

**PERMANENT SOVEREIGNTY OVER NATURAL RESOURCES IN DEVELOPING
COUNTRIES: THE CASE STUDY OF ZIMBABWE**

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Abstract

This study focused on the principle of Permanent Sovereignty over Natural Resources in developing countries focusing on the Zimbabwean case. The study was guided by the hypothesis that, the attainment of permanent sovereignty over natural resources leads to accelerated development if there is technological transfer and innovativeness. The methodology of the study comprised gathering and analysing both primary and secondary data. Secondary sources of data consisted of archival material and existing documents such as magazines, journals, textbooks and internet sources. The research utilized the medium of key informant interviews as a primary data collection method. Key informant interviews were used to solicit views from individuals from political parties, academics, civic society, NGOs, university students, among others. The study exposed that the principle of PSNR could be an engine for economic growth if it is implemented in tandem with a vibrant science and technology policy which supports technology transfer and innovativeness. The study also discovered that the dependency theory alone cannot investigate the phenomenon under investigation thus it has to be coupled with the interdependency theory. This factor was taken into consideration because of the rapid pace of globalisation and the current trends in communication technology which have seen the gradual withering of sovereignty. Thus the study took into cognisance that no nation in contemporary international relations enjoys absolute sovereignty. This factor is mainly attributed to the issue of international trade which makes proves that no nation is absolutely self-reliant in real terms. Therefore the study found out that in as much as a country might assert sovereignty over its natural resources it is also affected by factors like international trade, international commodity markets and the issue of Foreign Direct Investment (FDI). The study's main recommendation is that the government should put in place a science and technology policy which promotes and awards innovativeness as a way of enhancing beneficiation.

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ABBREVIATIONS

Adv. Op Advisory Opinion

Art. Article

BIT Bilateral Investment Treaty

CERDS Charter of Economic Rights and Duties of States

DAAD German Academic Exchange Service

Ed. Editor/Edition

GAOR United Nations General Assembly Official Records

ICCPR International Covenant on Civil and Political Rights

ICESCR International Covenant on Economic, Social and Cultural Rights

ICJ International Court of Justice

ILR International Law Review

PSNR Permanent Sovereignty over Natural Resources

Res. Resolution

Supp. Supplement

UN United Nations

UNCITRAL United Nations Commission on International Trade Law

UNEP United Nations Environment Programme

UNGA United Nations General Assembly

UNSC United Nations Security Council

UNTS United Nations Treaty Series

ZBC Zimbabwe Broadcasting Corporation

ZIMASSET

Zimbabwe Agenda for Sustainable Socio Economic Transformation

ZIDERA

Zimbabwe Democracy Economic Recovery Act

CHAPTER ONE

THE PROBLEM AND ITS SETTING

1.0 Introduction

The principle of PSNR or resource nationalism is indeed an issue of great debate in contemporary international economic relations. The fact that many conflicts in contemporary international relations are a result of sovereignty over natural resources is indeed an issue which needs to be taken into consideration considering the impact it has on international peace and security. The basis of this research is that having natural resources alone does not suffice in order to achieve accelerated economic development. Issues to do with science, technology and innovation have to be taken into consideration in order to achieve greater beneficiation in line with the goals and aspirations of the principle of PSNR. Policies like the Indigenisation Policy and ZIMASSET in Zimbabwe were indeed crafted in order to achieve economic emancipation and development. However it is imperative to note that the success of these policies is greatly reliant on science, technology and innovation.

1.1. Background of the problem

Sovereignty over natural resources is a controversial principle, which has occupied the minds of man since the beginning of the first half of this century. What it entails as well as the resources referred to when various countries of the world discuss and implement this principle depends on one's perspective that is whether it is that of the developed world or that of the developing world. One, however, cannot fully appreciate the effect and extent of this principle on international relations without an understanding of its link to the larger principle of self-determination.

The doctrine of sovereignty in international law relates to the collection of rights, powers and duties adhering to each particular state. The word state is of course used as denoting the people or citizens that make up the state, with their well-being expressed through the government. Sovereignty in that sense signifies independence with regard to the territory of the state, to perform state functions, which include economic functions, and therefore extends

to economic independence. In other words, sovereignty expresses the fullest extent of competence that may be expressed by a state over its territory.

The United Nations General Assembly in 1966 proclaimed the group right of all peoples to dispose freely of their natural resources, in the United Nations covenants on human rights. Authors in the last four decades, including George Elia, in, the principle of sovereignty over natural resources, in the seventies, S R Chowdhury, E.M.G.G Deters, and P.J.I.M de Waart, as well as Ignaz Eissel-Hohenveldern in the nineties, all talk about self-determination of peoples and their economic rights. Anthony Carty, (1992:12) clearly expresses the general acceptance of popular sovereignty when he states, "Development concerns not government but the whole population and consequently, should not be the sole advantage of the ruling elites." It is in this light of popular sovereignty, that permanent sovereignty over natural resources will be analysed in this work.

What is clear from most modern writers is that the principle of sovereignty over natural resources is part of the larger principle of self-determination. These authors argue that the solution to the developing world's problems of underdevelopment and lack of control over their natural resources lies in cooperation with the developed countries and that this involves embracing free trade, accepting International Monetary Fund and World Bank policies and receiving expert advice from the developed world.

George Elia's work deals with permanent sovereignty over natural resources but his main aim appears to show that cooperation and not permanent sovereignty over natural resources is the solution to the economic problems faced by developing countries. The case for developing countries which has emerged from various meetings of international organisations remains broadly as follows, that the bulk of their resources land, water, minerals, oil, and gas remain largely under the control of foreigners in terms of both ownership and trade. Furthermore they argue that the current world economic order perpetuates underdevelopment in the developing countries, and that international law has not done much to redress the situation.

The purpose of this research was therefore, to help solve the problem of lack of innovation over natural resources exploitation and the consequences, using content analysis of information found in United Nations documents, other relevant documents and some literature on the subject. This research depicts the weaknesses and strengths of cooperation, current trade rules, international law rules and international organisations, and gives suggestions as to

how these can be used or modified, and used to ensure that developing countries in general and Zimbabwe in particular achieve permanent sovereignty over their natural resources.

1.2.Statement of the problem

The problem of permanent sovereignty over natural resources is closely linked with the effect of imperialism and colonialism. It is vital to note that many developing countries including Zimbabwe in particular were under colonial domination. The problem of failure to attain permanent sovereignty over natural resources is a result of the prevailing international economic relations system which promotes dependency and exploitation of developing countries. This research sought to unravel why it is hard for developing countries to achieve permanent sovereignty over natural resources and make suggestions as to how this can be achieved.

1.3. Objectives of the study

- 1) The research aimed to examine the relationship between permanent sovereignty over natural resources and how the issue of beneficiation could be improved in relation to technology.
- 2) The research sought to investigate the impact of permanent sovereignty in relation economic development in developing countries focusing on the case study of Zimbabwe.
- 3) To investigate the effects of international capital on the attainment of permanent sovereignty over natural resources in developing countries using the case study of Zimbabwe.
- 4) The research sought to propose policies that can be implemented to enhance beneficiation in relation to the case study of Zimbabwe over the attainment of permanent sovereignty over natural resources.
- 5) The research endeavoured to make suggestions on how to balance the relationship between permanent sovereignty over natural resources and international capital and how this affects Foreign Direct Investment using the case study of Zimbabwe.

1.4.Research questions

- 1)What was the relationship between permanent sovereignty over natural resources and development?
- 2)How did Permanent Sovereignty over Natural Resources impact on the beneficiation aspect?
- 3)Why was an analysis of permanent sovereignty over natural resources in relation to technological transfer a fundamental aspect of the research?
- 4) In what way were policies that can be implemented to attain permanent sovereignty over natural resources important in relation to the research?
- 5) Why were the suggestions on how to balance the relationship between permanent sovereignty over natural resources and international capital vital?

1.5.Hypothesis

The attainment of permanent sovereignty over natural resources leads to accelerated development if there is technological transfer and innovativeness.

1.6.Literature review

The nature of sovereignty as denoting economic independence as well, can be summarised in a court's decision in the Austro-German union case, A/B 41 IJ Reports, (1931:15).The permanent court of international justice held that, by economic independence, it was meant, the continued existence of Austria within "her present frontiers as a separate state with the sole right of decision in all matters, economic, political, financial or other. Independence was violated as soon as there was any violation in the economic, political, or any other field since these different aspects of independence are in practice, one and indivisible."

Implicit in this control over territory and independence, is a state's full control over its land areas, rivers, air space as well as the right to explore, exploit, conserve and manage natural

resources within the territory, in short, permanent sovereignty over these natural resources. Stated this way, it would appear that the principle exists without question, by virtue of the principle of sovereignty itself.

The international community, however, has not easily accepted this. Control over natural, particularly in developing countries is often limited by the operation of international law and other external factors including groups or entities from the developed countries with vested interests in developing countries. It is because of these limitations that debates have raged over the years on the application of the principle.

According to Harold Hotelling (2005:137) “There is a feeling that exhaustible resources are now too cheap for the good of future generations, that they are being selfishly exploited at too rapid a rate, and in consequence of their excessive cheapness, they are being produced and consumed wastefully.” It is in this environment of dwindling natural resources that most of the developing countries attained their political independence. The independent states in South America, Asia, Middle East and Africa among others emerged at a time when most of their natural resources with which we are concerned with that is, Oil, Gas, Forests, Agricultural Land, Mineral riches, animals and water were under the control of their former colonial masters and multinational corporations.

In the United Nations General Assembly Chile first raised the principle during the debate on the draft International Covenant of Human Rights. It arose within the context of the debate on the right of self-determination, resulting in the United Nations General resolution 626, which included a statement of the right of peoples to freely use and exploit their natural wealth and resources as being “inherent in their sovereignty.” However, the real declaration of permanent sovereignty is resolution 1803 (XVII) OF 1962.

This declaration of permanent sovereignty over natural resources adopted by the United Nations General Assembly at its 17th session in 1962 has implications on major areas of international law particularly the exploitation of the raw materials of one state by individuals or juridical entities.

