, Paul Neaoutyne, the pro-independence leader of New Caledonia’s Northern Province, wrote in 2006 (Kowasch 2010: 176) (pers. trad.) ‘If we must enter in the activity of nickel, our philosophy is the mineral must be processed here. If we succeed, we will prove, one, that we are capable to manage a domain of activity that is essential to the country, two, that the re-balancing will not be achieved with ad hoc development contracts, and aid from France, without being able to create enough added value here to cover the cost of development’.

### **Is a just transition possible with so much at stake?**

In 2016, before the green nickel boom landed on the sandy shores of New Caledonia, Chauchat and Nacci wrote about the dominance of the ‘theoretical questions’ around nickel mining and ownership, in particular the ‘orthodoxy of 51 percent equity share’. In mentioning this, they were referencing the Northern Province’s successful strategy in terms of developing a 51/49 shared partnerships with Glencore, and a 51/49 partnership with South Korean metallurgical company POSCO with their joint ‘offshore’ refining plant in South Korea. As mentioned, the Southern Refinery now also operates under a 51/49 ownership structure. Chauchat and Nacci argue however the problems remain: ‘Nothing is solved, and many people would take to the streets. Maybe it’s time of proclaiming a moratorium, so the New Caledonian population could finally digest and appropriate as much as possible a relative control of existing industrial projects and begin to improve competitiveness. This is far less noble, but certainly more effective.’ (Chauchat and Nacci 2016: 3). Chauchat and Nacci feared that ‘From North to South of New Caledonia, multinational companies fund the construction of all the plants and therefore fully operate the nickel industry’ (2016: 2), leaving in their wake debt and environmental and social damage.

In recent years, New Caledonia’s territorial and provincial governments have gone to some length to promote and implement policies towards

energy transition in New Caledonia. Its new Schéma pour la transition énergétique de la Nouvelle-Calédonie/ Energy Transition Scheme (STENC) was presented as New Caledonia's contribution to the international agreements concluded at the 21st United Nations Conference on Climate Change (COP21) held in Paris in December 2015. This approach enabled New Caledonia to commit – through France – to the Paris Climate Agreement.

Under the STENC, New Caledonia has committed to reduce by the year 2030 its primary energy consumption by 20 percent, including in the mining and metal industry, and to provide electricity for public distribution that is from 100 percent renewable sources by 2030, as well as enable electricity self-sufficiency in its outer islands.

The STNC also aims to reduce greenhouse gas emissions to achieve by 2030 a reduction of 35 percent of CO<sub>2</sub> emissions in the residential and tertiary sectors – the equivalent of about 70,000 tons of carbon avoided over one year, and a reduction of 10 percent emissions in the mining and metallurgy sector - 140,000 tonnes of carbon equivalent avoided over one year.

Currently, New Caledonia's energy mix is made up of 97.4 percent fossil fuels, including 54.1 percent petroleum products and 44.9 percent coal, and 2.6 percent renewable energies (IEOM 2020). This strong energy dependence is directly linked to the presence of the mining and metallurgy industry which in 2019 accounted for nearly 55 percent of the total final energy consumption (IEOM 2020).

The new Prony Resources signed at the end of 2021 the country's first deal with Tesla to directly supply it with 44,000 tonnes of nickel a year to manufacture lithium-ion batteries for electric vehicles. The deal was followed two months later by a 25-year purchase agreement with Total Energies Renewables France to develop a mega series of ground-based photovoltaic (PV) and battery energy storage projects as part of Prony Resources' plan to reach carbon neutrality by 2040 (Total Energies 2021).

New Caledonia is therefore now faced with a new set of challenges, which need to be approached carefully to avoid the island becoming 'a sacrifice zone in the green energy economy' (Scott and Smith 2017: 867), where communities continue to be affected by extraction capitalism (Bainton *et al.* 2021). Within such a context, a just transition means including the perspectives of climate justice, energy justice and environmental justice (Heffron and McCauley 2018: 74). It means for instance moving beyond

the greenwashing exercise of promoting ‘green jobs’ where ‘The creation of surplus labour and the continued use of cheap labour is likely to reinforce a ‘job-centric’ just transition, where part of the solution to this issue is found in the creation of ‘greener jobs’, rather than imaging ways to decouple income from labour and open up a discussion about the range of forces that shape community well-being’ (Bainton *et al.* 2021: 8).

Developing a renewable energy industry may not be enough to disentangle New Caledonia’s geopolitics from the decision-making structures of capitalism fossil extraction. When it comes to a just transition, the risk is those in possession of geological power become those also in possession of decision making and ownership of renewable energy. Bainton *et al.* (2021: 20) argue ‘Understanding how the idea is used, and by who, matters a great deal as we interrogate who bears the burden and shares the benefits of a global energy transition.’

Applying a research method such as mineral sovereignty to help historicise and decipher power relationships is useful in such a context, just as Heffron and McCauley (2018: 75) state: ‘There is a need to debate, discuss, research and apply the just transition. Governments worldwide are utilising the term (or words to the effect of) ‘transitioning to a low-carbon economy’. This latter term is promoted by the status quo, *i.e.* those in the dominant position in society. This is because the ‘low-carbon economy transition’ has and will allow for a very slow transition and also one that favors this status quo and consequently will result in a continuation of the ongoing inequality in society.’

Bainton *et al.* (2021: 8) argue it is impossible to achieve both a low carbon transition and a just transition at the same time, ‘without radically reimagining how resource extraction is conducted or without confronting the internal contradictions of extractive capitalism’. Likewise, when it comes to energy democracy and justice, Droubi *et al.* (2022: 6) argue ‘the ideal world is one that sharply contrasts with the capitalist neoliberal model, and the process is one of resistance against the same economic models’.

In their analysis of the potential for developing a diverse economy which is highly sustainable, the ADF and WWF joint research found several obstacles were in the way in New Caledonia when it came to satisfying basic social and economic needs. They observed ‘the main challenges for achieving a real ecological and social transition in the sense of strong sustainability are essentially linked to a reduction in inequalities, the

complex origins of which can only be resolved by the development of diversification' (2020: 24).

During my research, I observed a generational shift, whereby emerging Kanak leaders, be they subcontractors to the mining industry, or environmental activists, social scientists, or artists, were more concerned with climate change and building a new relationship with New Caledonia's Pacifika neighbours – renewing with and creating a new national Pacifika 'way of being', rather than resource nationalism.

It is a generation which grew up in the shadow of the 1980s civil conflict, who understand and respect the fight for independence led by their elders, many of whom paid with their life. Thirty years on however, this younger generation – the generation of the 'common destiny', faces a different set of complex challenges; consequently, some now oppose mining, some approach it as a 'fait accompli' which now provides for a challenging professional experience and a short-term financial stepping stone towards saving to develop other, perhaps more environmentally sustainable professional activities; others wish mining would take place on a smaller scale and allow for a greater diversification of the economy, away from a dependence on extraction, and away from a dependence on France and capitalism structures.

## **Conclusion**

Geological agency (Walker and Johnson 2018) has been at the heart of New Caledonia's political economy since nickel was discovered shortly after France annexed the island. Resource nationalism was central to negotiations over sovereignty and decolonisation during the 1990s and continues to be so as attests the fact that the sale of the Vale New Caledonia refinery in the Southern Province became a central focus of discussions and protests in the lead up to the October 2020 referendum on independence. Geological agency has shaped New Caledonia's politics and economy for the past 150 years; the country has however reached a turning point with the conclusion of the Nouméa Accord, New Caledonia's new role at the global forefront of the green energy transition and worsening social and economic inequalities.

The generation, encompassing multiple communities, who were children during the 1980s conflict for independence have now reached their forties, with new ideas, preoccupations and aspirations for Kanaky/New

Caledonia – in terms of sovereignty, eliminating social cleavages, climate change and type of development. In 1988, the Accords de Matignons divided New Caledonia into a federation of three provincial governments to ‘re-balance’ political and economic power, in 1998 the Accord de Nouméa established a twenty-year framework towards a ‘negotiated decolonisation’ and the irreversible transfer of most executive powers, today a framework which includes a national just transition approach, and addresses degrowth, energy democracy and climate justice, is needed. Decolonisation requires reversing the resource curse – detangling the country from extraction capitalism and imagining a post-colonial future turned as much towards the Sea of Islands that is Oceania as it is already towards France.

*Nicole Gooch is a PhD candidate at the University of Technology Sydney, C-SERC (Climate, Society & Environment Research Centre). Nicole is from Kanaky/New Caledonia.*

*Nicole.gooch@uts.edu.au*

## References

- Allen, M. (2018) *Resource Extraction and Contentious States, Mining and the Politics of Scale in the Pacific Islands*, Palgrave Macmillan: Singapore.
- Bainton N., Kemp D., Lèbre E., Owen JR., and Marston G. (2021) 'The energy-extractives nexus and the just transition', *Sustainable Development*, No 29, pp. 624-634.
- Ballard, C. and Banks, G. (2003) 'Resource Wars: The Anthropology of Mining', *Annual Review of Anthropology*, No 32, pp. 287-313.
- Banaré, E. (2014) 'Représentations littéraires des paysages miniers en Nouvelle-Calédonie: regards coloniaux et vécus kanak', *Journal de La Société Des Océanistes*, No. 138-139, pp. 151-64.
- Banaré, E. (2017). Représentations et contre-fictions dans Le Dernier Crépuscule de Pierre Gope, *Acta Litt&Arts*, pp.1-16.
- Banaré, E. and Le Meur, P-Y. (2014) 'Histoire et histoires. Politique et poétique des récits miniers dans le Pacifique Sud', *Journal de la Société des Océanistes*, No 138-139, pp. 5-22.
- Banivanua Mar, T. (2016) *Decolonisation and the Pacific: Indigenous Globalisation and the Ends of Empire*, Critical Perspectives on Empire, Cambridge University Press: Cambridge.
- Banks, G. (2008) 'Understanding 'resource' conflicts in Papua New Guinea', *Asia Pacific Viewpoint*, No. 49, pp. 23-34.
- Batterbury, S., Bouard, S. and Kowasch, M. (2020) 'Indigenous responses to colonialism in an island state: a geopolitical ecology of Kanaky-New Caledonia', in Park, T.K. and

Greenberg, J.B. (eds) *Terrestrial transformations: a political ecology approach to society and nature*, Lanham: Lexington Book, pp. 111-20.

