

West Africa and Latin America: Dual Comparative Studies Exploring the Linkages Between Extractive Developmental Policy and Terrorism

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Abstract

This research explores the correlation between extractive export flows from less developed peripheral states to wealthy, developed core countries and the conditions that bring about violent extremism. This paper posits that this phenomenon, and the resulting resource curse that condemns these states to poor governance, limited socio-economic opportunities, and high levels of inequality, is a function of the domination that results from neoliberal global integration in trade. To explore this, this study focused on two regions of the world and conducted dual comparative studies on trade patterns in countries with high rates of terrorism and low rates of terrorism. The first region was West Africa, and the comparative study conducted was between Nigeria, with high rates of terrorism, and Ghana, with low rates of terrorism. The second region was South America, and the comparative study conducted was between Colombia, with high rates of terrorism, and Brazil, with low rates of terrorism. This study revealed two critical variables that may be useful in determining whether a developing country with reliance on extractive industries will see increased impacts of terrorism: first, the degree of sector diversification in exports; second, the degree of monopolization of extractive industries. This research creates a link between the mechanisms of neoliberalism and the presence of terrorism in the developing world and contends that the supremacy of this order in developing countries, installed by the Washington Consensus, should be seriously challenged.

Background and Research Question

Dependency theory is the theory of development that argues the existence of a flow of resources from underdeveloped “peripheral” countries to more developed, wealthier, “core” countries. This process enriches the economy, wealth, and power of the exploitative “core” state. Imperial legacy is inextricable from this theory, as imperialism created power structures of elites serving extract industries resulting in developmental delay from which peripheral countries still struggle to recover.

Since the identification of these issues in development, competing theories have arisen in order to promote the development of these peripheral regions. In the last 60 years, the neoliberal model of the Washington Consensus, with the objective of maximizing the liberalization of finance, deregulation, removal of barriers to free trade, and strong emphasis on property rights, has dominated global flows of trade and capital. This method encourages the strategic use of comparative advantages, and in many countries high in natural resources and low in human capital, this takes the form of resource extraction such as agriculture, mining, and drilling.

This study seeks to discover if a connection can be made between extractive exportation in developing countries, continued suppressed development, and higher impacts of terrorism and violence, and if such a connection can be drawn, how the doctrine of neoliberalism defines the prevalence of extraction.

Methods

This study looks at peripheral regions of the world that experience violent extremism and makes the connection between these regions and the states occupying them, their export patterns and degree of neoliberal global integration, and the degree to which they experience intensive resource extraction destined for the “core.”

Two regions specifically are centered, West Africa and Latin America, and from each region two countries are examined, one with high prevalence of terrorism and one with low prevalence. This study relies on the export data provided by The Observatory of Economic Complexity as well as data on the impacts of terrorism provided by Vision of Humanity’s 2020 Global Terrorism Index.

	West Africa	Trade & Extraction	South America	Trade & Extraction
High Impact from Terrorism	Nigeria	<ul style="list-style-type: none">Crude petroleum made up 72.1% of Nigeria’s total exports in 2019, followed by petroleum gas at 12.2% and scrap vessels at 3.54%.Mining for raw materials and gold, scrap metals like copper and aluminum, and some agricultural products make up the largest portions of what remains of Nigeria’s exports.The Nigerian economy is primary and overwhelmingly dominated by petroleum which makes up \$46 billion of Nigeria’s \$63.8 billion in exports.The presence of multinationals in oil rich communities in the Niger Delta results in increased underdevelopment due to environmental degradation, inadequate education, increased militancy.	Colombia	<ul style="list-style-type: none">Colombia’s exports are dominated by crude petroleum and petroleum products: over 50% of \$40 billion in 2019. The next largest sector is vegetable products at just under 13% of total exports.Colombia experiences the greatest degrees of land inequality in the world. Few landowners has resulted in intentional suppression of human development and accumulation of human capital to keep the costs of labor low and trap labor within extractive industries.This environmental degradation has impacted Colombian society not just in health, but in violence. This can result in discontent, protest, and community displacement.
Low Impact from Terrorism	Ghana	<ul style="list-style-type: none">Gold made up nearly half of Ghana’s exports in 2019, at 49.8%, followed by crude petroleum at 21.5%, and cocoa beans and other foodstuffs at 13.8%.In contrast with Nigeria, Ghana’s exports show a higher degree of diversification: Nigeria’s petroleum industry makes up 85.9% of all export revenue while gold and petroleum exports in Ghana combined only total 75.1%.Mining operations in Ghana are increasingly operated by small-scale miners, known as artisanal and small-scale mining. A larger share of the mining sector is controlled by individuals resulting in a greater wealth and human capital distribution.	Brazil	<ul style="list-style-type: none">Brazil’s largest exports were crude petroleum at 10.6%, iron ore at 9.99%, and soybeans at 11.4% (2019).Planes, spacecraft, and helicopters make up 7.26% of exports, semi-finished iron 6.15%, and gas turbines and large construction vehicles a combined 6.89%.China is overwhelmingly the recipient of Brazilian resources, receiving \$63.5 billion in Brazilian exports, mostly soybeans at 32.2% and crude petroleum at 24.4%.In the last two decades, since the strengthening of Chinese-Brazilian trade relations, Brazil has been suffering from deindustrialization.

Findings

Throughout this research, *two critical variables* made themselves apparent as a determining factor for terrorism.

- The degree of sector diversification in exports**
 - While Brazil and Colombia both relied heavily on extractive industry exports, Brazil’s exporting sectors experience a much greater degree of diversification and industrialization.
 - Nigeria’s petroleum industry makes up 85.9% of all export revenue while gold and petroleum exports in Ghana combined only total 75.1%.
- The degree of monopolization of extractive industries**
 - In Ghana, the prevalence of artisanal and small scale mining has resulted in greater wealth and human capital distribution.
 - In Colombia, monopolization of land results in low incentive for landowners to invest in human development.

In the case of Brazil, strong, unregulated trade partnership with China has resulted in an extractive flow in the agriculture sector from Brazil to China as well as a trend of deindustrialization and backsliding diversification in Brazil. There is a correlation in data between this phenomenon and an increase in the impacts of terrorism in Brazil in the last decade.

Conclusions

The case studies show correlation between low diversification from extractive dependence and terrorism, but the comparative analysis shows explicitly how the impacts of terrorism decline when reliance on extractive, unprocessed primary exports are balanced out by greater prevalence of manufactures as well as decreased monopolization in exporting sectors. This is not a comprehensive analysis of which factors in these cases lead to terrorism (most obviously in the case of Nigeria where the integration of disparate religious groups has resulted in deep cultural cleavages); this study serves to provide an economic perspective while turning a critical eye towards the impacts of the Washington Consensus in developing countries in the last 60 years.