The principle of sovereignty over natural resources as defined by resolution 1803 mainly refers to states, which meant that for territories which were still under colonial rule at that time, the right accrued to the governing authority. Furthermore, the use of the word nations does not clearly distinguish between colonial settlers and their descendants who have attained

citizenship in the developing countries and are as such nationals of these countries and in most cases own the bulk of the resources in such countries. A good example is that of Zimbabwe's white commercial farmers.

1.7.Theoretical framework

The main theory that was utilised when undertaking this research is dependency theory because it highlighted the connection between politics and economics. According to Steans(2005:75), "Structuralists stress the importance of the overall structure of relations within which political and economic interactions take place and the processes and mechanisms which support this same structure." This implies that the individual parts of the world-system-states, multinational companies, transnational elites and so on-must be understood in relation to their place in the overall structure of global capitalism. Structuralists believe that states and international institutions play a role in "managing" the global capitalist order. From a structuralist perspective, international relations are conditioned by the nature of global economic relations.

The dependency theory falls under structuralism and am going to utilise it in this research to explain why it is necessary to attain permanent sovereignty over natural resources. Dependency theory attacked modernisation theory, because it was severely misleading in terms of its predictions about the development prospects of the third world. Key writers in the Dependencia School include Andre Gunder Frank, Raul Prebisch and Henrique Fernando Cardoso and Enzo Faletto.

For this research the dependency theory went a long way in elucidating and explaining the inequalities that exist in relation to international trade and how sovereignty over natural resources can be an instrument for development. Dependence describes a type of relationship between rich and poor which ensures that money and resources are increasingly concentrated with the rich because of the way the world economy is structured.

The world-systems theory is also under structuralism and it demands a fair redistribution of the world's economic wealth. In order that this should be achieved world systems theory provides support for a new international economic order. Wallerstein is the one who came up with the world systems theory. A new international economic order can be contrasted with the actual economic order which is a liberal international economic order. The struggle for the

poor is to break free from the structures which constrain them and sovereignty over their natural resources is essential to this phenomenon.

1.8.Justification

This research added value by elaborating on how beneficiation can be enhanced in order for permanent sovereignty over natural resources to be fully realised in the case of Zimbabwe. The Indigenisation Policy, ZIMASSET and the SADC conference that was held in August 2014 are critical policy tools in relation to this aspect.

1.9.Methodology

In terms of methodology the research used documents, in-depth interviews on key informants and non-probability sampling. According to Scott (1990:45), “A document is an artefact which has as its central feature an inscribed text.” The research made use of documents from primary sources and secondary sources which include, United Nations General Assembly resolutions pertaining permanent sovereignty over natural resources and books written by authorities in the field. This is to enhance credibility and authenticity.

The research is used in-depth interviews on key informants as way of collecting data. Key informants are people who are familiar with or knowledgeable about a phenomenon under investigation. In this research the key informants are officials from the Ministry of Youth Empowerment and Indigenisation, United Nations, World Bank and intellectuals. Mouton, (2001:122) posits that, “The goal of the in-depth interview is to explore the respondent’s point of view, feelings and perspectives. “In-depth interviews helped me to explore the boundaries of the problem and evaluate potential solutions.

The research also made use of judgemental sampling as a method of data collection. According to Blanche and Durrheim, (2002:281), “Judgemental sampling occurs when the researcher chooses a sample based on who they think will be appropriate for the study.” Babbie (1995:225) notes that, “It may be appropriate to select your sample on the basis of your knowledge of the population, its elements, and the nature of your research aims, or in short, based on your judgement and purpose of the study.” Judgemental sampling is used

primarily when there are a limited number of people that have expertise in the area being researched.

Strengths associated with judgemental sampling include the fact that it is time and cost effective. The researcher saves time and money by focusing primarily on targeted individuals he or she thinks will be relevant to the study. However judgemental sampling is also prone to bias since it does not give all the members of the population an equal chance of selection.

It is vital to note that method triangulation enhances reliability and validity. Method triangulation rises above the personal biases that stem from single methodologies and overcome the deficiencies that flow from one method. To this end the research used documentary data by in- depth interviews with a few key informants.

1.10.Data analysis

This research utilised thematic and content data analysis in analysing data. The purpose of thematic data analysis is to identify patterns of meaning across a dataset that provide an answer to the research question being addressed. Guest(2005:122) notes, “Patterns are identified through a process of data familiarisation, data coding, and theme development and revision.” Coding involves generating succinct labels that identify important features of the data that might be relevant to answering the research questions. A valid argument is built after identifying the themes and reading related literature. By reading the related literature the researcher was able to make inferences for the interviews undertaken, hence conclusions can be drawn from interweaving the finding and theoretical literature.

Content data analysis is a method of data analysis that looks at documents, text, or speech to see what themes emerge and how they relate to each other. Summative content analysis involves counting and comparisons, usually of key words or content, followed by the interpretation of the underlying content. Content analysis is also used for historical purposes.

1.11.Limitations

The research encountered some hurdles in getting access to key informants when conducting in-depth interviews. Difficulties in gaining access to key informants were a result of their busy schedules and the sensitivity of some of the issues.

1.12.Delimitations

The research covered areas about international economic law, international economic relations and development. However the research also illuminated on aspects about culture because of the way culture impacts development. The research also looked at the limits of sovereignty in relation to development because this provides an insight into how best permanent sovereignty over natural resources can achieve the desired goals.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.0. Introduction

The literature review and theoretical framework is mainly under the point of view of international law and international economic relations, the relation between natural resources, foreign investments and economic development in third world countries with attention being given on the case study of Zimbabwe. It was focused on the aspects the principle of permanent sovereignty over natural resources has played, and still can play, in this context. The study began from the decolonization period, when newly independent States in their quest to strengthen their economic independence, rejected the system of international economic relations in force that time and elaborated the principle of permanent sovereignty over natural resources.

The research examined the documents and the international mechanisms proclaiming such principle; it explored whether they have come to replicate a rule of customary international law and, finally, whether the right over natural resources could be considered as an absolute right. In addition it debated whether the beneficiary of such rights should be the States or the peoples; it elucidated why the latter option was preferred and the implication this might have.

2.1. Evolution of the doctrine of permanent sovereignty over natural resources

Sovereignty over natural resources is a controversial principle, which has occupied the minds of man since the beginning of the first half of this century. What it entails as well as the resources referred to when various countries of the world discuss and implement this principle depends on one's perspective that is whether it is that of the developed world or that of the developing world. One, however, cannot fully appreciate the effect and extent of this principle on international relations without an understanding of its link to the larger principle of self-determination.

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The United Nations General Assembly in 1966 proclaimed the group rights of all peoples to dispose freely of their natural resources, in the United Nations covenants on human rights. Authors in the last four decades, including George Elian, in, the principle of sovereignty over natural resources, in the seventies, S R Chowdhury, E.M.G.G Denters, and P.J.I.M de Waart, as well as Ignuz Esidl-Hohenveldern in the nineties, all talk about self-determination of peoples and their economic rights. Anthony Carty, (1992:12) clearly expresses the general acceptance of popular sovereignty when he states that “Development concerns not government but the whole population and consequently, should not be the sole advantage of the ruling elites.” It is in this light of popular sovereignty, that permanent sovereignty over natural resources will be analysed in this work.

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George Elian’s work deals with permanent sovereignty over natural resources but his main aim appears to show that cooperation and not permanent sovereignty over natural resources is the solution to the economic problems faced by developing countries. The case for developing countries which has emerged from various meetings of international organisations remains broadly as follows, that the bulk of their resources land, water, minerals, oil, and gas remain largely under the control of foreigners in terms of both ownership and trade. Furthermore they argue that the current world economic order perpetuates underdevelopment in the developing countries, and that international law has not done much to redress the situation.

2.2. International instruments that were used to declare the principle of permanent sovereignty over natural resources

The principle of PSNR was adopted in 1962 by the UNGA and passed as a resolution. It stresses the link between economic development and human security with a thrust on beneficiation in order to attain “universal peace”. The resolution explicates that to enhance economic development, it is best that poor countries be enabled to use and exploit in a proper way their natural resources. The resolution points out that this right is "intrinsic in their sovereignty" and it is in line "with the aspirations and values of the Charter of the United Nations". The resolution states the prevention of other States to act in a way designed to impede the exercise of this right. Maybe this is the basis on which the Zimbabwean government has been continuously stating that sanctions that were imposed on it were illegal.

2.3. Responding to a changing world order

The inclusion of the principle of PSNR constituting customary international law was evidenced by its inclusion in the International Covenant on Civil and Political Rights (ICCPR) as well as in the International Covenant on Economic, Social and Cultural Rights (ICESCR). Further clarifications and developments in the following years, finally resulted in the adoption of the Charter of Economic Rights and Duties of States (CERDS). Implementation had begun crystallizing, external circumstances, such as for example the oil crisis in 1973, nationalizations which sought legitimization inter alia in the principle of PSNR and the extension of jurisdiction over resources of the sea, provoked developing states to establish a New International Economic Order. The main objective was to reform the existing economic world order to create equal, cooperative and fair terms of trade in particular for developing states. Thus, each state's right to full and permanent sovereignty is confirmed in the centre-piece of the CERDS, Article 2, and moreover, especially the sensitive topic of nationalization

is spelt out in more depth. Although it might be mentioned that the majority of developed states either abstained from voting or voted against the resolution, this can be explained by those points touching upon the treatment of transnational corporations and the (incomplete) obligation to pay compensation in cases of nationalization, expropriation or requisition of property, as the chosen regulation of these aspects led to unrest among the developed nations.