Batterbury, S., Kowasch, M. and Bourard, S. (2020) 'The geopolitical ecology of New Caledonia: territorial re-ordering, mining, and Indigenous economic development', *Journal of Political Ecology*, No. 27, pp. 594-611.

Black, P. (2015) "'Green gold': the contribution of new caledonia's nickel industry to the 'age of steel'" 1870-1920, thesis, ANU.

Chappell, D. (2003) 'The Kanak Awakening of 1969-1976: Radicalizing Anti-Colonialism in New Caledonia', *Journal de la Société des Océanistes*, No. 117, pp. 187-202.

Chauchat, M. and Nacci, D. (2016) *Mining strategy in New Caledonia or natural resource curse*, Macmillan Brown Pacific Policy Brief 2016/5.

David, C. and Tirard, M. (2022) 'La Nouvelle-Calédonie après le troisième référendum d'autodétermination du 12 décembre 2021: 40 ans pour rien?', *La Revue des droits de l'homme, Actualités Droits-Libertés*, April, pp. 1-11.

Demmer, C. (2017) L'export du nickel au cœur du débat politique néo-calédonien, *Mouvements*, No 91, pp. 130-40.

Demmer, C. (2018), 'Nationalisme minier, secteur nickel et décolonisation en Nouvelle-Calédonie', *Cahiers Jaurès*, No. 230, 4, pp. 35-52.

M.D. (2021) 'La CTC épingle la stratégie minière de la province', *Demain en Nouvelle-Calédonie* (DNC), 6 May 2021, available: <https://www.dnc.nc/la-ctc-epingle-la-strategie-mini-ere-de-la-province-nord/>.

Droubi, S., Heffron, R.J. and McCauley, M. (2022) 'A critical review of energy democracy: A failure to deliver justice?', *Energy Research & Social Science*, No. 86, pp. 1-15.

Filer, C. and Macintyre, M. (2006) 'Grass Roots and Deep Holes: Community Responses to Mining in Melanesia', *The Contemporary Pacific*, No. 18, 2, pp. 215-31.

Filer, C. and Le Meur, P-Y. (2017) 'Between New Caledonia and Papua New Guinea' in Filer, C. and Le Meur, P-Y. (eds) *Large-Scale Mines and Local-Level Politics: Between New Caledonia and Papua New Guinea*, ANU Press, pp. 415-34.

Fisher, D. (2014) *Tjibaou's Kanak: Ethnic Identity as New Caledonia Prepares its Future*, SSGM Discussion Paper 2014/4, College of Asia and the Pacific, ANU.

Goodman, J. and Worth, D. (2008) 'The minerals boom and Australia's "resource curse"', *Journal of Australian Political Economy*, No. 61, pp. 201-19.

Gope, P. (2001) *Le dernier Crépuscule*, Editions Grains de Sable, Nouvelle-Calédonie.

Hau'ofa, E. (2008) *We are the Ocean: selected works*, University of Hawai'i Press: Honolulu.

Horowitz, L. (2002) 'Daily, immediate conflicts: An analysis of villagers' arguments about a multinational nickel mining project in New Caledonia', *Oceania*, No. 73, 1, pp. 35-55.

Horowitz, L.S. (2003) 'La micropolitique de la mine en Nouvelle-Calédonie, Analyse des conflits autour d'un projet minier au sein d'une communauté kanak', *Journal de la Société des Océanistes*, No. 117, 2, pp. 255-71.

Horowitz, L.S. (2004) 'Toward a Viable Independence? The Koniambo Project and the Political Economy of Mining in New Caledonia', *The Contemporary Pacific*, No. 16, 2, pp. 287-319.

Horowitz, L.S. (2015) 'Culturally articulated neoliberalisation: Corporate social responsibility and the capture of Indigenous legitimacy in New Caledonia', *Transactions of the Institute of British Geographers*, No. 40, 1, pp. 88-101.

Institut d'Emission d'Outre-Mer (IEOM) (2020) *Rapport Annuel Economique Nouvelle-Calédonie*, available: [https://www.ieom.fr/IMG/rapport\\_annuel\\_ieom\\_nouvelle-caledonie\\_2020/](https://www.ieom.fr/IMG/rapport_annuel_ieom_nouvelle-caledonie_2020/).

Institut de la Statistique et des Etudes Economiques Nouvelle-Calédonie (ISEE) (2020) *Les Impacts Economiques du Nickel en 2019*, available: <https://www.isee.nc/>.

Jolly, M. (2019) 'Engendering the Anthropocene in Oceania: Fatalism, Resilience, Resistance', *Cultural Studies Review*, No. 25, 2, pp. 172-95a.

Heffron, R.J. and McCauley, D. (2018) 'What is the just transition', *Geoforum*, No. 88, pp. 4-77.

Kowasch, M. (2010) *Les populations Kanak face au développement de l'industrie du nickel en Nouvelle-Calédonie*, Universität Heidelberg, Université Montpellier III.

Kowasch, M. (2012) 'The development of the nickel industry and the transformation of environmental value in New Caledonia', *Journal of Political Ecology*, No. 19, 1, pp. 202-20.

Kowasch, M. (2018) 'Nickel mining in northern New Caledonia - a path to sustainable development?', *Journal of Geochemical Exploration*, No. 194, pp. 280-90.

Kowasch, M., Batterbury, S., Bouard, S. and Wayuone, W. (2022) 'The third independence referendum in New Caledonia - a fallback to colonialism?', *Pacific Geographies*, No. 57, pp. 11-5.

Lagadec, G. and Sudrie, O. (2013) 'Du court au long terme: un scénario «norvégien» pour pérenniser la rente nickel en Nouvelle-Calédonie?', *Revue Développement durable et territoires*, No. 4, 3, pp. 1-23.

Leblic, I. (2018) 'Chronologie de Kanaky Nouvelle-Calédonie (1774-2018)', *Journal de la Société des Océanistes*, No. 147, pp. 529-64.

Le Meur, P-Y. (2013), 'Locality, Mobility and Governmentality in Colonial/Postcolonial New Caledonia: The case of the Kouare tribe (xûâ Xârâgwii), Thio (Cöö)', *Oceania*, No. 83, 2, pp. 130-46.

Le Meur, P-Y. (2017) 'Conflict and Agreement: The Politics of Nickel in Thio, New Caledonia', in Filer, C. and Le Meur, P-Y. (eds) *Large-Scale Mines and Local-Level Politics: Between New Caledonia and Papua New Guinea*, ANU Press, pp. 157-82.

Le Meur, P-Y. (2017) 'Le destin commun en Nouvelle-Calédonie: entre projet national, patrimoine minier et désarticulations historiques', *Mouvements*, No. 91, pp. 35-45.

Le Meur, P-Y., Ballard, C., Banks, G. and Sourisseau, J-M. (2013) *Two islands, four states: Comparing resource governance regimes in the Southwest Pacific*, Conference Paper, ANU Research Publications.

Le Meur, P-Y. and Levacher, C. (2022) 'Mining and Competing Sovereignties in New Caledonia', *Oceania*, No. 92, pp. 74-92.

- Levacher, C. (2016) 'Penser la ressource minière en Nouvelle-Calédonie, Souveraineté, développement et valeur des lieux', *Développement durable et territoires*, No. 7, 3, pp. 1-15.
- Levacher, C. (2017) 'Contesting the Goro Nickel Mining Project, New Caledonia: Indigenous Rights, Sustainable Development and the Land Issue', in Filer, C. and Le Meur, P.-Y. (eds) *Large-Scale Mines and Local-Level Politics: Between New Caledonia and Papua New Guinea*, ANU Press, pp. 183-206.
- Maclellan, N. (1999) 'The Noumea accord and Decolonisation in New Caledonia', *The Journal of Pacific History*, No. 34, 3, pp. 245-52.
- Maclellan, N. (2020) 'New Caledonia's Triple Opportunity', *Inside Story*. <https://insidestory.org.au/new-caledonias-triple-opportunity/>.
- Maclellan, N. and Regan, A. (2018) 'New Caledonia and Bougainville: Towards a New Political Status?', *Discussion Paper 2018/3*, Department of Pacific Affairs, ANU.
- Merle, I. (2017) 'Réflexions sur la violence coloniale et les effets de "brutalisation" des rapports sociaux. L'exemple de la Nouvelle-Calédonie', in Sirota, A. (ed.) *Violences entre générations: transformation ou répétition?*, Éditions le Manuscrit: Paris, pp. 55-76.
- Pacific Islands Forum (2021) *The 2050 Strategy for the Blue Pacific Continent*, available: <https://www.forumsec.org/2050strategy/>.
- Ris, C., Trannoy, A. and Wasmer, É. (2017) 'L'économie néo-calédonienne au-delà du nickel', *Notes du conseil d'analyse économique*, No. 39, 3, pp. 1-12.
- Roger, P. (2021) 'En Nouvelle-Calédonie, la « doctrine nickel » mise à mal', *Le Monde*, 24 April 2021, available: [https://www.lemonde.fr/politique/article/2021/04/24/en-nouvelle-caledonie-la-doctrine-nickel-mise-a-mal\\_6077903\\_823448.html](https://www.lemonde.fr/politique/article/2021/04/24/en-nouvelle-caledonie-la-doctrine-nickel-mise-a-mal_6077903_823448.html).
- Schéma pour la transition énergétique de la Nouvelle-Calédonie (2015) 'Gouvernement de la Nouvelle-Calédonie', available: [https://dimenc.gouv.nc/sites/default/files/documents/stenc\\_web\\_160623.pdf](https://dimenc.gouv.nc/sites/default/files/documents/stenc_web_160623.pdf).
- Scott, D. and Smith, A.A. (2017) "'Sacrifice Zones" in the Green Energy Economy: Toward an Environmental Justice Framework', *McGill Law Journal*, No. 62, 3, pp. 861-98.
- Sourisseau, J.M., Geronimi, V., Blaise, S. and Bouard, S. (2016), 'La Nouvelle-Calédonie dans les turbulences du XXI<sup>e</sup> siècle', in Geronimi, V., Sourisseau, J.-M., Bouard, S., Blaise, S. and Ro'i, L. (eds), *La Nouvelle-Calédonie face à son destin, Quel bilan à la veille de la consultation sur la pleine souveraineté?*, Paris: Karthala, pp. 449-84.
- Sourisseau, J.M., Grochain S., and Poithily, D. (2017) 'From Anticipation to Practice: Social and Economic Management of a Nickel Plant's Establishment in New Caledonia's North Province', in Filer, C. and Le Meur, P.-Y. (eds) *Large-Scale Mines and Local-Level Politics: Between New Caledonia and Papua New Guinea*, ANU Press, pp. 61-98.
- Storr, C. (2016) 'Islands and the South: Framing the Relationship between International Law and Environmental Crisis', *European Journal of International Law*, No. 27, pp. 519-40.
- Syndex (2015) *Nickel, métal du diable ou vecteur de développement? Pour une régulation de la croissance minière et métallurgique calédonienne*, July, available: <https://www.syndex.fr/sites/default/files/files/pdf/2017-05/Nickel%20Syndex-juillet-2015.pdf>.

