Resource governance and norm domestication in the developing world

Kate Macdonald and Jewellord Nem Singh

Aims and contribution

The politics surrounding governance of natural resource sectors—encompassing mineral, oil and gas industries as well as forest and land-intensive sectors—have been highly contentious for as long as modern economic systems have depended on extraction of these resources. Unlike many other industries, natural resource sectors have deep historical linkages to practices of national ownership and ideas of sovereignty (Nem Singh 2019; 2014; Haslam and Heidrich 2016). States remain the central actor controlling access to territories and natural resources, and often fiercely defend the principle of sovereignty over resource governance processes and outcomes.

Yet global regulatory norms also have far-reaching effects on shaping contemporary resource governance in the developing world. Powerful reforms designed to liberalize the oil, gas, and mining sectors have been promoted vigorously with the active support of the World Bank and other international financial institutions (Hatcher 2014; Nem Singh and Bourgouin 2013). Transnational regulation has also been promoted in the form of international initiatives seeking to combat corruption, charters embedding commitments to transparency, and a multitude of environmental and social regulations—some led by intergovernmental bodies, and some taking the form of voluntary codes of conduct or corporate social responsibility initiatives. Such global norms have often been framed around the aim of governing social, political and environmental risk, as efforts to manage the socio-ecological consequences of extractive industries have risen in priority amongst many state and non-state actors. While to some extent such regulatory initiatives come into direct tension with market-enabling policy frameworks, they can also function to legitimise natural resource extraction as a constitutive
element of the world economy by taming social and political resistance to extractive models of economic development (Elbra 2017; Kirsch 2014).

Regimes that govern natural resources are thus shaped at multiple scales, and characterised by important dynamics of contestation between contrasting global norms, and between global norms and the policies and practices established at national and subnational levels. Such context-specific dynamics of norm contestation often lead global norms to be adopted, adapted or resisted in very different ways across countries, sectors, and time (Fontana & Grugel, 2016; Schilling-Vacaflor, 2017; Lawrence & Moritz, 2019).

Such processes of norm promotion, diffusion and reception have been analysed through the lens of various concepts—including norm diffusion, localisation, and contestation—with each concept carrying distinct implications regarding the ways in which norms originating in one location are adopted, modified or implemented in other places (Acharya 2004; Keck and Sikkink 1998; Wiener 2018). To enable contributing authors to explore these dynamics in varied ways, we have chosen to use the umbrella term ‘norm domestication’, which we interpret broadly in order to provide sufficient conceptual space for authors to explore varied patterns of adoption, modification and resistance to imported norms across the widely differing contexts of the case studies they examine.

In advancing knowledge about how and why global regulatory norms are domesticated in distinctive political settings, the collection brings together articles that draw on detailed national and sub-national case studies of how global norms are adopted and contested across a range of resource-intensive settings in both Asia and Latin America. Because contemporary resource governance is characterized by an unusually stark juxtaposition of strongly state-centred and highly transnationalized governance processes, systematic study of the natural resource sectors provides a powerful empirical lens through which we can explore broader theoretical questions about the impacts of global governance norms and processes on domestic regulation and governance in the developing world.

Contributing authors seek to explore the varied ways in which global norms governing the extractive sector are promoted, institutionalised and resisted in developing countries, asking: What enabling and constraining factors explain variation in patterns of domestication of global norms?
Findings from the papers demonstrate the importance of norm contestation at two distinct levels. First, the papers highlight the significance of norm contestation processes in determining the outcomes of political and ideological struggles between competing global norms—in particular, between market-enabling and socio-environmental regulatory norms. Second, the papers highlight the ways in which global norms often become drawn into pre-existing political contests between competing local actors—struggles for dominance between competing actors and coalitions at national or subnational levels then shaping the extent to which global norms are adopted, modified or rejected. Analysis points to a highly fluid governance landscape in which norm domestication processes are fluid, permeable, and subject to power contestation from both global and local actors. In making sense of the varied patterns of domestication that we observe across cases, power struggles between competing actors and coalitions at the local level are thus shown to play a central role in the reorganization of institutional and regulatory frameworks that govern resource exploitation.

**Theoretical approach**

The special issue brings three bodies of literature into conversation with each other: first, a section of the international relations scholarship that is broadly concerned with the political processes through which transnational norms are diffused and contested within domestic politics; second, a comparative politics literature focused on exploring path-dependent processes of norm contestation and institutional change; and third, a specific subset of the natural resource politics literature which emphasizes power and contestation as central to the understanding of governance assemblages in the sector.