2.4. The sovereign right to freely dispose, use and exploit natural resources

Article 61.1(2), of the International Covenant on Civil and Political Rights clearly shows that the inalienable right of all peoples and states to freely dispose of their natural resources stands at the heart of the principle PSNR. Conceptualized as a response to the prior system of foreign ownership and possession of concessions and production facilities, it gives states the means to regain their sovereignty and control over their assets to enable their economic and political development. Ziegler and L.-P. Gratton point out that, “In order to safeguard this legal capacity the principle is built upon many other rights. Thus, for states to have the ability to determine the fate of their natural resources it is *inter alia* necessary that they enjoy the corollary rights permitting them to regulate the use and exploitation methods, whether this concerns the pre- or post-authorization phase”. Bordukh notes that, “Therefore, they are entitled to regulate the admission of foreign investors, the granting of concessions concerning the exploitation of certain natural resources, the length of period the authorization is valid for, the conduct of entities engaged in the exploitation and the distribution of profits”. In its original conception, the overall control over natural resources falls to and remains at all times – hence permanent - with the state, and accordingly, activities related to their development, exploitation and utilization are subjected to the state’s national laws.

The Indigenisation Act in Zimbabwe and currently ZIMASSET are examples of this in relation to Zimbabwe. Chowdhury (1977: notes that a state “.....may choose to enter into international or national contracts granting other entities access to its natural resources and is free to create an environment encouraging foreign and domestic investments by guaranteeing certain minimum degrees of investment protection”. This occurs in the form of regional and

multilateral trade agreements (which include investment provisions) but most often takes place via investment codes or Bilateral Investment Treaties (BITs). An example of this is the Bilateral Investment Protection Act (BIPA) in Zimbabwe. In general, such include provisions ensuring foreign investors fair and equitable treatment concerning their activities within the host state. However, contracts entered into may not permanently impinge on the state's sovereign rights (legislation, executive and judicial powers) and furthermore must be entered into freely.

In order to ensure the full enjoyment of these rights it is therefore in certain instances necessary for states to be able to take full control over their natural resources by nationalizing, expropriating and requisitioning property, leading to a transfer of ownership, whether the property concerned is owned by nationals of the state or by foreign entities.

2.5. The freedom to choose one's own economic, environmental and developmental policies

A further basic component of the principle of PSNR is the freedom to decide on policies that best suit the environment, development and economy of the nation. This is rooted in two fundamental ideas of the law of nations: the sovereign equality of states on the one hand and on the other hand the duty not to intervene in matters within domestic jurisdiction. Abi-Saab, (1991:597) notes that, "The world order consists of states which enjoy equal rights and duties, their choice of political, economic, social and cultural systems does not alter their standing within a hierarchy in which all states in their relations to one another are understood to be on a horizontal level."

The Friendly Relations Declaration (UNGA Resolution 2625 (XXV)) confirms the inclusivity of this element as part of the wider category of the principle of sovereign equality. Moreover, the duty not to intervene implies that the choice of policies of another state cannot give a state the right to intervene, whether directly or indirectly, e.g. by exercising economic or political coercion. States are rather under the duty to cooperate with one another *inter alia* in order to maintain international peace and security. This is why the Zimbabwean government has been on the record condemning the sanctions that were imposed on it as illegal, particularly ZIDERA. The fact that sanctions were imposed as a result of the government of Zimbabwe's

Land Reform Programme and the Indigenisation policy and the fact that both policies were implemented in the spirit of the principle of permanent sovereignty over natural resources gives credit to the argument.

Introduced in the Friendly Relations Declaration, the Charter of Economic Rights and Duties of States points out in its Article 1 that states enjoy the sovereign right to freely choose their economic systems. The extent of this liberty is further specified in its subsequent articles. An example is Article 4 which points out that states may, irrespective of their economic, social or political systems, engage in and regulate freely their foreign economic relations and investments. In order to achieve the aim of development, they are free to choose the model which in their opinion will suit best. The Rio Declaration on Environment and Development (1992:157) points out that states have “the sovereign right to exploit their own resources pursuant to their own environmental and developmental policies.”

2.6. The right to nationalise, expropriate and freely regulate foreign investments

Riesenfeld (1995:436) notes that, “Foreign investments constitute both a valuable but at the same time partly dangerous asset for the development of a state’s national economy. For a developing country it is inevitable to stimulate its own development by attracting foreign investors”. Sornarajah (2004:40) points out that, “.....the concessions and authorizations granted to multinational corporations often hand over control over some of the most important resources of the state.” These assertions justify to a certain extent the Indigenisation Act in Zimbabwe which was fashioned in the spirit of the principle of PSNR. For a state to retain an effective saying in the exploitation and development of its natural resources and domestic policies, it is thus necessary for them to enjoy the freedom to regulate foreign investments, and then ultimately to also have the right in limited circumstances to nationalise and expropriate foreign investments.

2.7. Sovereign wealth funds as an instrument to promote the sovereignty of peoples over their natural resources

The importance of the Sovereign Wealth Fund (SWF) is depicted by the fact that the

government of Zimbabwe gazetted the Sovereign Wealth Fund Act on 10 November 2014. The SWF seeks to establish a facility whose objective is to reserve income from the country's finite mineral resources for the benefit of future generations. The Herald (12-11-14:2) reported that, "The fund will be driven primarily by 25 percent of all royalties on mineral exports, which will be deposited ,along with special dividends on the sales of diamonds ,gas, granite and other minerals through the Zimbabwe Mining Development Corporation." The Herald also stated that the Reserve Bank of Zimbabwe (RBZ) would be the primary custodian of the fund.

The Herald also reported what the Ministry of Finance said about the SWF, (12-11-14:2), "The Ministry of Finance said the objectives of the fund were to make secure investments for the benefit and enjoyment of future generations and to support the development objectives of government, including its long term economic and social development." Ibid, "This development constitutes a significant milestone in the attainment of the goals of ZIMASSET and more particularly, in ensuring that the country leverages on its rich natural resource endowment for sustainable development" said the Ministry.

2.8. Beneficiation and the principle of Permanent Sovereignty over Natural Resources (PSNR)

The term 'mineral beneficiation' is generally defined as a process of adding value on minerals from extraction to refining to production of the final consumable good. Africa is rich in resources, but it is a paradox that the yields from these resources have led to limited development of the local population. Instead this has led to what is termed the "resource curse", a term which is used to depict how natural resources have contributed to conflict and poverty in the developing world.

At the First Extra - Ordinary Session of the Fourth African Union Conference Of Ministers responsible for Mineral Resources, Minister Chidhakwa of Zimbabwe pointed out that, the primary hurdle has been the racist and colonial natural resource laws in Africa which empowered the investor at the expense of the citizenry who were the real owners of the resource. Grounded on this faulty framework most of the mining deals and undertakings on the continent have been opaque and unfavourable to Africans. Dishonesty by both public

and private sector players has compounded the malady. Mining in Africa has been largely extractive without beneficiation and value addition. This has steered African countries to exporting cheaply priced raw commodities while importing costly refined products. The African Mining Vision (AMV) advocates for transparent, just and optimal exploitation of mineral resources to fortify broad - based sustainable growth and socio - economic development. It seeks for a sustainable and welladministered mining sector that efficiently garners and deploys resource rents, and that is safe, vigorous, gender and ethnically broad, environmentally conducive, socially responsible and esteemed by surrounding communities. (Herald, 26-11-14:2).

The Herald reported (26 -11-14 :2), that Minister Chidhakwa stated that the African Union's Mineral Development Centre would play a critical role in coordinating mineral policies across the continent and the implementation of the African Mineral Vision (AMV). He said value addition and beneficiation were vital in developing African economies and that Zimbabwe was going ahead with plans to establish the Pan – African Mineral University of Science and Technology as a way of enhancing skills development in the country. The meeting was attended by several Ministers and officials from across Africa and the United Nations and other regional groups.

2.9. Theoretical framework: dependency theory

Raul Prebisch the Director of the United Nations Economic Commission for Latin America in the nineteen fifties was one of the pioneers of the dependency theory. The anomalies in economic growth between the North and the South troubled Prebisch and his colleagues. Their studies pointed out that economic activity in the richer countries often steered serious economic problems in the poorer countries. Such a likelihood was not considered by neoclassical theory, which had presumed that economic growth was positive to all (Pareto optimal) even if the benefits were not always equally shared.

Prebisch's first explanation for the phenomenon was very forthright: the South exported raw commodities to the North which then manufactured products out of those commodities and sold them back to the South. The process of value addition gave the Northern countries a superior economic advantage over the Southern countries. Therefore, poorer countries would never be earning enough from their export earnings to pay for their imports. This

phenomenon explains why most developing countries have balance of payments deficits. This is also the fact why the Zimbabwe government current economic blueprint ZIMASSET puts great emphasis on the concept of beneficiation and value addition in relation to natural resources.

2.10. The definition of dependency theory

Most dependency theorists share three common features to these definitions, to begin with dependency portrays the international system as encompassed of two sets of states, described as metropolitan/satellite. The dominant states are the advanced industrial nations. States in the developing world are those states which have low per capita GNPs and which rely greatly on the export of a single commodity for foreign exchange earnings.

Both definitions similarly presume that exterior forces are of singular importance to the economic activities within the dependent states. These outside forces comprise multinational corporations, international commodity markets, foreign assistance, communications, and any other means by which the industrialized countries can epitomize their economic interests abroad.

Third, the explanations of dependency all point out that the relations between dominant and dependent states are dynamic because the exchanges between the two sets of states tend not only to concretise but also intensify the unequal patterns. Moreover, dependency theory is profoundly a historical process, rooted in the globalisation of capitalism, dependency is a continuing process. Dependency theory endeavours to explain the present underdeveloped situation of many countries in the world by examining the patterns of relations among nations and by arguing that inequality among nations is an intrinsic part of those relations.

2.11. Dependency and its structural context

Dependency theorists perceive global capitalism as the motive force behind dependency relationships. Historical inquiries demonstrates that modern-day underdevelopment is in large part the historical product of past and ongoing economic and other relations between the

satellite underdeveloped and the now developed metropolitan countries. Furthermore, these relations are an indispensable part of the capitalist system on a world scale as a whole. (Andre Gunder Frank:1972).

According to this view, the capitalist system has imposed and entrenched an inflexible international division of labour which is accountable for the underdevelopment of many areas of the world. This division of labour is in the long run the explanation for poverty and there is little question that capitalism regards the division of labour as a necessary circumstance for the efficient allocation of resources. The most unambiguous manifestation of this aspect is in the doctrine of comparative advantage. (Andre Gunder Frank:1972).