Teaiwa, K.M. (2014) *Consuming Ocean Island: Stories of People and Phosphate from Banaba*, Bloomington: Indiana University Press.

U.S. Geological Survey (2022) 'Mineral commodity summaries 2022', *U.S. Geological Survey*, pp. 1-202.

Vertigo Lab and Bioeko Consultants (2020) *Etude sur le potentiel de diversification économique à soutenabilité forte de la Nouvelle-Calédonie*, ADF, WWF-France et ADEME, Nouvelle-Calédonie.

Walker, J. and Johnson, M. (2018) 'On mineral sovereignty: Towards a political theory of geological power', *Energy Research & Social Science*, No. 45, pp. 56-66.

Watts, M. (2004) 'Resource curse? Governmentality, oil and power in the Niger Delta', *Nigeria, Geopolitics*, No. 9, pp. 50-80.



KPWTHU EIN ©AD2013

# **NOT RESOURCE CURSE NOR RESOURCE BENEFIT, BUT ‘RESOURCE NEGATION’? COMMUNITIES AGAINST COAL SEAM GAS ON THE FOSSIL FRONTIER**

**James Goodman, Riikka Heikkinen and  
Bruce Knobloch**

Overcoming the problems of resource dependency has been a major preoccupation for mainstream and critical economists at least since the wave of decolonisation in the middle of the Twentieth Century. Newly independent countries, ostensibly masters of their own destiny, were bound hand and foot to international resource extraction. Unequal relations of production, on a world scale, created a form of structural servitude for the post-colonial world (Amin 1976). Escaping unequal development – or at least ameliorating it – became the key preoccupation of the then-emergent field of development studies. That development conundrum was directly transposed into debates about the ‘resource curse’, and how to overcome it. As with developmentalism more widely, the central debate is between ‘modernising’ approaches aiming to civilise resource dependence and more critical approaches seeking to break with it (Collins, this issue). More recently, in the context of widescale socio-ecological crisis, most notably climate disruption, the very idea of ‘resources’, whether as a curse or as a benefit has been radically revised. The implications of this transformation are directly played-out today in community-level struggles against extractivism - and nowhere more so than on the ‘fossil frontier’.

**Goodman, J., R. Heikkinen and B. Knobloch (2022)**  
**‘Not resource curse nor resource benefit, but ‘resource negation’?**  
**Communities against coal seam gas on the fossil frontier’**  
*Journal of Australian Political Economy*  
**No. 89, pp. 136-57.**

Mainstream accounts of the resource curse, led by the World Bank, chart the 'intelligent public policies' needed to secure resource rents for 'resource-led growth' and local benefit (Lederman and Maloney 2007:10). This approach is based on the assumption that resource rents are 'neither curse nor destiny', but a benefit in terms of imputed economic value if governed and regulated effectively. To assess benefit, non-economic values are subsumed as fungible, and subordinated to the extractivist purpose. The approach has a strong developmentalist logic: it points to high-income and resource-dependent countries, such as Norway or the USA, as 'success' narratives to guide governments in low-income contexts. It is also highly statist in assuming the national state has all the necessary knowledge and capacity as the main means of resolving the resource curse (Humphreys *et al.* 2007; Abumere 2022). These assumptions of extractivism, developmentalism and statism are radically challenged by the logic of resource appropriation under socio-ecological crisis. There is a deepened understanding of the socio-ecological impacts of extractivism that can negate any possibility of 'resource benefit' (Fuhr and Wykes 2012; Engen *et al.* 2011). As part of this, there is a widened and more critical understanding of 'development', as posing a problem for all societies under the current global socio-ecological crises, including for the assumed 'success' cases (Brueckner *et al.* 2014). There is also a shift to wider sources of social agency, *beyond* and *against* the state as well as *through* the state, especially in terms of social mobilisation against the resource extractivist paradigm (Kroger *et al.* 2021). These developments are not new but have come more to the fore with the advent of intensifying climate disruption and wider socio-ecological crisis.

This article addresses these challenges through an account of community responses to a proposed coal seam gas-field in Australia, voiced at a seven-day official public hearing in 2020. The proposed gas-field is located in one of the world's richest countries with one of the highest per-capita greenhouse gas emissions. The project has extensive cultural, socio-economic and environmental impacts, extending across the wider region and beyond. It has been championed by a fully captured local and federal state structure, but vociferously opposed by a broad alliance of local and region-wide civil society and community-based groups. Taken together, the community responses offer a powerful case study of the limitations of the dominant resource curse model. Most directly, they underline the impossibility of 'coexistence' with coal seam gas, posing it as an incommensurable challenge to the region's future. In doing so they point

very clearly to a ‘leave it in the ground’ approach – neither ‘resource curse’ nor ‘resource benefit’, but ‘resource negation’. Opponents of CSG do not want the ‘curse’ but neither do they want the ‘benefit’ – they want to designate coal seam gas as a ‘resource’, and leave it sequestered in the ground, as it has been for millions of years.

## **Coexistence or incommensurability?**

The key question posed by the resource curse thesis is whether resource extraction, especially mining, can today be made commensurable with livelihood and socio-ecological sustainability. Only then can it deliver ‘benefit’. Where impacts lead to the permanent loss of intrinsic value they become immeasurable. Intrinsic value always poses a major problem for capitalist accumulation, and not least for resource extraction. Commensurability is the foundation and precondition for capitalist commodification – everything in the circuit of capital must be rendered commensurate and accorded an exchange value to be tradeable. Yet ultimately all commodities have intrinsic value separate from their price: only money has pure exchange value (and ironically is therefore not a commodity). Reflecting this, key production factors such as land, labour and money cannot be produced by capital: they are ‘fictitious’ and have an autonomy and existence outside capital (following Polanyi; Fraser 2014). In this they produce recurrent crises, of ecological exhaustion, labour shortages or strikes, and financial instability.

There are efforts to manage the resulting contradictions, to address and ‘socialise’ them through the state (see O’Connor 1997), thereby rendering them at least contingently commensurable. These are the trade-offs, historic compromises and environmental ‘offsets’ that reconcile opposites based on false equivalences. This, in large part, is the logic of ‘resource’ management that paradoxically fails as it succeeds in legitimising and prolonging extractivism. More and deeper extraction, even if legitimised by the state, contributes to a cumulative crisis, a crisis of exhaustion rather than a cyclical crisis, that only intensifies over time, resisting management (Bellamy-Foster 2002). This is especially true of ecological impacts, as exemplified by climate change, where biophysical dynamics exert an unmanageable force on society. Here, fossil fuel resources such as ‘natural’ gas, are effectively ‘climatised’, transformed from assets for livelihood into threats to survival (Aykut *et al.* 2017).

Clearly, where extraction involves the permanent destruction or loss of ecologies necessary for life, it, by definition, negates sustainability. Predetermining this is the concept of the ‘resource’ itself. When a mineral deposit is identified and designated a ‘natural resource’, it becomes capitalised as an asset and gains a dollar value on the balance sheet of its owner. Its integrity as an aspect of ecology is removed and it is appropriated as a ‘gift of nature’ for capital (Moore 2014). Once capitalised, it is integrated into the circuits of capital and is always potentially subject to extraction. Regulatory debates about the exploitation of ‘natural resources’ then seek to weigh these interests of capital against the public interest, to achieve ‘balance’. Regulation for resource management (to overcome the resource curse), by definition, assumes resource appropriation can be made commensurable with the public interest – the only question being *how* to achieve this. Contestation beyond the resource curse, in contrast, poses the need to prevent extraction, and embraces alternative socio-ecological relations and alternative modes of livelihood. It is this latter orientation that is the focus for this article.

## **Contesting Gas on the Fossil Frontier**

The specific case on which this article focuses is the attempt to establish a new gas field of 850 wells to access coal seam gas in the Pilliga, a large state forest in Western NSW near the town of Narrabri. The Eastern Star gas company gained exploration permits for the region in 2007 and was bought by Santos, an Australian gas company, in 2011. Santos submitted a proposal to develop the ‘resource’ in 2017 and a public inquiry into the project under the government-appointed Independent Planning Commission (IPC) was then held in 2020. There had been a long-running public campaign against the proposal and the inquiry attracted a record 23,000 submissions, with seven full days of hearings. The IPC ruled in favour of the project subject to conditions, but community opposition continued to disrupt the required gas pipelines and in 2022 the local Gomeri Indigenous Native Title claimant group voted against the project.

At the IPC hearings, there were 330 community-level speakers, each being allotted five minutes to address the three commissioners. The official transcript extends over seven full days and 400,000 words, eighty per cent from community speakers (IPC 2020). After many years of severe drought and the collapse of rural waterways, followed by the most devastating

bushfire season, and in the context of decades-long struggles over failing climate policy, the Inquiry sat at the centre of Australia's (and the world's) climate maelstrom. A wide range of concerns were raised about the gas project, ranging from impacts for Indigenous peoples, to biodiversity, water and farming, local and regional development and energy transitions, as well as climate change. Numerous alternatives were also asserted, relating to Indigenous culture, local livelihood, farming, tourism, decarbonisation, and renewable economies. The Inquiry enacted and dramatized the deep systemic rift that had emerged over fossil fuel developments globally and posed multiple incommensurable challenges to fossil capital.

### **Last gasp for gas?**

In 2018 the United Nations had announced that emissions from fossil fuels had to fall by forty-five per cent by 2030 for there to be any chance of climate stability (UN 2018). The CSG Santos project would produce emissions until 2045. Further, it would secure a bridgehead for the CSG industry, likely to unfold across the region as it had elsewhere in Australia. Industry and government claimed that gas was a low emissions substitute for coal despite extensive uncertainty over how much gas escapes in the production process ('fugitive' emissions). Methane itself is very potent greenhouse gas, with an impact over 20 years that is 84 times greater than an equivalent CO<sub>2</sub>.

The Narrabri gas project sits in the midst of the transition process. Gas advocates present it as a 'transition fuel' to complement intermittent wind and solar power. Gas, though, is superseded by the advent of 'baseload' renewable energy. With low-cost wind and solar power able to deliver continuous power with the aid of batteries, green hydrogen and pumped hydro, the imperative for transition gas is fatally weakened. Battery contracts were outcompeting 'peaking gas' on price before 2020 (see for example Roth 2019); and in northeast United States batteries were even starting to replace existing fossil fuel capacity (Olinsky-Paul 2021). Reflecting this, at the time of the Inquiry, the Australian Energy Market Operator had already mapped a fall-off in gas demand even with a shift to a system based on seventy-five per cent renewables (AEMO 2020). This closing window for gas was reflected in investment decisions, with \$20 billion written-off across the sector in 2020 and AGL converting its coal-

fired power station at Liddell in NSW to a battery plant (not to a gas-peaking plant). The price shock in 2022 following the war in Ukraine boosted the sector, but also underlined the need to overcome dependence on it (AER 2022).

For Santos, as the project proponent, there was an urgency to monetise its Narrabri project. The company had already written-off \$7 billion in gas assets 2015-20, and an additional \$1 billion in July 2020 (IEEFA 2020; Macdonald-Smith 2020): this amounted to about half of its claimed global asset base in 2019, of \$17.5 billion (13.6 billion in Australia). The company had invested more than \$2 billion in the Narrabri project and the company had put in place an impressive architecture of state capture to secure the approval. The scope extended from lobbying for a Federal ‘gas-led’ post-covid recovery plan, to securing endorsement from the NSW State planning department and promising to dedicate the gas to NSW (Australia’s gas production had nearly tripled over the last decade, with almost all going to export; Geoscience Australia 2021). Locally it provided funds to enable support from the local council, collaborated with the local Aboriginal Land Council and provided community-level grants, including for sports clubs. The Federal Government’s initiative in 2019 to support the gas sector is especially noteworthy. The offer to NSW of an additional \$960 million in federal funding for renewable energy, on the condition that NSW Government facilitate approvals to ‘inject an additional 70 petajoules of gas per year into the east coast market’, set a new high in fossil fuel promotion (Coorey 2020). At the time, Narrabri gas project was the only existing gas proposal in NSW of that size. The notion that federal assistance for renewables could at the same time enable an indirect Federal regulatory intervention into State-level energy policy to favour gas demonstrates the depth of the climate contradictions in play.

### **Community push-back**

CSG has been highly controversial in Australia and projects have faced strong grassroots opposition. The industry gained its first foothold in Queensland and was expected to spread across other States, but for a decade had been effectively halted. ‘Lock the Gate’, a grassroots movement to deny gas companies access to land, was established in 2010, organising rural communities across Queensland and then into NSW and Victoria, learning from the Queensland experience. In 2012, the

conservative Coalition was elected to government in NSW on a mandate of limiting the scope of CSG. The previous Labor NSW government had awarded exploration licences to prospect for CSG across forty-five per cent of the State; and these had led to concrete proposals in places as diverse as inner Sydney St Peters, suburban Camden and rural Bentley. In each of these three cases, and in others, gas was heavily contested. 'Lock the Gate' groups spread across the State, blocking the industry. The incoming Coalition government instituted a 'buy-back' of licences (sixteen in all) and, as of 2020, there were only two remaining: the Santos Narrabri project and AGL's Camden project in SW Sydney, which closed following AGL's 2016 announcement that it would exit the industry.

In 2020 Narrabri was the only focus for the industry, along with a further eighteen exploration licences, thirteen with Santos. These licences extended from Muswellbrook in the Hunter Valley, west to Dubbo and north to Moree and the Queensland border, covering a total of 56,250 square km. Santos initially sought to establish a gas-field across the entire agricultural region near Narrabri but, facing opposition, scaled back to 850 wells mainly located in the State-owned Pilliga forest. Throughout, government support for the project was vocal and consistent. CSG is prefigured as a 'market' opportunity, pro-growth, and pro-jobs (Mercer *et al* 2014). States redesignate land for extraction, with 'coexistence' across different uses taken as a given, with no concept of 'opportunity cost' (Kennedy 2017). State prerogatives and industry legitimacy are reflected in planning regimes that privilege mining projects: in NSW mining is defined as 'state significant' and is assigned to the Minister-appointed IPC. Affected communities have no right of appeal to the Land and Environment Court, though projects rejected by the IPC can be approved by the Minister if defined as 'State Significant Infrastructure' (Sherval 2019).

Broad public controversy over the Narrabri project has been clear, at least since 2007. There has been direct mobilisation, including community blockades of test sites, as well as demonstrations and actions extending from the region to decision-makers in Sydney. Research into CSG mobilisations has highlighted how opponents combine unofficial expertise with powerful affective connections to communities and environments (Einfeld *et al.* 2021; Threadgold *et al.* 2018). Mobilisation is seen as empowering and linking diverse opponents (Kuch and Titus 2014; Mann 2018), and the Narrabri case is seen as mobilising a shared stewardship,

based on new alliances both locally and across the State (Colvin *et al.* 2015; Sherval *et al.* 2018).

Opposition is interpreted as a process of anticipating and confronting the risks of extraction, while forcefully putting wider energy justice issues onto the agenda (Espig and de Rijke 2016; Macpherson-Rice *et al.* 2020). Some researchers make recommendations to enable stronger legitimacy: CSIRO researchers funded by the gas industry have claimed communities accept gas once it is approved. Others have suggested a less constrained planning process with rights to appeal would assist (Sherval 2019). Still others have pointed to the need for an expanded concept of ‘social licence’ (Luke *et al.* 2018). This article, reflecting the broader theme of this issue of the journal in which it appears, approaches the issue through the resource curse debate and posits the notion of ‘resource negation’ as encapsulating the key arguments of opponents.

## **Insights from the Narrabri gas hearings**

Six aspects of the statements made to the Narrabri IPC hearings, all asserting incommensurable impacts, can be identified. First, there was a strong emphasis on Indigenous dispossession, as the irredeemable loss of cultural connection and meaning. Second, there were concerns about the project’s impact on underground aquifers in terms of permanent geological disruption. Third, concern was expressed about irreversible environmental degradation, including the loss of bio-diversity and implications for climate change. Fourth, many farmers spoke about economic displacement and impossibility of coexistence between fossil gas and agriculture. Fifth, there was a focus on social dislocation and irreparable fracturing of social and community relations. Finally, major concerns were expressed about corruption and the approvals process, undermining political legitimacy.

### **Indigenous dispossession**

Indigenous speakers posit existential challenges and alternatives across all aspects, from degradation of geology and environment to socio-economic dislocation and political manipulation. Indigenous use of the Pilliga forest area has been continuous through colonisation, with a direct lineage for local Gomeroi peoples, including to ancestral sites in the forest. The company had worked with some Traditional Owners to verify the

archaeological survey: one outlined they had identified ‘250 Aboriginal recorded sites’ and were confident the company would avoid damaging them (Griffiths).<sup>1</sup> Against this, there were statements from local Indigenous representatives and Traditional Owners stating the project would destroy Aboriginal culture. One stated:

I’m a member of the Aboriginal Land Council for Pilliga. I’m a Kamilaroi man. I’ve lived here all my life. There’s no elder or anybody that wants this project to go through. To me, if this goes through, it’s a declaration of war, and I will take it to you. I don’t want to see my land destroyed (Nicholls).

A statement from Polly Cutmore, a Gomeroi Traditional Owner, brought the proceedings to a standstill:

We’ve had bushfires, we’ve had fish kills, we’ve had no water in our rivers in Gomeroi from the top as far as Inverell to Copeton all the way down to Walgett. My people have been suffering and we can’t suffer no more [...] We’ve had this done to us over and over for 250 years. It started with the massacres [...] Please – can you please just stop it. We don’t want it no more. We want to live. We want to be able to live and enjoy life in our country. We can’t have this any more (Cutmore).

Following this statement there was a lengthy silence, with no response from the panel.

The presence of Aboriginal culture in the landscape is central. One speaker drew analogies with European culture:

The Pilliga holds places of huge significance. Out there you will find our churches. You will find our schools. You will find places where we celebrate. You will also find places [...] where we perform our most sacred and secret ceremonies [...] We’re tired of being denied, as Gomeroi people, to practise our culture and to maintain, protect and preserve our heritage and our country and our waters [...] We don’t come into your community and tear down what’s important to you’ (Whitten).