2.12. Underdevelopment as one of the central propositions of dependency theory

The ideas behind underdevelopment are comparative and exploitation. Comparative states that it is probable to compare the economic situations at two different periods for the same country and determine whether or not it had developed; and it is possible to compare the economies of any two countries or sets of countries at any given epoch. A second and even more crucial component of contemporary underdevelopment is that it expresses a specific relationship of exploitation: namely, the exploitation of one country by another. All of the nations named as 'underdeveloped' in the world are exploited by others. African and Asian societies were developing autonomously until they were taken over directly or indirectly by the capitalist powers. When that ensued, exploitation increased and the export of surplus supervened, depriving the societies of the value of their natural resources and labour. That is a central part of underdevelopment in the contemporary sense. (Rodney 1983:24).

It is in this context that the principle of Permanent Sovereignty over Natural Resources was enunciated after the decolonisation era. A guiding principle of self-sufficiency should be construed as validating a policy of controlled relations with the world economy, poor countries should only recommend interactions on terms that promise to improve the social and economic well-being of the larger citizenry. (Ferraro 1996:4)

CHAPTER THREE

METHODOLOGY

3.0. Introduction

This chapter mainly focuses on the methodology of this study. As the study used qualitative research, this chapter explains what qualitative research is. It also dwells on the elaboration on key informant interviews as they were used for data collection purposes in this study. Sampling techniques are also discussed in this chapter. The chapter goes further to discuss the profiles of the respondents and the justification for choosing them, secondary literature as well as examining the case study approach used for the purposes of this research. Data presentation and analysis techniques used in the research are also discussed in the chapter. Lastly, the chapter discusses ethical research principles that guided this research.

3.1. Qualitative research

Furthermore, (Hancock, 1998, 2) adds that, “Qualitative research is concerned with finding the answers to questions which begin with: Why? How? In what way?” The questions probed by qualitative research played a crucial role in the research about the subject under study. These questions induce some answers from respondents and it gives the respondents flexibility to explain certain issues under study. As such this study utilised key informant interviews as a data collection instrument. Before discussing key informant interviews, it is more appropriate to discuss the sampling method used by this study.

3.2. Sampling

Qualitative research is a way of investigating and understanding the meaning of individuals or groups attribute to a social or human problem. The method of research involves emerging questions and processes, data typically collected in the participant's setting, data analysis inductively building from details to general themes, and the researcher making

explanations of the meaning of the data.(Cresswell, 2009:) The final written report has a flexible structure. What is important in the above definition is that qualitative research involves inductive reasoning and that the researcher makes his own interpretation of the data. This is why it is mentioned that the report produced through qualitative research has a flexible structure. This is partly because of the way the data is interpreted. Qualitative research does not involve figures and other quantitative tenets. Qualitative research is apprehensive about developing social explanations of occurrences. That is to imply, it aids us to understand the world in which we live and why things are the way they are. It is concerned about the social facets of our world and seeks to answer questions. Qualitative research is therefore concerned about social aspects of the world and this helps to explain why it does not quantify its data in terms of collection and interpretation. (Hancock, 1998: 2)

Webster (1985) in Mugo (2002, 1) notes that, “A sample is a finite part of a statistical population whose properties are studied to gain information about the whole.” For the purpose of this study, which involves a survey, the most appropriate definition is by Mugo (2002, 1) who notes that, “When dealing with people, it can be defined as a set of respondents (people) selected from a larger population for the purpose of a survey.” The main goal of sampling is to determine the characteristics of a whole by studying a part of the whole. Sampling is more appropriate as it saves a lot of time and energy. It is sometimes not impossible to study the whole population and this makes sampling more appropriate.

Furthermore, (Hancock, 1998, 2) adds that, "Qualitative research is concerned with finding the answers to questions which begin with: Why? How? In what way?" The questions probed by qualitative research played a crucial role in the research about the subject under study. These questions induce some answers from respondents and it gives the respondents flexibility to explain certain issues under study. As such this study utilised key informant interviews as a data collection instrument. Before discussing key informant interviews, it is more appropriate to discuss the sampling method used by this study.

For the purpose of this study, the researcher relied on convenience sampling. Creswell (2009, 155) notes that, “In many researches, however, only a convenience sample is possible because the investigator must use naturally formed groups (e.g. Classroom, an organisation, a family unit) or volunteers.” Mugo (2002, 7) notes that, “A convenience sample results when the more convenient elementary units are chosen from a population for observation.” Convenience

sampling is a non-probability method of sampling. In this case the research utilised key informant interviews with some people whom the researcher already knew. These respondents were drawn from the civic society, parliament, NGOs, media, private sector, and political parties, among others.

From the target population, the researcher selected a sample of respondents for the key informant interviews. These respondents responded to the questions concerning the importance of science and technology in relation to the successful implementation of the principle of PSNR. Sampling frame is crucial in terms of accessing the contact details of the target population and subsequently the actual respondents or sample that will be used in the study. A sampling frame as defined by Amer (2010, 4) is “A list of all elements in the study population of interest (names of individuals, telephone numbers, house address, Census tracts).” The researcher was already linked with some of the respondents through social media platforms like google talk, Facebook, Skype, Twitter and WhatsApp. It was therefore easy for the researcher to organise meetings for key informant interviews through these social media platforms.

3.3. Key informant interviews

The study utilised key informant interviews as a method of data collection. USAID (1996, 1) defines and describes key informant interviews as follows:

They are qualitative, in-depth interviews of about 15 to 35 people selected because of their first-hand knowledge about a topic of interest. The interviews are loosely structured, relying on a list of issues to be discussed. Key informant interviews resemble a conversation among acquaintances, allowing a free flow of ideas and information. Interviewers frame questions spontaneously, probe for information and take notes, which are elaborated on later. Key informant interviews, according to the above quotation are mainly conducted with people who are knowledgeable in as much as the area of study is concerned. This research utilised individuals who are well vested in as much as the area under study is concerned. The questions were open-ended and this gave the respondents the opportunity to clarify their positions. This also helped to maximise the amount of collected data. Some of the respondents were acquaintances and the interviews were held in a relaxed and convenient environment.

Key informant interviews have advantages as well as their drawbacks. USAID (1996, 1) lists the advantages of key informant interviews as the following; they provide information directly from knowledgeable people; they provide flexibility to explore new ideas and issues not anticipated during planning and they are inexpensive and simple to conduct. The disadvantages are listed as the following; they are not appropriate if quantitative data are needed; they may be biased if informants are not carefully selected; they are susceptible to interviewer biases and it may be difficult to prove validity of findings. The most striking advantages are that key informant interviews provide knowledge directly from knowledgeable people and they are easy to conduct with a minimum cost. They are however susceptible to bias and qualitative data is usually subjective by nature. This may certainly make it difficult to prove the validity of the research findings.

There are also steps followed when conducting key informant interviews. The researcher followed steps recommended by USAID (1996, 2-3) and these steps are: a. Formulating study questions; b. Preparing a short interview guide; c. Selecting key informants; d. Conducting interviews; e. Taking adequate notes and f. Analysing the interview data. The following steps are crucial if one is to carry out successful key informant interviews. This research is therefore of no exception.

3.4. Rationale for choosing key respondents

The rationale or justification for choosing certain respondents and their organisations for the research should be highlighted. This will help to indicate their relevance and the quality of the gathered data. This helps to boost validity and reliability in research. Jary&Jary in Pierce (2007) define reliability as, “Reliability is, literally, the extent to which we can rely on the source of the data and, therefore, the data itself. Reliable data is dependable, trustworthy, unfailing, sure, authentic, genuine, reputable. Consistency is the main measure of reliability.” Validity on the other hand, according to Jary&Jary (1995, 714) in Pierce (2007) is: “the extent to which a measure, indicator or method of data collection possesses the quality of being sound or true as far as can be judged.....” Thus, in order for one to collect reliable and valid data, one must choose respondents with potential of providing reputable and reliable data. The following table shows the rationale for choosing key respondents for this particular study.

Table 1: Rationale for choosing respondents

Respondent No.	Sex	Organisation Type/Focus	Position	Rationale
1	M	Think Tank	Chairperson	He is the chairperson of an organisation which focuses on issues to do with development with a strong focus on the political economy. SAPES is acquainted with developmental issues and issues to do with natural resources.
2	F	Politics	Legislator	Respondent 2 is a legislator of a political party that supports the implementation of the principle of Permanent Sovereignty over Natural Resources.
3	M	Politics	Legislator	He is an MP of a party that used the principle of Permanent Sovereignty over Natural Resources as its manifesto in the 2013 elections in Zimbabwe.
4	M	Academic	Doctor in Law	He specialised in International Law and a member of a political party that supports the principle of Permanent Sovereignty over Natural Resources.
5	M	Former Director and Consultant	Non – profit making Newspaper	A non–profit making newspaper focusing on business and investment issues. The Business Connect is a newspaper that supports the Indigenisation Policy in Zimbabwe with a

				strong focus on the concept of Beneficiation
6	F	Research	Academic and Chairperson	She is well versed with the principle Permanent Sovereignty over Natural Resources.
7	M	Research	Masters Student	He is a Zimbabwean student studying International Relations and a lecturer in Journalism. He is well acquainted with the principle of Permanent Sovereignty over Natural Resources and developmental issues in Zimbabwe in relation to International Economic Relations
8	M	Research	PhD Student	Respondent 8 is doing a PhD in politics and governance in Zimbabwe and he comprehends the topic under study very well
9	M	Research	Tutor	He is a teaching assistant at the university and also understands the topic.
10	M	Research	Lecturer	Lecturer in International Law who is well acquainted with issues to do with natural resources and International Economic Relations
11	M	Administration	Bureaucrat	Bureaucrat from the Ministry of Finance and Economic Development who understands the subject under study well.
12	M	Intellectual	Former employee of	He has a Doctorate in economics and also a seasoned diplomat.

			the World Bank	
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3.5. Secondary Literature

In order for the research to gather adequate data and produce reliable and valid data, there is need to compliment primary data with secondary sources of data. As such, the internet, textbooks, documentaries, journals, newspapers, among others, were utilised for data gathering purposes. TV channels like ZTV, Aljazeera, BBC, CNN, among others, were utilised for contemporary information gathering. This kept the research up to date in terms of the subject under study.

3.6. Case study approach

In order to draw lessons for the theme under study, it is crucial to look at other countries that have implemented the principle of Permanent Sovereignty over Natural Resources in Developing. This study therefore used Zimbabwean case in as far as the principle of PSNR is concerned. The principle is clearly spelt out in the Indigenisation Policy and the current ZIMASSET Policy of the Zimbabwean government. Hancock (1998, 6) notes that, “Like surveys, case study research is one of those research approaches which can take a qualitative or quantitative stance.” It is important to note that the case study approach is also applicable to qualitative research. Hancock (1998, 6) further notes that: Case study research ranges in complexity. The most simple is an illustrative description of a single event or occurrence. More complex is an analysis of a social situation over a period of time. The most complex is the extended case study which traces events involving the same actors over a period of time enabling the analysis to reflect changes and adjustments. The Zimbabwean case study in this regard played a crucial role in terms enunciating on the importance of the principle of PSNR in Developing countries and in relation to International Economic Relations.

3.7. Data presentation and analysis

Xavier University Library (2012, 1) notes that after the study, qualitative research produces a “Narrative report with contextual description and direct quotations from research participants.” Direct quotations from the respondents and secondary sources were used. The researcher reflected on the views of the respondents and made assessments as well as giving recommendations concerning the principle of PSNR in Developing Countries and Zimbabwe in particular. The nature of the scientific method used in qualitative research is described as, “Exploratory or bottom up: the researcher generates a new hypothesis and theory from the data collected” (Xavier University Library 2012, 1).

For data Analysis, the researcher relied on the thematic data analysis method. Data is encoded into themes (Boyatzis, 1998) and “the emerging themes become categories for analysis” (Fereday and Muir-Cochrane, 2008:82). This method mainly entailed coming up with the main themes of the research and the collected data was grouped under those themes and became categories of analysis.

3.8. Ethical principles

Another important factor when carrying out research is the issue of ethical principles which are guidelines or rules followed when carrying out research. Creswell (2009:89) cites ethical principles to be followed in data collection, data analysis and interpretation as well as writing and disseminating the research. If these ethical principles are not followed, the consequences may be dire. The researcher therefore followed these principles.

Creswell (2009:89-92) describes the three categories of these ethical principles which are ethical principles in data collection, ethical principles in data analysis and interpretation as well as ethical principles in the writing and dissemination of data. In terms of ethical issues in data collection, the researcher identified himself and revealed the sponsoring institution as well as the purpose of his research to the participant. Confidentiality to the respondents was assured and the researcher code named the respondents with numbers and not their names. Concerning ethical issues in data analysis and interpretation, the researcher assured the respondents that he was not going to falsify data and that he was going to maintain their confidentiality.

The last cluster of ethical principles involves ethical issues in the writing and the dissemination of the research. During the writing phase, it is crucial not to use sexist language or language that is associated with discrimination based on sex, gender, religion, colour or political affiliation. The researcher followed this principle as ignoring it might lead to dire consequences on the part of the researcher. The researcher did not suppress any views that were said by the participants. Suppression of views by respondents amounts to violation of ethical principles in research. Furthermore, the researcher agreed to share the results of the research with the respondents. The researcher also told the respondents that he was going to share the results of the research with the University of Zimbabwe and relevant persons and institutions in Zimbabwe.

3.9. Conclusion

To conclude this chapter, it is important to mention that the methodology of the study was qualitative by nature. As a result, key informant interviews were used. Key informant interviews are cheap and easy to conduct although caution must be taken to avoid bias. Respondents selected for the sample were chosen according to seniority, the nature of the organisations they work for in relation to the comprehension of the area under study. This promoted validity and reliability of the collected data. The Zimbabwean case study was used because of the fact that the principle of PSNR is a topical issue that in relation to the Political Economy of Zimbabwe and also the effect that it has in relation to Zimbabwe's international economic relations. The exploratory approach was used for data analysis purposes. Research ethical principles were also observed. Principles that were observed were ethical issues during data collection, data analysis and interpretation as well as ethical principles observed during the writing and dissemination of the research findings.

Chapter Four

Research Findings and Data Analysis

4.0. Introduction

This chapter is mainly premised on the presentation of data, its interpretation and analysis. The researcher fuses the data collected through key informant interviews with that collected through secondary sources. The data is then presented and interpreted. The chapter begins by discussing the principle of Permanent Sovereignty over Natural Resources and its relationship with the concept of beneficiation which is at the heart of the principle of PSNR. The chapter goes further to highlight the advantages and disadvantages that may result from the implementation of the principle of Permanent Sovereignty over Natural Resources in developing countries and Zimbabwe in particular. It further goes on to discuss the relationship between the principle of PSNR and technological innovation and how it impacts on the concept of beneficiation, citizen participation, transparency and accountability. The chapter also discusses the legal system in Zimbabwe in the form of policies which include Indigenisation and the current ZIMASSET in relation to how they contribute to the principle of PSNR and the effect this has on Zimbabwe's international economic relations on the aspect of Foreign Direct Investment (FDI) which is a critical component for development. Obstacles to the implementation of the principle of PSNR in developing countries and Zimbabwe are also discussed in this chapter. The chapter concludes by discussing ways in which the principle of PSNR can be implemented in Zimbabwe and how beneficiation can be enhanced.

4.1. Economicsovereignty

When states began to exist as politically independent and sovereign entities, it dawned on them that one of the most vital attributes of state sovereignty was economic sovereignty. Without this, political sovereignty was not complete. Like in the words of Nkrumah political independence was not complete without economic independence. Having control over the economic activities of natural and juridical persons doing business within the country, whether foreigners or nationals of that country meant asserting economic sovereignty. Many

states inherited on independence a scenario in which companies or foreign individuals enjoyed certain privileges or control over the economic activities of the country concerned. The mining rights and natural resources were controlled by foreign companies or individuals under a concession agreement entered into with the previous administration, whether colonial or otherwise.

Subedi pointed out that, (2006:22), “When the country concerned wished to embark on a policy of economic development, one of the first initiatives it had to take was to consider harnessing its natural resources in accordance with its economic policies. It therefore became necessary for these states to assert sovereignty over the natural resources of the country and require that foreign individuals and companies comply with the new policy adopted by the state.” This statement points out to the current Indigenisation and ZIMASSET policy in Zimbabwe in relation to the principle of PSNR and their relevance in international economic relations. Asserting economic sovereignty meant doing away with the rights, concessions and privileges enjoyed by companies and foreign nationals over the country’s natural resources. However there was widespread resistance and arguments that concessions and contracts had to be honoured under international law. The principle of Permanent Sovereignty over Natural resources evolved under these circumstances.

4.2. Permanentsovereignty over natural resources (PSNR)

Decolonisation brought a new era in that independent developing countries grew, these states sought to assert their total economic sovereignty by proclaiming that they had complete and permanent sovereignty over their natural resources - doing away with any arrangements made by their previous colonial administrations. A resolution was introduced in the UN General Assembly to this effect and was passed by an overwhelming majority of states. Paragraphs 1 and 2 of the famous 1962 UNGAR on Permanent Sovereignty over Natural Resources (PSNR) state: The right of societies and nations to permanent sovereignty over their natural wealth and resources must be used in the interest of their national development and of the welfare of the people of the state concerned; (UNGAR, 1962:Paragraphs 1) 2. The exploration, development and disposition of such resources, as well as the import of the foreign capital required for these purposes, should be in conformity with the rules and conditions which the peoples and nations freely consider to be necessary or desirable with regard to the authorisation, restriction or prohibition of such activities.

The exploration, development and use of such resources, as well as the import of the foreign

capital required for these commitments, should be in line with the rules and conditions which the peoples and nations are at liberty with and consider to be essential or desirable with regard to the authorisation, limitation or prohibition of such activities. (UNGAR, 1962: Paragraphs 2). The final paragraph of the resolution aims to assure investor countries and foreign investors that the bilateral investment treaties will be valued: External investment agreements freely arrived into by or between independent states shall be observed in good faith; states and international organisations shall strictly and conscientiously respect the sovereignty of peoples and states over their natural wealth and resources in harmony with the Charter and the principles set forth in the present resolution. The provisions of the PSNR Resolution (Resolution 1803 of 1962) have been widely held as representing customary international law because of: the unanimous support it received at the UN and its declaratory nature of the rules of customary international on the subject matter.

4.3. Beneficiatingminerals

There is a debate in Zimbabwe on the relationship between the implementation of the principle of PSNR and the beneficiation that accrues from its implementation. The term ‘mineral beneficiation’ is generally defined as a value adding process on minerals from extraction to refining to production of the final consumable good. Respondent 8 pointed out that, “Beneficiation is a concept that is rooted in internal and external factors. Internal factors are issues to do with governance, politics and the level of technological innovation. External factors are issues to do with the international commodity prices, international finance capital and the outlook of the global economy.” Asked on which factors impact to a greater extent on the concept of beneficiation respondent 8 noted that, “In my view internal factors to a greater extent impact negatively on the concept of beneficiation, the case of Zimbabwe is an example where there is opaqueness as to how much was generated out of the mining of diamonds under the inclusive government which clearly depicts that transparency and accountability is compromised.” Respondent 8 went on to stress that nations that comprise the BRICS have achieved high levels of beneficiation which proves that hurdles associated with the external environment can be overcome.