Another conveyed the personal impact:

In my culture all trees are special, but some are sacred. Some are passed from generation to generation. And one such tree actually belonged to my grandfather and his grandfather before him and one day it might have been mine. But in 2015, for a very similar project, this tree was

---

<sup>1</sup> All bracketed names refer to the presenter who made the quoted statement at the Narrabri IPC hearings (IPC 2020).

cut down. And so too was this pre-colonial connection to it. I cannot tell you how much that hurt (Field).

Many expressed the depth of community anger:

If the government rules with Santos in this, let no person ever say to any Gomeri person ever again that the crimes of the past happened hundreds of years ago because they are happening right now. Right now. Right now. This very second (Whitten).

The loss is presented in intergenerational terms:

As a parent with a young child who I want to bring up strong in her culture and identity as a Ngarabul and Wirrayaay person from the Gomeri Nation, you know, it's important to me that she has access to those sacred sites on our country. It's important that she is able to grow up along the rivers and creeks and other waterways of our country, you know, like I did as a young Aboriginal person, and to learn her culture and to learn the song lines and stories of that country (Winzer).

The failure to address Indigenous peoples as custodians, not simply as stakeholders, was raised by several presenters. One speaker stated the IPC was itself culturally exclusionary:

I feel frustrated that we're not standing before Gomeri Commissioners but yet again in this 250-year history of colonisation we're not giving the traditional owners the respect to make decisions about their land that they have a sacred responsibility to uphold (Watson).

The format ignored norms of Indigenous expression: 'This is an intimidating, non-Aboriginal hearing, not an Aboriginal-led process of yarning and deep listening to Gomeri Gamilaraay elders' (Maltby). There was no possibility of vetoing the project 'Aboriginal people are forced to the table, under duress' (Craigie).

The company claimed the project could coexist with Indigenous culture and some speakers stressed project benefits:

There's business development, agricultural site management, language, culture, and elderly and youth programs, economic and well-being development. That's for our people. Contracts and opportunities for Aboriginal businesses (Griffiths).

Others stated the gains were limited: 'If indeed there are any benefits to be had, they are on an individual basis and not a whole of community gain' (Tighe). Promises of employment had been rejected: 'Those who lie to communities with high unemployment like ours about promised jobs enrage us' (Spencer). The offers had divided the community:

promises of possible money and jobs has served to divide and create extremely stressful splits between Gomeri families leading to severe mental health issues (Maltby).

In terms of strategy, several speakers stressed how the Gomeri Native Title group had become more mobilised against the project. The historic vote against supporters of the project in 2016 had removed assent for the project, though Santos had still ‘not consulted with the present native title applicants’ (Lyden). Others made a direct connection with the concerns of farmers and Indigenous community members, about water especially:

Water is the cultural thread which binds our Gamileroi identity and connection to country through oral histories. I cannot stress enough the importance and the significance of water. Truth be told, water is the great unifier bringing Aboriginal and all non-Aboriginal people alike. There is no doubt that Santos will commercialise, over-extract and pollute our water (Tighe).

### **Geological disruption**

Impact on underground water was a key point of dispute. The gas project was anticipated to threaten preexisting barriers, aquitards, between coal seam gas and underground water: ‘an impermeable layer of rock is no longer impermeable when you drill a hole through it’ (Bragg). The damage, once done, could not be undone: ‘a damaged, polluted aquifer cannot be cleaned or rehabilitated’ (Kirumba). Water and CSG were in collision: ‘the aquifers, they’re all interconnected [...] you poison one, you poison the lot’ (Craigie).

Supporters of the project put faith in regulation (MacDonald). Opponents countered that ‘the complexity of groundwater hydrology perplexes even the best geologists in the world’ (Leedham). Another pointed to Santos’ record: ‘Santos had flatly refused to commit to installing groundwater monitoring bores’ (Vickers). Many referred to the Queensland experience: ‘In Southern Queensland, nearly 600 bores on farms have lost their water supply due to CSG’ (Mateer). Many stated the impacts were irreversible: ‘the damage will be permanent, like Humpty Dumpty, you can’t put it together again’ (Vickers).

There was great reverence for the region’s underground water:

almost a quarter of this country, most of inland Australia, would be entirely uninhabitable without our Great Artesian Basin and the most critical recharge area for the GAB is Pilliga sandstone (Kennedy).

With Santos denying the significance of the Pilliga as a recharge zone, one speaker countered: 'I once asked an old bushie about the Pilliga. He said, "Why do you think there are no big rivers coming out of such a big area?"' (Marshall).

One quoted the latest science on the viability of the wells: 'industry records show that 6.5 per cent of well casings fail initially, 60 per cent fail over 20 years, but all fail over time' (Bennett). The effects were intergenerational: 'It is axiomatic, in my opinion, that the poisonous water will leak into the great artesian basin either during the extraction or [...] when Santos is long gone' (Breen). Furthermore, there was the problem of wastewater contaminated with salt, heavy metals and hydrocarbons. Storage ponds for the production pilot had already overflowed: 'there had been efforts to replace topsoil and re-plant, but the company has 'been unable to rehabilitate these dead areas' (Schultz).

### **Environmental degradation**

Concerns about environmental degradation centre on climate change and biodiversity. Many speakers stressed that climate change poses an irreversible threat: 'Pandora does not go back into her box' (Longmuir). In approving the gas field, the NSW government was 'like a 'spoilt kid at the party, scratching for the last of the lollies' (Teagle). The project was 'an intergenerational obscenity' (Boyd). Several spoke of the unbearable heat: the yearly average of twenty days above 35 degrees had almost doubled to 'over sixty-five days' (McCalman).

The department had argued Narrabri CSG would replace high-emitting coal and hence reduce overall emissions, but many speakers challenged this: 'Burning one fossil fuel to replace another does not make sense' (Donley). Another likened the claim to 'spruiking the benefits of carpet bombing over a nuclear strike' (Lyford). The claim that CSG produces less emissions than coal – about half as much – was widely contested. Gas 'peaking' plants needed to be on-demand, and hence were much less efficient. Gas wells release underground CO<sub>2</sub> and leak 'fugitive' methane into the atmosphere, yet Santos had refused to release its production data on leakage. Methane's greenhouse impact was estimated as being 25 times that of CO<sub>2</sub>, yet this was only possible 100 years hence: in 20 years time it would be '86 times the warming potential' (O'Leary).

The effort to massage emissions led many to question the motives of the company. One presenter reminded the IPC that: ‘three years ago [in 2017], Santos told its shareholders that its business plan was based on an increase of four degrees Celsius in the global climate’ (Hinman). Santos’ statement had been made by the Chair of the company at a shareholder meeting, where he argued that a 4°C outcome was ‘sensible’ and ‘consistent with good value’ (Davidson 2017).

There was the related impact on biodiversity. The Pilliga forest had been logged but regrowth left a large integrated forest, a ‘globally recognised, Key Biodiversity Area [...] 500,000 hectares of rare, intact, temperate eucalypt woodland’ (Goswell). The Company’s limited surveying had found ‘10 threatened plant and 35 threatened fauna species in the gas field area’ (O’Hara). It was a ‘national jewel too precious to plunder’ (Hosking).

Fear of fire was central. With the full project there would be permanent gas flares ‘40 metres above the tree line’ (Small). The fire risk was extreme: the Pilliga is a ‘tinderbox’ and flares would burn even on ‘the most extreme fire days’ (Watt) amid a ‘network of pipes of flammable gas’ (Gray). Even the small-scale test flares were ‘a loaded gun pointed at us all summer’ (Donaldson).

Waste disposal was widely cited: the

licensed waste facility has to take the 850,000 tonnes of salt produced over the life of the project, plus 720,000 cubic metres of coal-based drill cuttings, which is equal to 10,000 40-foot shipping containers (Barrett).

There was a veil of secrecy over the ‘chemical additives that Santos add to the pipes to extract the gas’, with ‘disclosure [...] not mandated’ (Wynter). The health risks were severe: ‘bone marrow cancers, miscarriage, prostate cancer, decreased male fertility and infant neurological disease’ (Vickers). None of the risks were considered by the planning department (Pedashenko).

### **Economic displacement**

The department assumed the project would have no significant impact on existing economic activities. Opponents defined gas as an existential threat. As one put it, CSG would ‘make our property unviable, uninsurable, unliveable and unsaleable’ (Robinson). Fears were based on the Queensland experience: ‘many sold out to the company, their dreams dashed, and their homes were bulldozed’ (Horton).

Loss of groundwater was widely feared:

I thank my lucky stars, the blessings every day to having access to this beautiful spring water that sustains not only our property that produces beef and other crops, but sustains – it's the life blood of this country (Sanders).

Many farmers testified to their dependence on the artesian basin: 'we would literally have to walk off our property if we lost our artesian water; our property would be worthless' (Kennedy). The local economy hinged on water: 'can we risk the current jobs sustained by this water in agriculture, town businesses and tourism, all for the creation of a possible 200 Santos jobs?' (McCalman).

Compensation was rejected: 'I will be compensated, but the compensation is absurd; Santos have offered me a water tank' (Pockley). Insurance was being withdrawn: companies would 'not insure public liability risk on land where there is coal seam gas infrastructure or mining' (Russ). This confirmed farmers fears: 'Why, then, if this industry poses no risk to my region, can't we get an insurance policy to cover the risks?' (Macrae). There were also risks to markets: detection of contaminants would 'mean that we would be immediately suspended from current and future market for our product' (Ciesiolka). One resident spoke passionately about the impacts on tourism: 'No one goes to a toxic dump for fun' (Brady).