Respondent 12 agreed with respondent 8 when he pointed out that, “Internal factors play a greater role when it comes to mineral beneficiation. It is up to leadership to oversee the

implementation of sound policies that lead to greater beneficiation of minerals to the people. It is commendable that the government of Zimbabwe has introduced community share ownership trusts but I believe more can be done to improve beneficiation.” On the role of indigenisation and external factors and how technology affects beneficiation respondent 12 pointed out that, “Indigenisation as a policy that guides investment is not enough as a policy. Diamonds are an example where government should get eighty percent rather than fifty one percent.” I asked him how this is possible considering the monopoly that the North has on technology and on the international commodity market. He specified that firstly it is vital to note that as owners of the diamonds it automatically gives you a greater advantage on the bargaining process. He went on to state that the government should rather partner with those companies which have the technology of mining diamonds and adding value to them and after this calculate the value of the technology and share the dividends according to that. He elaborated that considering the fact that Zimbabwe owns vast amounts of this mineral resource that makes it a strategic player in international economic relations. Respondents 1,2,3,4,6,7,9 and 10 concurred to a greater extent with respondents 8 and 12 on the issue of beneficiation in relation to minerals. Even though respondents 5 and 11 agreed to a greater extent with the views of other respondents they had more to say about the concept of beneficiation in relation to the principle of PSNR.

On the challenges regarding beneficiation in relation to minerals respondent 11 noted that “Even though internal factors contribute but the main contributing factor is the sanctions that were imposed on Zimbabwe. Sanctions are militating against the principle of PSNR and making it difficult to realise the goal of beneficiation on which the principle is mainly based on.” A Special Report on Zimbabwe in the *New African*, (2013:30) stated that, “According to ZANU-PF, the cancellation of lifeline short, and long-term loans by the IMF, World Bank, and African Development Bank (AFDB) has seen Zimbabwe lose an average of \$79 million per annum since the sanctions were imposed 13 years ago.” Respondent 11 argued that the Indigenisation Policy and the current ZIMASSET Policy strongly support beneficiation when it comes to mineral resources but sanctions that were imposed on Zimbabwe particularly ZIDERA agitate against the beneficiation. He further argued that beneficiation can fully be realised if Zimbabwe normalised its relations with international financial institutions like the World Bank and the International Monetary Fund because of the crucial role they play in developmental issues.

Respondent five's response about the challenges facing the implementation of the principle of PSNR in relation to the concept of beneficiation of mineral resources was mainly based on innovativeness and appreciation of the government's Indigenisation Policy and the current ZIMASSET Policy. He noted that, "Beneficiation as a concept is deep rooted in the level of technological innovation of a people. Technology and value addition are two factors on which the successful beneficiation of mineral resources is hinged on." Respondent 5 went on to stress the importance of small medium enterprises in relation to how they can contribute meaningfully to the beneficiation matrix. He pointed out that, "Small Medium Enterprises play a critical role in the concept of beneficiation and its realisation. Germany is a classic example in international economic relations of how small medium enterprises can lead to greater beneficiation. The Mittelstand philosophy which is the idea of small medium enterprises has made Germany a force to reckon with in international economic relations. The same can be done here in Zimbabwe in the case for example of gold panning by formalising the process and government's intervention in the form of policies which lead to greater value addition."

At the First Extra - Ordinary Session of the Fourth African Union Conference Ministers responsible for Mineral Resources, Minister Chidhakwa of Zimbabwe pointed out that, the primary hurdle has been the racist and colonial natural resource laws in Africa which empower the investor at the expense of the citizenry who are the real owners of the resource. Grounded on this faulty framework most of the mining deals and undertakings on the continent have been opaque and unfavourable to Africans. Dishonesty by both public and private sector players has compounded the malady. Mining in Africa has been largely extractive without beneficiation and value addition. This has steered African countries to exporting cheaply priced raw commodities while importing costly refined products. The African Mining Vision (AMV) advocates for transparent, just and optimal exploitation of mineral resources to fortify broad - based sustainable growth and socio - economic development. It seeks for a sustainable and well administered mining sector that efficiently garners and deploys resource rents, and that is safe, vigorous, gender and ethnically broad, environmentally conducive, socially responsible and esteemed by surrounding communities. (Herald, 26-11-14:2).

The Herald reported that Minister Chidhakwa stated that the African Union's Mineral Development Centre would play a critical role in coordinating mineral policies across the continent and the implementation of the African Mineral Vision (AMV). He said value

addition and beneficiation were vital in developing African economies and that Zimbabwe was going ahead with plans to establish the Pan – African Mineral University of Science and Technology as a way of enhancing skills development in the country. The meeting was attended by several Ministers and officials from across Africa and the United Nations and other regional groups.

4.4. Technology, innovation and value addition

Since the beginning of the new millennium, mineral commodity prices are undergoing a strong and steady rise, mainly due to increasing demand from China, India and other emerging economies. However, the sharp increase of profits of big international corporations does not tally with commodity-producing African countries, which have not witnessed similar increases in revenues and have not experienced any significant additional progress in terms of socio-economic development. Southern Africa is a vital player in the global resources industry. All Southern Africa Development Community (SADC) countries are gifted with minerals and natural resources, which – if properly extracted and harnessed – could greatly contribute to sustainable social and economic development. It is in this context that issues of technology, innovation and value addition come into play.

Respondent 5 pointed out that, “Technology, innovation and value addition are the three pillars on which the successful implementation of the principle of PSNR rests. Without a vibrant technology policy that is anchored in innovation and value addition the implementation of the principle of PSNR will be a total failure.” Respondent 5 went on to stress the negative effect that brain drain is having on technology, innovation and value addition and how this was impacting negatively on beneficiation. He noted that, “There should be a policy that mitigates the current level of brain drain because we are losing out on technical expertise.” Respondent 5 noted that many skilled people were migrating to other countries and as a result Zimbabwe was losing out on human capital which is a crucial factor for development.

Respondent 6 pointed out that issues of with technology, innovation and value addition are central to the successful implementation of the principle of Permanent Sovereignty over Natural Resources because they enhance beneficiation of people over their mineral resources. He further noted that development as a result of technological innovativeness and value

addition will result in greater international peace and security because the concept of human security is at the heart of beneficiation. “The Chinese and Japanese examples are classic examples of how technological innovation and value addition greatly contribute to the principle of PSNR. The principle of PSNR can only be a success if it is anchored in a pragmatic technological policy that promotes innovativeness and skills development which in turn will bring value addition and greater beneficiation.” Respondent 6 also pointed out that efforts that are being made by the Zimbabwean government to enhance beneficiation in line with ZIMASSET are commendable. He stated that the Zimbabwe Diamond Technology Centre is a case in point because of the deals that have been entered into with the Indian government to bring beneficiation equipment for diamonds from India as was reported by ZBC news on the 8th of February 2015.

Respondent 4 pointed out that technology, innovation and value addition are facets that are critical for the successful implementation of the principle of PSNR in developing countries and Zimbabwe in particular. He stated that, “As part of international law the principle of PSNR is not enough in itself to address the problem of development international economic relations. There is need for the promotion of a culture of research and development in terms of technology and value addition. This will improve the beneficiation aspect which is the main theme behind the principle of PSNR.” Respondent 6 also stressed on the issue of culture as an important element in issues to do with technology, innovativeness and value addition. He stated that, “Culture plays a significant role in technological innovativeness and development. The Chinese and Japanese cultures have peculiarities which have made them success stories to be emulated in international economic relations. In as much as culture is dynamic, values can be inculcated through policies which promote and enhance technological innovativeness and value addition. It is quite clear that the successful implementation of the principle of PSNR in international law and international economic relations is based on technological innovativeness and value addition which enhance beneficiation through successful international business diplomacy.”

4.5. The debilitating effect of corruption on the principle of permanent sovereignty over natural resources

The Zimbabwe Prevention of Corruption Act defines a corrupt practice as:

... any agent corruptly soliciting, accepting, obtaining, agreeing to accept, or attempt to obtain from any person a gift or consideration for himself or any other persons as endowment or reward for doing or not doing for having done or not done any act, in relation to his / her principal's affairs or business.

The current drive by the Zimbabwean government to root out corruption clearly illustrates how vital the elimination of corruption is for the successful implementation of ZIMASSET, a policy considered to be rooted in the principle of Permanent Sovereignty over Natural Resources. Manicaland Minister of State MandiChimene pointed out that, "Corruption is a cancer that should be nipped in the bud if Zimbabwe is to successfully execute its economic programmes such as ZIMASSET." She uttered this statement in Makoni District at a gathering where she elaborated that a provincial committee has been set up to investigate the illegal allocation of land. This clearly depicts that corruption is indeed a malady that is eating into the economic and social fabric of Zimbabwe, a factor which is adversely affecting Zimbabwe's international economic relations. This assertion by Minister MandiChimene elucidates the fact that corruption is indeed a debilitating factor against policies which are anchored in the principle of PSNR, a recent policy programme being ZIMASSET.

Respondent 4 noted that corruption is an internal factor which is a serious threat to successful implementation of ZIMASSET a policy which derives some of its fundamentals from the principle of PSNR. He stated that, "Policies like Indigenisation and ZIMASSET are quite plausible as instruments for perpetuating the principle of PSNR, however their success remains undermined as long as corruption remains unchecked. Corruption remains the biggest hurdle undermining the principle of PSNR and Zimbabwe's success in international economic relations." Respondent four's views are also supported by a column in the Newsday (06-12-2012) which pointed out that, "ZIMBABWE has been ranked the most corrupt country in Southern Africa after being placed on position 163 out of 176 countries in a recent survey conducted by Transparency International." The article also proceeded to state the high levels of corruption in the mineral sector when it stated that, "In September, the Anti-Corruption Trust (ACT) of Southern Africa published another damning report citing high levels of corruption in Zimbabwe, particularly in the diamond mining sector." Cases that were cited by ACT are War Victims Compensation Fund, VIP housing scam, Zimbabwe Iron Steel Company (Zisco) scandal and the Zimbabwe United Passenger Company (Zupco) scam, and the current investigations at Hwange Colliery Company which pertain issues of misappropriation of funds and mismanagement among others.

All the respondents concurred that corruption was indeed having a negative impact on the implementation of the principle of PSNR and the beneficiation that should accrue from policies that derive their inspiration from this principle of International Economic Law. Respondent 12 noted that corruption was undermining the principle of meritocracy which is one of the most vital principles of good governance. He noted that, "Even though patron-client relations are everywhere in real politics they should not override the principle of meritocracy which ensured efficiency and effectiveness in the political, social and economic realms." Respondent 12 noted that Zimbabwe should take advantage of its rich human capital base and use it to harness and add value to its mineral resources which could in turn benefit the people and make it a force to reckon with in international economic relations

4.6.Sovereign wealth funds as an instrument to promote the sovereignty of peoples over their natural resources

The importance of the Sovereign Wealth Fund (SWF) is depicted by the fact that the government of Zimbabwe gazetted the Sovereign Wealth Fund Act on 10 November 2014. The SWF seeks to establish a facility whose objective is to reserve income from the country's finite mineral resources for the benefit of future generations. The Herald (12-11-14:2) reported that, "The fund will be driven primarily by 25 percent of all royalties on mineral exports, which will be deposited ,along with special dividends on the sales of diamonds ,gas, granite and other minerals through the Zimbabwe Mining Development Corporation." The Herald also stated that the Reserve Bank of Zimbabwe (RBZ) will be the primary custodian of the fund.

The Herald also reported what the Ministry of Finance said about the SWF, (12-11-14:2), "The Ministry of Finance said the objectives of the fund are to make secure investments for the benefit and enjoyment of future generations and to support the development objectives of government, including its long term economic and social development." Ibid, "This development constitutes a significant milestone in the attainment of the goals of ZIMASSET and more particularly, in ensuring that the country leverages on its rich natural resource endowment for sustainable development" said the Ministry.

Respondent 8 stressed that Sovereign Wealth Funds are an important facet of the budgeting strategy that can be used to withstand shocks in the global economy. He pointed out that,

"Chile is a classic example of how critical a SWF can be used to withstand a financial crisis. The fact that Chile managed to avert the adverse effects of the 2008 global financial crisis as a result of its use of its SWF being the world's second largest producer of copper is testimony to how critical a SWF can be to the budgeting strategy."

4.7. The High cost of sanctions on the principle of PSNR in relation to Zimbabwe

Respondent 2 pointed out that, "The negative impact of the Western – imposed sanctions has been prodigious in terms of their negative contribution to political tensions, polarisation of views, economic decline, deterioration of the social and physical infrastructure, poverty, and unemployment." Respondent 2 asserted that these sanctions were imposed on Zimbabwe as a result of the Indigenisation Policy which affirmed the principle of PSNR. She stressed that the sanctions were meant to isolate Zimbabwe in international economic relation thereby dealing a blow to its international trade. She stated ZIDERA as an example.

Sanctions and punitive measures have been imposed on Zimbabwe, including: the enactment of the Zimbabwe Democracy and Economic Recovery Act (ZIDERA) of 2001 by the United States Congress; suspension of budgetary support previously provided to the government by the European Union ; the imposition of visa bans and asset freezes by the US, EU, Canada, New Zealand, and Australia on influential individuals associated with the government and the ruling Zimbabwe African National Union Patriotic Front (ZANU-PF). ZIDERA allows the US to veto Zimbabwe's applications to multilateral lending agencies, such as the International Monetary Fund (IMF), the World Bank (WB) and the African Development Bank (ADB), for credit facilities, finance, international debt cancellation and loan rescheduling. ZIDERA also permits asset freezes and travel bans to be imposed on individuals, who are perceived as being responsible for human rights abuses and undermining the rule of law. The EU initially imposed asset freezes and visa bans – officially referred to as 'targeted measures' – on almost 200 pro-ZANU-PF individuals, including senior, military, and political and business figures and even six journalists. Even though the majority of individuals have been removed from the sanctions list President Mugabe and the First Lady are still there hence the call by the Zimbabwean government for the total removal of the sanctions.

The Herald of, (21-02-2015) stated that, "The European Union renewed for another year its illegal sanctions on President Robert Mugabe and First Lady Amai Grace Mugabe, a

development analysts said destroyed the confidence that was beginning to develop between Zimbabwe and the bloc.” The Herald went on to state that, “European countries, especially those sitting on the fence, had started warming up to Zimbabwe’s vast investment opportunities with several delegations from France, Britain and Denmark coming into the country in the past few months.” Commenting on these statements respondent pointed out that, “This clearly depicts the fact that President Mugabe is being vilified for being the champion of economic empowerment through the implementation of the indigenisation policy, which is anchored in the principle of PSNR.” Respondent 2 noted that as long as President Mugabe remained on the sanctions list this would remain a clear indication that there is lack of sincerity on the part of those who imposed sanctions to see real progress. Other respondents strongly agreed that keeping President Mugabe on the sanctions list is tantamount to an insult on Zimbabwe’s sovereignty over its natural resources. This is credible given the recent comments by London Mayor Boris when he was quoted in the Herald, (24-02-2015) saying, and “It was Labour’s betrayal of the Lancaster House Agreement – driven by political correctness and cowardice – that gave Mugabe the pretext for the confiscations...

According to a New African Special Report, (2013:30), “Officially, the official cost of the sanctions to the country is estimated at over US\$42 billion.” In its 2013 election manifesto ZANU PF stated that, “The sanctions imposed by the West have been equivalent to a declaration of war on Zimbabwe’s sovereignty.” According to ZANU-PF, the cancellation of lifeline short, and long-term loans by the World Bank, IMF AND African Development Bank (AfDB) has seen Zimbabwe lose an average \$79m per annum since the sanctions were imposed.

4.8. The sovereign right to freely dispose, use and exploit natural resources

Article 61.1(2), of the International Covenant on Civil and Political Rights clearly shows that the inalienable right of all peoples and states to freely dispose of their natural resources stands at the heart of the principle PSNR. Conceptualized as a response prior to the system of foreign ownership and possession of concessions and production facilities, it gives states the means to regain their sovereignty and control over their assets to enable their economic and political development. Ziegler and L.-P. Gratton point out that, “In order to safeguard this legal capacity the principle is built upon many other rights. Thus, for states to have the ability to determine the fate of their natural resources it is inter alia necessary that they enjoy the

corollary rights permitting them to regulate the use and exploitation methods, whether this concerns the pre- or post-authorization phase”.Bordukh notes that , “Therefore, they are entitled to regulate the admission of foreign investors, the granting of concessions concerning the exploitation of certain natural resources, the length of period the authorization is valid for, the conduct of entities engaged in the exploitation and the distribution of profits”. In its original conception, the overall control over natural resources falls to and remains at all times – hence permanent - with the state, and accordingly, activities related to their development, exploitation and utilization are subjected to the state’s national laws.

The Indigenisation Act in Zimbabwe and currently ZIMASSET are examples of this in relation to Zimbabwe. Chowdhury (1977: notes that a state “.....may choose to enter into international or national contracts granting other entities access to its natural resources and is free to create an environment encouraging foreign and domestic investments by guaranteeing certain minimum degrees of investment protection”. This occurs in the form of regional and multilateral trade agreements (which include investment provisions) but most often takes place via investment codes or Bilateral Investment Treaties (BITs). An example of this is the Bilateral Investment Protection Act (BIPA) in Zimbabwe. In general, such BITs include provisions ensuring foreign investors fair and equitable treatment concerning their activities within the host state. However, contracts entered into may not permanently impinge on the state’s sovereign rights (legislation, executive and judicial powers) and furthermore must be entered into freely.

In order to ensure the full enjoyment of these rights it is therefore in certain instances necessary for states to be able to take full control over their natural resources by nationalizing, expropriating and requisitioning property, leading to a transfer of ownership, whether the property concerned is owned by nationals of the state or by foreign entities.

4.9. The freedom to choose one’s own economic, environmental and developmental policies

A further basic component of the principle of PSNR is the freedom to decide on policies that best suit the environment, development and economy of the nation. This is rooted in two fundamental ideas of the law of nations: the sovereign equality of states on the one hand and

on the other hand the duty not to intervene in matters within domestic jurisdiction. Abi-Saab, (1991:597) notes that, “The world order consists of states which enjoy equal rights and duties, their choice of political, economic, social and cultural systems does not alter their standing within a hierarchy in which all states in their relations to one another are understood to be on a horizontal level.”

The Friendly Relations Declaration (UNGA Resolution 2625 (XXV)) confirms the inclusivity of this element as part of the wider category of the principle of sovereign equality. Moreover, the duty not to intervene implies that the choice of policies of another state cannot give a state the right to intervene, whether directly or indirectly, e.g. by exercising economic or political coercion. States are rather under the duty to cooperate with one another *inter alia* in order to maintain international peace and security. This is why the Zimbabwean government has been on the record condemning the sanctions that were imposed on it as illegal, particularly ZIDERA. The fact that sanctions were imposed as a result of the government of Zimbabwe’s Land Reform Programme and the Indigenisation policy and the fact that both policies were implemented in the spirit of the principle of permanent sovereignty over natural resources gives credit to the argument.

Commenting on the Friendly Relations Declaration, respondent 11 vehemently stated that, “The fact that Zimbabwe embarked on a policy to redistribute land from the minority of whites who owned vast tracts of prime land and controlled the economy led to its victimisation and the imposition of illegal sanctions because it had embarked on a much needed empowerment Indigenisation Policy. This is a clear violation of the Friendly Relations Declaration which gives is based on sovereign equality and does not allow economic or political coercion.” Respondent 11 also pointed out that this was an impediment to Zimbabwe’s self-determination which was acting against the UNDP concept of human security in international peace and security.

Introduced in the Friendly Relations Declaration, the Charter of Economic Rights and Duties of States points out in its Article 1 that states enjoy the sovereign right to freely choose their economic systems. The extent of this liberty is further specified in its subsequent articles. An example is Article 4 which points out that states may, irrespective of their economic, social or political systems, engage in and regulate freely their foreign economic relations and investments. In order to achieve the aim of development, they are free to choose the model which in their opinion will suit best. The Rio Declaration on Environment and Development

(1992:157) points out that states have “the sovereign right to exploit their own resources pursuant to their own environmental and developmental policies.”