Project supporters stated that gas-fields could coexist with farming, offering diversification: 'we don't have to choose one or the other; we can have both'. The drought had demonstrated the need for gas, to 'future-proof our town, area, and economy' (Flower). Gas would save the region: 'there is no future for the next generation within our area without diversification and the energy security created by the Narrabri Gas Project' (Goddard). The project would make Narrabri a 'very large inland port' (Redding). Opponents rejected the idea that a fossil fuel company could insure the region against the effects of climate change. For many the drought demonstrated not the failure of agriculture but its resilience: 'Yes, there's been a downturn due to the drought, but there is no reason to threaten a permanently sustainable industry for a quick buck' (Marshall). More generally: 'There are alternatives for energy but [...] there is no replacement for good quality water' (Matchett).

Opponents strongly supported regional diversification, not into fossil fuels but into regenerative farming, tourism, Indigenous economies, and especially renewables: 'There are vastly more cost-effective alternatives

in the form of clean energy and clean energy jobs' (Hodgson). As one put it: 'We are able to coexist with renewable energy sources, but we'll never be able to coexist with the gas industry' (Perry). Many contrasted the boom-bust cycle of CSG with the long-term viability of the farming economy: after 25 years the wells would be exhausted, the whole region 'Swiss-cheesed to no purpose' (Chiffey). In contrast, farming was 'potentially worth trillions of dollars to our country over the next century or so' (Hargraves).

Economic assessment of the proposal had unaccountably neglected to mention renewables: 'Income projections by CSIRO have misleadingly ignored competition from the growth in renewables' (Howard). Structurally, CSG was an 'outdated industry [...] on its last legs' (Robson). One speaker drew a particularly sharp analogy – it was 'like trying to work out how a horse and cart can travel on modern expressways and then who will clean up the mess after them' (Crossman).

### **Social division and distrust**

Many presenters were concerned at Santos using financial inducement to gain consent: the 'only people who want coal seam gas are the people with a vested interest in it' (Storer). For supporters, the company was a model citizen 'trying to provide a service, minimising risk and maximising benefits to the communities surrounding them' (Campbell). For opponents, the company's 'beads and trinkets' (Ciesiolka) had fuelled division. This was reflected in opinion polling: the

results of eight surveys show the opposition to the project varies from 2 to 1 against for the local Narrabri area and up to 9 to 1 against [...] when the wider community is included (Murray).

Local conflict over the project was a war of attrition and took its toll: 'I have watched many people's health, finances, their properties, their mental stability, all erode over time' (Wiles). For many the impact was profound: 'It's hard to imagine unless you've lived through a long, protracted battle against a seemingly insurmountable foe, the toll it takes on your whole being' (King). The local population had become citizen scientists, but at a cost:

ordinary citizens to have no choice but become experts about this toxic industry in their communities. This is a massive social impact that robs people of time, emotion and productivity (Lyford).

There is also concern at the corruption of public infrastructure spending, especially the proposed pipeline, but also proposals for a new inland rail, re-routed to Narrabri through the Pilliga forest, and plans for a new government-funded gas generator. These and other public infrastructure commitments were the ‘only thing that’s making this project viable at the moment’ (Lanzini). As one put it: ‘This is hooking us on gas and creating the demand, isn’t it?’ (Kelly). The logic was inexorable ‘once the supporting infrastructure is in place’, old wells would become exhausted and new wells would be needed (Green).

Infrastructure would drive further expansion: the Pilliga project was a ‘Trojan Horse’ (Spark), a tactic to gain a foothold in the region. The company had originally sought to access ‘high gas-yielding coal seams below Liverpool Plain’; this had failed ‘following a massive landholder opposition, and they quickly retreated to the seclusion of the Pilliga Forest, where government approval was likely’ (Kuhn). The Pilliga gas-field was a ‘loss leader’, costly and unviable in itself but providing a ‘gateway’ to much richer deposits across the plains: ‘Santos has shown investors plans for at least seven other gas-fields in the area’ (Irving).

### **Political de-legitimation**

Many speakers condemned the planning department for its ‘grovelling assessment’ of the project (McEvelly). There was outrage at the ‘utterly disingenuous’ dismissal of local concerns (Hartley). A key aspect of the approval was reliance on ‘adaptive management’, rather than foresight and planning, with many project impacts being uncertain or unknown. One speaker put it this way: ‘Santos says they can’t give a better model until the project starts [...] They’re saying they don’t know what will happen’ (Sherwood). The use of contingent language is critical: ‘impacts of the project can be reduced’, ‘avoiding to the greatest extent practicable’, ‘minimise the economic, social and environmental impacts’. These phrases were used on 64 occasions’ (Murray). As one put it: ‘this is not planning; this is a disaster in the making’ (Pryor). The logic is shocking: ‘irreversible impacts are dismissed, and empty assurances freely given in a flurry of meaningless phrases and deliberate loopholes’ (Munro).

One speaker spoke of the ‘10 years of researching, navigating spin and enduring moving goal posts’ leading to ‘acute mistrust of the CSG industry’ (Robertson). The company had itself denied access to key data,

‘so how can they be trusted with such a high-risk project?’ (Ottignon). The department had failed to require the 2014 NSW Chief Scientist’s preconditions for the CSG industry, which included baselines for monitoring impacts, environmental insurance and rehabilitation funding, creating ‘community cynicism, frustration and their sense of injustice’ (Munro).

Many presenters criticised the planning department’s reliance on research undertaken by the ‘Gas Industry Social and Environmental Research Alliance’ (GISERA), a partnership between the CSIRO and the gas industry. GISERA reports

were published as if they’re rigorous science from the CSIRO when, in fact, they’re industry-driven scientific research that doesn’t take into account very important evidence (Walsh).

As one presenter put it: ‘the department constantly rejects independent science in favour of industry-funded modelling’ (Irving). GISERA opinion polling was ‘skewed to the positive’, similar to research funded by tobacco companies (Holley); and its report on fugitive emissions in Queensland CSG had pre-selected 6 wells to test from 19,000, like checking 6 sheep from a ‘flock of 19,000’ (Martin).

## **Alliances for ‘resource negation’?**

Many speakers referred passionately to the strength of community opposition to fossil fuel projects. One local opponent stressed the new alliances that were changing rural life:

I’ve been a stock and station agent in the eastern half of Australia for 40 years. Over that period, I’ve never seen such vehement and united opposition to any project where Aboriginal, town and farming communities stand together in solidarity against a risk to our water (Chadwick).

Another stated that the movement was ‘highly organised; it is farmers, it is town folks, it is Greenies, it is Aboriginal landowners, and many, many more’ (Lawrence).

Such alliances are formed despite historical and sometimes on-going tensions between Indigenous groups, farmers and environmentalists, as well as between rural interests and town residents (see Vincent and Neale 2016). Despite this, a wide and diverse constituency had formed, ‘investing their intellectual capacities, their time and physical labour,

making sacrifices in their working and family lives, to extend their knowledge in depth and breadth across a multiplicity of issues (Hartley). After more than a decade of action, it had 'lasted the distance' (Boehm).

The opposition had effectively redefined the question of CSG into a question of democracy. As one speaker put it:

I haven't drunk the Santos Kool-Aid, and I still have faith in democracy' (Hunter, N.). This is a central insight, voiced with great power: When 96 per cent of the three and a half million hectares of the north-west which was surveyed said that they opposed the Narrabri Gas Project surely the government must listen to them, or is this not a democracy any more? I have never in my 72 years seen such incredibly united communities, towns, farmers, Traditional Owners all so strongly united to stop this project and to save our land and water (Kennedy).

Such unity is not easily won, and is always contingent

The assertion of a multiplicity of voices is central:

You've heard from Traditional Owners, local farmers, fireys, mums and dads, grandparents, and relatively young people. Hundreds of citizens of New South Wales have spoken here against the Santos proposal. For everyone who has spoken, thousands stand behind them (O'Shannessey).

A new and active public had emerged on CSG. Even the IPC hearings had become a vehicle for expression and mobilisation, like 'people's assemblies to advise and inform our democratic processes' (O'Shannessey).

## **Conclusion**

Jason Moore has characterised socio-ecological relations under capitalism as a 'messy bundle of relations' (Moore 2011: 5). The imposition of gas extraction in NW NSW, a new 'bundle' for accumulation, is felt as a destructive force. It destroys pre-existing socio-ecological relations, displaces agri-industrial extractivism, and very clearly signals a process of 'accumulation by dispossession' (Harvey 2004). The new 'bundle' of socio-ecological relations centred on gas extraction is strongly resisted, and in the process the 'old' socio-ecological hierarchies are disrupted. New alliances between old antagonists emerge and gain a generative power, producing new visions of renewable development for the region.

The common denominator of climate crisis helps articulate this 'bundle' of social forces as a new movement bloc. Most centrally climate crisis transforms what would otherwise be a localised conflict into a global contest, relevant to all. The Santos project is literally and figuratively on the global frontier of fossil fuel expansion, as reflected in the large number of community speakers from outside of the immediate region. Climate magnifies existing issues and reorders priorities, forcing shared agendas into view. Climate is the key driver across virtually every dimension of the debate about the Narrabri CSG project, from Indigenous culture and water, farming and drought, wildfires and heat, issues of social inclusion and questions about a renewable economy, and even issues of social and political empowerment in the energy transition.

With this we can see how climate crisis creates new sets of social and political antagonisms, that cascade across disparate social fields and contexts, producing new possibilities in their wake. In key respects these concerns come into focus on shared material aspects of ecology, notably on water, as the basis for life. Indigenous cultures are re-valued and move to the centre of contestation; there is a reassessment of geology and environments, a questioning of social domination, a rethinking of economies and a transformed understanding of the political process. As such, contestation politicises social fields in new ways, linking social relations with ecology, and creating new forms of engagement and democratisation. What we are witnessing here is, arguably, a dramatic 'climatisation' of society that produces new ways of understanding our world and our place in it.

To return to the main theme, there are manifold lessons from this experience for the 'resource curse' debate. Across all the fields addressed – from Indigenous culture to geological and environmental impact, to economic displacement and socio-political dislocation – the message is clear. As demonstrated powerfully in the statements made at the Narrabri IPC hearings, there can be no coexistence with coal seam gas. What is lost is lost irrevocably and cannot be retrieved. The incommensurability of this challenge confronts 'resource management' and rejects the idea that coal seam gas could ever legitimately be defined as a 'resource'. In this sense, the concerns expressed by the opponents of the project point not to the 'curse' or 'benefit' of coal seam gas, but to its fundamental 'negation' as a 'resource'.

*The three authors of this article are at the 'Climate, Society and Environment Research Centre' (C-SERC), at the University of Technology Sydney.*

*james.goodman@uts.edu.au*

## References

- Abumere, F. (2022) *Global Justice and Resource Curse: Combining Statism and Cosmopolitanism*, Routledge: Abingdon.
- AEMO (2020) *Statement of Gas Opportunities*, Australian Energy Market Operator: Melbourne.
- AER (2022) 'Gas market prices', Australian Energy Regulator.
- Amin, S. (1976) *Unequal Development*, Harvester Press: Brighton
- Aykut, S., Foyer, J. and Morena, E. (eds) (2017) *Globalising the Climate. COP21 and the Climatisation of Global Debates*, Routledge: New York.
- Bellamy-Foster, J. (2002) *Ecology against capitalism*, Monthly Review Press, New York.
- Brueckner, M., Durey, A., Mayes, R. and Pforr, C. (eds) (2014) *Resource Curse or Cure? On the Sustainability of Development in Western Australia*, Springer: Berlin.
- Colvin, R., Witt, B. and Lacey, J. (2015) 'Strange bedfellows or an aligning of values? Exploration of stakeholder values in an alliance of concerned citizens against coal seam gas mining', *Land Use Policy*, 42, pp. 392-9.
- Coorey, P. (2020) 'Scott Morrison strikes \$2b gas deal with NSW', *Financial Review*, 31 January.
- Davidson, H. (2017) 'Oil company Santos admits business plan is based on 4C temperature rise', *The Guardian*, 5 May.
- Einfeld, C., Sullivan, H., Haines., and Bice, S. (2021) 'Playing by the rules? How community actors use experts and evidence to oppose coal seam gas activity in Australia', *Energy Research and Social Science*, No. 79, pp. 102170.
- Engen, O., Langhelle, O. and Bratvold, R. (2011) 'Is Norway really Norway?' in Shaffer, B. and Ziyadov, T. (eds) *Beyond the Resource Curse*, University of Pennsylvania Press: Philadelphia, pp. 259-81.
- Espig, M. and de Rijke, K. (2016) 'Unconventional gas developments and the politics of risk and knowledge in Australia', *Energy Research and Social Science*, 20, pp. 82-90.
- Fraser, N. (2014) Can society be commodities all the way down? Post-Polanyian reflections on capitalist crisis, *Economy and Society*, 43 (4), pp. 541-58.
- Geoscience Australia (2022) 'Gas', GSA: Canberra.
- Harvey, D. (2004) 'The "New" Imperialism: Accumulation by Dispossession', *Socialist Register* 40, pp. 63-87.
- Humphreys, M., Sachs, J. and Stiglitz, J. (eds) (2007) *Escaping the Resource Curse*, Columbia University Press: New York.

- IEEFA (2020) 'Santos Racked Up Nearly \$7bn in Unconventional Gas and LNG Losses in 5 Years', Institute for Energy Economics and Financial Analysis, 19 February.
- IPC (2020) 'Narrabri Gas Project Public Hearing Transcripts', Days 1-7, Independent Planning Commission: Sydney.
- Kennedy, A. (2017) *Environmental Justice and Land Use Conflict: The Governance of Mineral and Gas Resource Development*, Routledge: Abingdon.
- Kroger, M., Hagolani-Albov, S., and Gills, B. (2021) 'Extractivisms' in Krieg, C. and Toivanen, R. (eds) *Situating Sustainability: A Handbook of Contexts and Concepts*, Helsinki University Press: Helsinki.
- Kuch, D. and Titus, A. (2014) 'Emerging dimensions of networked energy citizenship: The case of coal seam gas mobilisation in Australia', *Communication, Politics & Culture* 47 (2), pp. 35-59.
- Lederman, D. and Maloney, W. (2007) *Natural Resources: Neither Curse nor Destiny*, World Bank and Stanford University Press: Washington, DC.
- Luke, H., Bruecker, M. and Emmanouil, N. (2018) 'Unconventional gas development in Australia: A critical review of its social license', *Extractive Industries and Society*, 5 (4), pp. 648-62.
- Macpherson-Rice, B., Munro, P. and de Rijke, K. (2020) 'Energy solution or future pollution? Applying an energy justice perspective to coal seam gas in New South Wales', *Australian Geographer*, 51 (1), pp. 69-85.
- Mann, A. (2018) 'The Politics of Place: Networking Resistance to Coal Seam Gas Mining', in Brevini, B. and Lewis, J. (eds), *Climate Change and the Media*, Peter Lang: New York, pp. 173-84.
- Macdonald-Smith, A. (2020) 'Santos takes \$1.1b pandemic oil crisis hit', *Australian Financial Review*, 21 July.
- Mercer, A., de Rijke, K. and Dressler, W. (2014) 'Silences in the book: Coal seam gas, neo-liberalising discourse, and the future of regional Australia', *Journal of Political Ecology*, 21: pp. 222-348.
- Moore, J. (2011) Transcending the metabolic rift: a theory of crises in the capitalist world-ecology, *Journal of Peasant Studies*, 38 (1), pp. 1-46.
- Moore, J. (2014) 'The Value of Everything? Work, Capital, and Historical Nature in the Capitalist World-Ecology', *Review*, 37 (3-4), pp. 245-92.
- Vincent, E., Neale, T. (eds) (2016) *Unstable relations: Indigenous people and environmentalism in contemporary Australia*, UWA Publishing: Perth.
- O'Connor, J. (1997) *Natural causes: essays in ecological Marxism*, Guilford Press: New York.
- O'Doherty, J. and Bharadwaj, A. (2022) 'Treasurer's orders to energy operators', *Daily Telegraph*, 8 June.
- Olinsky-Paul, T. (2021) 'With forward capacity auction success, batteries are winning in New England', *Utility Dive*, 28 September.
- Roth, S. (2021) 'Los Angeles OK's a deal for record-cheap solar power and battery storage', *Los Angeles Times*, 10 September.

Sherval, M. (2019) 'Unlikely Alliances in the Battle for Land and Water Security: Unconventional Gas and the Politics of Risk in NSW, Australia', in Loures, L. (ed.) *Land Use Assessing the Past Envisioning the Future*, Intechopen: Vienna, pp. 287-304.

Sherval, M., Askland, H., Askew, M., Hanley, J., Farrugia, D., Threadgold, S. and Coffey, J. (2018) 'Farmers as modern-day stewards and the rise of new rural citizenship in the battle over land use', *Local Environment*, 23 (1), pp. 100-16.

Threadgold, S., Farrugia, D., Askland, H., Askew, M., Hanley, J., Sherval, M. and Coffey, J. (2018) 'Affect, risk and local politics of knowledge: changing land use in Narrabri, NSW', *Environmental Sociology*, 4 (4): 393-404.

UN (2018) *Global Warming of 1.5 Degrees Centigrade*, United Nations: New York.

### JAPE ONLINE

*JAPE* can be accessed on the *Progress in Political Economy* website.

*PPE* is the blogsite of the Department of Political Economy at the University of Sydney. It features regular posts by leading Australian and international scholars on a range of themes in critical political economy and global governance.

The *PPE* website has been significantly upgraded and *JAPE* is pleased to be a partner in this ongoing relationship.

The website makes all back issues of the *Journal* freely available, and also features its submission guidelines and information about the annual *JAPE* Young Scholar Award.

<https://www.ppesydney.net/journal-of-australian-political-economy/>

---

## BOOK NOTES

---

**Lockner Marais, Philippe Burger, Malene Campbell, Stuart Denoon-Stevens and Deirdre van Rooyen (eds)**

**Coal and Energy in South Africa: Considering a Just Transition**

*Edinburgh, Edinburgh University Press, 2022, 260pp., hardback, \$147.*

This is the first book to appear in a series of Edinburgh Studies in Urban Political Economy, featuring international contributions on contemporary urban and regional problems and policy issues. To begin the series with a book on an African non-metropolitan region is a signal that substantial attention is to be paid to the Global South rather than the more usual ‘world cities’ focus characteristic of urban geographical studies.

The exclusive focus of the book is in on a region with heavy dependence on mineral extraction, particularly coal. Like the Australian economy in recent times, South Africa has a very mining-dependent economy, and big capital is epitomised there by the energy giant Eskom that has - both during and after the *apartheid* era - been such a major force in shaping the nation’s economic orientation. Of course, it is also inherent in the spatial political economy of mining that particular regions are focal points for the resource extraction. In the South African case, the region centred on Witbank, 105 kilometres west of the nation’s capital, Pretoria, is a major coal mining hub, currently providing about half of the nation’s total energy needs. The surrounding Emalahleni municipality’s population of nearly half a million people has depended overwhelmingly on the 22 coal mines in the area, both directly for jobs in mining and indirectly for the income flowing to other local businesses and services. But the regional economy’s unsustainable character has become increasingly evident. Its institutions and people are facing increasing social economic and political stress, adding to the environmental stresses - particularly relating to water - that are the all-too-familiar corollary of regional specialisation in mining.

**‘Book notes’**

*Journal of Australian Political Economy*

**No. 89, pp. 158-62.**

This book's 17 chapters, written by 32 contributors, point to the main dimensions of the conflicting interests and stresses. Considerable emphasis is placed on the tensions between the mining companies and the local government. The question of 'who should fix the potholes in the local roads?' doesn't sound like the most profound issue of capital-state-labour relations but it is evidently a symptomatic concern. The tension between the mine workers and other people whose future is becoming increasingly uncertain as the mines close also receives attention. However, there is rather less emphasis on the racial dimension than one might expect for a South African analysis, given the distinctive and long-standing divisions of labour that have existed in the mining sector. More focus is put on spatial fragmentation, health, environmental damage, and community wellbeing.