4.10. The right to nationalise, expropriate and freely regulate foreign investments

Riesenfeld (1995:436) notes that, “Foreign investments constitute both a valuable but at the same time partly dangerous asset for the development of a state’s national economy. For a developing country it is inevitable to stimulate its own development by attracting foreign investors” Sornarajah (2004:40) points out that, “.....the concessions and authorizations granted to multinational corporations often hand over control over some of the most important resources of the state.” These assertions justify to a greater extent the Indigenisation Act in Zimbabwe which was fashioned in the spirit of the principle of PSNR. For a state to retain an effective saying in the exploitation and development of its natural resources and domestic policies, it is thus necessary for them to enjoy the freedom to regulate foreign investments, and then ultimately to also have the right in limited circumstances to nationalise and expropriate foreign investments.

Respondent 12 pointed out that in as much as Foreign Direct Investment is critical for developmental purposes and success of the principle of PSNR in line with the Indigenisation Policy and ZIMASSET it should not undermine the right to economic self-determination. He elaborated that, “Foreign investment particularly in the mining sector is critical in relation to development and technology transfer. Diamonds, platinum and gold are minerals that Zimbabwe can derive greater beneficiation from if there is value addition which in turn creates employment for people.” He stated that the processing and value addition should take place in Zimbabwe as a matter of policy in order to enhance beneficiation. However he also emphasised that this process is characterised by bargaining because of the West’s reluctance to maintain the present international relations status quo. As a result he stated that the fact that you possess the mineral resources gives you some greater leverage in the bargaining process which requires a greater level of flexibility.

CHAPTER FIVE

Conclusions and Recommendations

5.0. Conclusions

After reviewing research findings, the research found out that the research findings validated the hypothesis of the research. The hypothesis of the study was that, the attainment of permanent sovereignty over natural resources leads to accelerated development if there is technological transfer and innovativeness. Secondary sources and primary data from respondents showed that PSNR could accelerate development and beneficiation if there are sound and vibrant policies which support technological transfer, innovativeness, transparency and accountability. This also answered the main research question of the study, which asked why technological transfer is a fundamental aspect of the principle of PSNR. The results of the research indicated that the attainment of PSNR should be accompanied by technological transfer and innovativeness which in turn will result in value addition and beneficiation. The results also pointed out that transparency and accountability are also fundamental aspects in relation to how they can contribute in the elimination of corruption and plundering of natural resources by the political elite.

The results of the research also proved the validity and reliability of the dependency theory. The main theme of the dependency theory which is anchored in centre-periphery relations supports the notion why the North is unwilling to transfer technology to the south. As a result the unwillingness of the West to transfer technology to the South is proving to be a major obstacle to the realisation of the goals of PSNR in particular value addition and beneficiation. The dependency theory can be linked with the principle of PSNR because of its radical stance in advocating for the establishment of a New International Economic Order (NIEO). However the research discerned that as a result of the interconnectedness and globalisation of the international system the interdependency theory has a greater bearing on the principle of PSNR. As a result it is ironical in that in as much as the dependency theory can be utilised as the basis on which to implement the principle of PSNR, the interdependency theory can also be the basis on which the principle of PSNR can be used in relation to international trade and issues of technological transfer, value addition, beneficiation and innovativeness.

The study also found out that the principle of PSNR is insufficient to cure all the economic ills in developing countries and Zimbabwe in particular. An example of this is the issue of corruption which was constantly cited by respondents and secondary literature as militating against the principle of PSNR and economic development. Corruption was cited as one of the

main internal factors which is a major hurdle in the realisation of the goals of the principle of PSNR, some of them being value addition and beneficiation. Other important factors that were stated include technology, the level of innovativeness and the cultural aspect in relation to the extent to which they affect the effectiveness of the principle of PSNR in international economic relations. Respondents stated that the principle of PSNR should be accompanied by technological transfer from the West to the South which in turn will result in value addition and beneficiation if there is a culture of innovativeness. The research also found out that the educational system should be adapted to foster an innovative culture which promotes high levels of innovation and technological creativity. China and Japan were stated as examples which managed to manipulate Western technology by maintaining higher levels of ingenuity and innovativeness.

The research also reached the conclusion that the principle of PSNR is a critical factor in the developmental process of any country in general developing countries and in particular in the case of Zimbabwe. Both primary sources and secondary literature pointed out that in order for meaningful development to take place a nation has to be in total control of its natural resources. The Zimbabwean case study is a typical example of how the principle of PSNR has shaped its international economic relations and developmental process. Policies such as the Land Reform Programme, Indigenisation Policy and ZIMASSET were fashioned in the spirit of the principle of PSNR. The fact that sanctions were imposed on Zimbabwe as a result of its Fast Track Land Reform Programme depicts the fact that the principle of PSNR is indeed still a thorn in the flesh for international capital and this leads to the conclusion that the realisation of the goal of the establishment of a New International Economic Order (NIEO) is still a mammoth task. On the other hand the research found out that the principle of PSNR can't on its own accelerate development. The fact that in order for resources to benefit the people there is need for technology and value addition raised the question of technological transfer, value addition and international marketing on the international market. This led to the conclusion that the dependency theory alone can't be used as the theoretical framework of the study, hence the inclusion of the interdependency theory as a critique of the dependency theory. The fact that the world is increasingly becoming interconnected and globalised as a result of the communication technology revolution and easy movement leads to the conclusion that no nation enjoys absolute sovereignty.

Although the principle of PSNR might play a critical role in promoting development and beneficiation from natural resources, international capital remains a paradox and an irony that

has to be dealt with in order for the principle to gain more relevance in international economic relations. The research noted that international capital behaves in such a way that it promotes the exploitation of the South by the North. This behaviour of international capital supports the main theoretical framework of this study which is the dependency theory, it lays great emphasis on the existence of centre – periphery international economic relations as the basis of the current dominant international economic relations system.

The research also discovered that there is a huge information gap among the general citizens of Zimbabwe in as much as the principle of PSNR is concerned. The research noted that the government of Zimbabwe has not put in place an educational policy that supports the principle of PSNR in relation to the beneficiation aspect. The lack of an educational policy which lays great emphasis on science and technology acts as a major drawback to the realisation of the beneficiation aspect in relation to the principle of PSNR. Education acts as a tool for disseminating information hence it plays a vital role in relation to this aspect.

The research also came to the conclusion that the implementation of the principle of PSNR is a delicate issue when it comes to Foreign Direct Investment. The fact that international investors and international capital need clarity and consistency in terms of policies implemented in the spirit of the principle of PSNR was also noted. Nationalisations, acquisitions and property rights are issues that were noted to affect FDI and can either positively or negatively impact the principle of PSNR successful implementation. The research noted that it depends on which sector you are dealing with and which natural resource when you are alluding to these factors.

The research also reached the conclusion that the developmental process of any country is greatly linked with its international economic relations and the issue of value addition on its natural resources. The fact that a country has abundant natural resources alone does not on its own lead to accelerated development but it is rather the value addition process which increases the Gross Domestic Product coupled with international commodity marketing on the world market. The Democratic Republic of Congo (DRC) is an example of a country with abundant mineral resources but often cited as a case study of the “resource curse” phenomenon. This depicts the fact that technological innovation and value addition are indeed crucial if the principle of PSNR is to achieve any meaningful beneficiation. Japan is the antithesis of the DRC in relation to the abundance of natural resources. Japan’s natural resource base is limited but it has managed to achieve tremendous levels of development

amidst all the constraints it faced. This can be largely attributed to Japan's technological innovativeness and scientific prowess.

The research arrived at the conclusion that culture and originality are central tenets for any meaningful development to take place in a country and for vibrant international economic relations. The fact that countries like China and Japan have managed to industrialise while at the same time maintaining their cultural base is indeed an intriguing phenomenon. China has not implemented any neo – liberal policies but managed to achieve drastic developmental levels. China's huge population which is an important resource has enabled it to take a leading role in international economic relations. While Japan has taken a leaf from some aspects of western democracy it has maintained high levels of ingenuity and cultural independence.

The main points of the conclusion of the research findings can be summarised in point form as the following;

The principle of PSNR is crucial for the developmental aspect of a nation and its place in international economic relations.

The technological aspect coupled with innovation and value addition are the most critical issues when it comes to the successful implementation of the doctrine of PSNR.

The current international economic relations system is anchored in a rigid international division of labour which militates against the beneficence aspect on which the principle of PSNR was enunciated.

The dependency theory alone does not suffice on its own as the theoretical framework which can be used as the basis of the study. The interdependency theory should also be taken into consideration, considering the fact that the world is becoming more globalised and interconnected.

Internal factors like corruption and maladministration have a negative impact on the principle of PSNR.

There is need to align the education system in a way that promotes innovation and value addition which will in turn enhance the beneficence aspect in relation to the principle of PSNR.

Foreign Direct Investment is a vital element that is needed in order for the principle of PSNR to make a valid impact as this will in turn necessitate technology transfer and skills transfer which will in beneficiate the people.

Policies which emanate from the principle of PSNR have to be clear and consistent in order for FDI to increase and for the creation of a conducive investment climate.

Meritocracy is the basis which underlies the principle of PSNR.

5.1. Recommendations

It important for every study to give solutions to problems that may have been identified during the course of the research. In light of the aforementioned conclusions, the study suggests the following as recommendations;

The study recommends that there is need to promote an educational policy that supports science and technology which will in turn enhance beneficiation from natural resources. There should be a policy that supports the sending of students to countries that have managed to achieve greater beneficiation from their natural resources as a result of their science and technology policies. Examples of such countries are South Korea, China and Japan.

Natural resources should be used as the basis to get the latest technology which will in turn enhance value addition and beneficiation .T he mining sector is an example that natural resources can be used in the bargaining process. Diamonds are an example where a great amount of revenue has been lost in Zimbabwe due to selling unprocessed diamonds.

5.2. Conclusion

In concluding the chapter, it is important to reiterate that, the main findings of the research answered the main research question of the study,what is the relationship between the principle of PSNR and development. The research discovered that development and the principle of PSNR are inter- woven. In order for meaningful development to take place there have to be policies which support the principle of PSNR rooted in a science and technology framework. The dependency theory also rhymed with the principle of PSNR taking into consideration the international division of labour aspect which perpetuates the poverty of developing countries by the selling of commodities which have no value added to them. This in turn validates the hypotheses which states that in order for the principle of PSNR to be a success it has to be implemented with a science and technology policy which increases value addition and enhances value addition.

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