Overall, the book seems well researched, as one would expect from a publication written mainly by a range of local academics. It explores the problems in detail but has significantly less to say about political responses and possible solutions. The absence of a regional plan or strategy for managing the economic, social and political processes of transition is evidently a major concern. Reassurances that air and water pollution will diminish as mines close seem slim compensation for the predictably widespread job losses. The editors do include a chapter at the very end, titled 'Is a Just Transition Possible?', in which they point to current attempts to develop the area as a 'renewable energy hub'. However, their conclusion offers little hope, as they say: 'we doubt renewables will provide an alternative of sufficient scale, and as a result the inequalities brought by mining are likely to be perpetuated'. That being so, the question of the political economic responses, whether predicted or prescribed, would be interesting to explore more deeply as the situation evolves.

## **John Bellamy Foster and Brett Clark**

### **The Robbery of Nature:**

### **Capitalism and the Ecological Rift**

*Monthly Review Press, New York, 2020, 386pp, paperback, \$39.*

This book comprises a collection of essays, some of which have been previously published, focused on a Marxian view of the ecological rift and the expropriation of nature under capitalism. To the authors credit, this is

more than a ‘bundling’ of previously published material, much attention having been paid to the overall coherence and continuity of the argument. Overall, the clear intent is for the book to present a comprehensive defence of Marx against critics, such as Alfred Schmidt whose book, *The Concept of Nature in Marx*, depicted Marx’s views as anti-ecological, reflecting the characteristic ‘Enlightenment’ views of that era. To the contrary, Bellamy Foster and Clark argue that Marx’s distinctive development of the labour theory of value did not ignore the importance of nature; and that Marx paid substantial attention to the ecological rift that resulted from the economic system expropriating or ‘robbing’ nature.

The book’s authors pay considerable attention to land, both in its physical form - which tends to be degraded where land use is driven by short term capitalist imperatives – and its close relation to the accentuation of social inequalities through practices such as rack-renting. This concern to blend political economy and ecology is broadened by drawing on social reproduction theory and ecological feminism, particularly the work of Ariel Salleh. The need to deal with the anthropocentric problem of ‘speciesism’ is also addressed. In these ways, both as a defense of Marx against his critics and as a contribution to modern eco-socialist thought, the book offers a window into arguments developed by Bellamy Foster and like-minded authors who have contributed to anti-capitalist political economic and ecological analyses through articles in *Monthly Review*.

## **Marian Wilkinson**

### **The Carbon Club: How a Network of Influential Climate Sceptics, Politicians and Business Leaders Fought to Control Australia’s Climate Policies**

*Allen and Unwin, 2020, 456pp., paperback, \$33.*

Following the election of the ALP government led by Anthony Albanese, Australia’s next phase of wrestling with the challenge of climate change policies is being widely discussed. Hopes have also been raised by the remarkable electoral support for the Greens and ‘teal independents’ who based their electoral campaigns substantially on the case for bolder climate change policies. It is therefore pertinent and timely to reflect on the obstacles that have previously caused the nation to be such a laggard.

Investigative journalist Marian Wilkinson's book has strong relevance in this context, even though originally published during the climate policy doldrums of the Morrison government. It parades the distinctive array of political economic interests and institutions responsible for inhibiting progress to date, showing how key players in business, government, think tanks and the media have thwarted effective climate change policies. Indeed, it is always important to 'know the enemy', especially where that enemy has been so notably effective. As *The Carbon Club* shows in forensic detail, opposition to more effective policy has come - and will surely continue to come - from climate-change deniers and right-wing political organisations, encouraged by those sections of the media that routinely back reactionary positions.

This book is not the first to tackle the issue in this way. Clive Hamilton did so in a series of books exposing the 'dirty politics of climate change', notably *Scorcher* (2008) and *Requiem for a Species* (2010). Also more than a decade ago, Guy Pearce (2007), former staffer to a Coalition government Environment minister, shone powerful light on the 'revolving door' of corporate players, state bureaucrats and politicians engaged in frustrating progressive climate change action. Looking inside the corporations, research by Chris Wright and Daniel Nyberg (2015) has shown how the current business models and climate-warming practices are perpetuated, notwithstanding corporate claims about environmental concerns and commitments. And who would be surprised anyway? As political scientist Lindy Edwards (2020) has carefully documented, corporate capital has a long and substantial track-record of using its power and influence to derail potentially progressive public policies in Australia.

Wilkinson's book, seen in conjunction with these other investigations, shows how opposition to more effective climate change policies has worked through institutions such as think tanks and the media as well as the institutions of capital and the state. The sundry players might be described as a 'coalition of the unwilling', based in the interests of carbon capital but also capable of drawing on fractions of labour, most particularly workers in the mining sector when no alternative employment pathways are being offered. Now, with a new Federal government, the question arises of whether this nexus of interests could be severed by a substantive shift in state strategy - and how significant that shift might be, given that the government remains reluctant to prohibit new gas and coal mines. A 'solution-focused' analysis is necessary for such considerations, rather than the 'problem saturated' approach that *The Carbon Club* presents.

Although Wilkinson's book has an epilogue labelled 'The Road Ahead', it offers little guidelines or even possibilities for progress. Perhaps a fruitful starting point would be to recognise that the interests of capital, as a class, are not necessarily unified. Where climate change policies create opportunities to invest in restructuring industries, energy supply systems, transportation and urban development, profit-seeking capitalists can be expected to eagerly seize those opportunities. Other firms, recognizing that a stable social order and sustainable environment are important long-term business preconditions, may also be willing partners in a progressive reformist policy process. Thus, while Wilkinson's emphasis on the obstacles and opposition mobilized by the corporations and their ideological henchmen is highly significant, it is also timely to consider the potential building blocks for more positive developments.

Structural political economic conditions matter too, of course. Hence the need for deeper study of the current characteristics of capitalist economies based on extractive industries tied into fossil capitalism – as illustrated by the articles on the preceding pages of this issue of *JAPE*. Seen in this light, more ambitious climate change targets and stronger policies by an Albanese-led government are necessary and to be welcomed but are unlikely to be sufficient unless linked to substantial changes in the structures of political economic power.

## References

- Edwards, L. (2020), *Corporate Power in Australia: Do the 1% Rule*, Clayton: Monash University Publishing.
- Hamilton, C (2008) *Scorcher*, Melbourne, Black Inc. Agenda
- Hamilton, C. (2010) *Requiem for a Species*, London: Earthscan.
- Pearce, G. (2007) *High and Dry*, Camberwell: Viking Press.
- Wright, C. and Nyberg, D. (2015) *Climate Change, Capitalism, and Corporations*, Cambridge: Cambridge University Press.

*Book notes by Frank Stilwell*

## Notes to Contributors

JAPE is published by the Australian Political Economy Movement.

A prime concern is that the journal reaches the widest possible audience. Contributors should write plainly, avoid unnecessary jargon and employ economy in use of footnotes.

Contributions should be sent by email to the Editorial Coordinator, Frank Stilwell. All contributions go through a refereeing process to determine their suitability for publication. Papers must **not** be simultaneously submitted to another journal. Please include an abstract of 40-80 words with your submission, because this is helpful for the editors even though it will not appear in the journal.

The normal maximum length for articles is 8,000 words. References to cited works should be placed in the text's body, not as footnotes. For each quotation/statement requiring reference, place the citation in parenthesis (author's last name, year of publication, and page/s cited), e.g., (Harvey 2014: 93) or (Fine and Milonakis 2009: 121-27). Footnotes should only include material that cannot be placed in-text.

All references should be listed at the end, alphabetically by author's last name (and chronologically for two or more titles by the same author/s) as indicated below:

Valiente-Riedl, E. (2016) To Be Free and Fair? Debating Fair Trade's Shifting Response to Global Inequality, *Journal of Australian Political Economy*, No 78, Summer, pp. 159-85.

Stilwell, F. and Jordan, K. (2007) *Who Gets What? Analysing Economic Inequality in Australia*, Cambridge: Cambridge University Press.

The material in *Journal of Australian Political Economy* is copyright. Persons seeking permission to reprint articles should contact the *JAPE* Editorial Coordinator.

## Editorial Collective

Tim Anderson, Gavan Butler, Damien Cahill, Lynne Chester, Elizabeth Hill, Evan Jones, Kirrily Jordan, Andrew Mack, Joy Paton, David Primrose, Stuart Rosewarne, Ben Spies-Butcher, Frank Stilwell, Neale Towart, and Tim Thornton.

Please address all editorial correspondence to Frank Stilwell, Department of Political Economy, Faculty of Arts and Social Sciences, University of Sydney, NSW 2006; or email [frank.stilwell@sydney.edu.au](mailto:frank.stilwell@sydney.edu.au)

Correspondence regarding subscriptions and financial matters should be sent to JAPE, Department of Political Economy, University of Sydney, NSW 2006; or email [frank.stilwell@sydney.edu.au](mailto:frank.stilwell@sydney.edu.au)

## **SUBSCRIPTIONS TO JAPE**

JAPE is published twice a year.  
Subscription rates for individuals are as follows:

Individuals	\$24 (four issues)
Overseas	\$25 (two issues)

Institutions, including libraries, can take out  
an annual subscription for \$25 (two issues).

.....

To subscribe, please write to: JAPE, Department of Political  
Economy, University of Sydney, NSW 2006:

- enclosing cheque payable to JAPE, or giving full details  
of your credit card payment (type of card, card number,  
expiry date, amount to be paid).
- indicating the issue from which you would like your  
subscription to begin, and
- giving the name and address to which you want the  
journal sent.

Or email this information to *frank.stilwell@sydney.edu.au*

**Please visit the JAPE website:**  
**[https://www.ppesydney.net/journal-of-australian-  
political-economy/](https://www.ppesydney.net/journal-of-australian-political-economy/)**