First, international relations scholars focused on norm diffusion and localisation have emphasized the socially constructed nature of norms and the importance of the agency of national or subnational actors in shaping the domestic reception of global norms: sometimes resisting or contesting them, sometimes adopting them, and sometimes modifying or adapting them to better fit with local interests, identities or cognitive or cultural frames (Finnemore and Sikkink 1998; Keck and Sikkink 1998; Risse-Kappen, Ropp, and Sikkink 1999; Acharya 2004; Bartley 2010; Levitt and Merry 2009, 446; Swyngedouw 1997; 2004). Most authors writing within this tradition have emphasised how the impact of these processes on outcomes is mediated by features of cultural and social or legal and political context (Acharya
2004; Checkel 1999; Levitt and Merry 2009). On this view, variation in local acceptance of global norms depends on a number of factors related to norm contestation processes, such as the authority of key norm-takers, characteristics of prior local norms and cultural practices, and the incentives and capacities of domestic state and non-state actors (Börzel and Risse 2012).

Second, in situating international norms within domestic politics, institutional scholars from a comparative politics tradition have often focussed on the path-dependent processes of institutional change through which global norms are adopted, adapted and resisted (Oberthür and Gehring 2006; O’Neill 2009; Young 2002; Capoccia 2015, 148; Capoccia and Kelemen 2007). Such scholars have stressed the significance of timing, sequencing, and contingent historical pathways as a basis for understanding the historically situated power dynamics through which the contestation of global norms plays out across varied domestic political settings. In explaining varied norm domestication outcomes across contexts, such scholars stress the importance of both historically-specific configurations of power and interest across distinctive geographical and sectoral contexts, and the choices made by competing coalitions of elites and social movements at critical junctures (Pierson 2015).

Third, scholars of natural resource politics have often highlighted the distinctive ways in which the power of transnational and domestic actors interact in shaping processes of norm domestication in light of the idiosyncratic features of the natural resources sectors. In some cases, such as oil, gas and energy sectors, the state plays an active role in natural resources governance, reflecting the historical role of such sectors in the pursuit of national security and modernization objectives (Nem Singh 2019). Such a role is particularly common when the sector occupies a significant share in the national economy. Meanwhile, private investors, often with strong transnational links, have often been given a privileged position in exploiting the resource base, particularly in natural resources sectors such as export agriculture and mining. Moreover, natural resources generate extraordinarily high rents, making the sector vulnerable to intense competition over access and control of revenues. Without appropriate institutional channels to manage these competing interests, natural resources can become a catalyst that creates or exacerbates socio-political conflicts between communities, companies and the state (Bebbington 2013; Bebbington et al. 2008; Bebbington and Bury 2013). This cluster of scholars has thus highlighted the distinctive configurations of actors,
coalitions and power relations that emerge within extractive sectors in particular contexts—shaping processes and outcomes of norm domestication contests across varied domestic settings.

By bringing these perspectives into conversation, the collection’s analysis of norm domestication in natural resources sectors is able to analyse specific processes of norm diffusion and contestation, while also exploring how such power struggles are embedded within and shaped by wider territorial and historical contexts. Importantly, taking seriously the particularities of the natural resource sector within such analyses can provide important insights into how and why patterns of adoption, modification or resistance to global norms are shaped by varied geographical and temporal contexts, while also exploring the implications of such contexts for political and ideological contests between conflicting global norms seeking to govern the natural resources sectors.

**Contributing papers**

The papers draw on contrasting case studies to explore the interplay between transnational and local dynamics of norm contestation. The outcomes of contests over the institutionalisation of global norms are shown to be subject to the exigencies of local political contests that involve companies, political and bureaucratic elites and wider social movements or interest groups, and play out within the idiosyncratic contexts of particular resource sectors and geographical locations. All papers draw on extensive, original empirical research. Each paper focuses on a particular cluster of global regulatory norms of relevance to the national resource governance context being examined. Examples span an array of international initiatives on human rights, social and environmental protection, and governance integrity standards such as transparency and accountability. Each paper analyses the ways these norms emerged and were institutionalized, resisted, and in some cases, adapted into local contexts.

Table 1 summarizes the individual and collective contributions of the papers, highlighting cross-cutting themes with regard to the mechanisms through which global norms are promoted, the sources of political contestation surrounding reception of these global norms, and the effects of such contests on resulting patterns of domestic norm institutionalisation.
Key Findings of the Papers

Mechanisms of Norm Promotion
- International actors actively promote global regulatory and policy norms through capacity building initiatives
- Domestic policy coalitions steer global regulatory reforms through selective adaptation into domestic law or policy
- Private international actors actively promote global regulatory norms via supply chain standard-setting and certification schemes

Sources of Norm Contestation
- Tensions between reform logics that prioritise public goods provision versus market-building frameworks
- Perceptions of domestic powerholders that international reform agendas present a threat to status quo privileges
- Narrow or exclusionary governing policy coalitions in tension with the demands of broader social movements
- Tensions between the interests of global private capital, domestic economic and political elites, social and environmental regulators and directly affected communities

Effects on Norm Domestication
- Persistent dominance of market-enabling policy frameworks promoting FDI-driven and large-scale resource extraction
- Variegated adoption of regulatory norms relating to taxation, revenue transparency, social revenue generation, or social and environmental regulation
- Ongoing contestation between extractive and regulatory coalitions generates highly dynamic patterns of norm domestication

Source: Authors’ summary and analysis of the contributing papers.

In the first paper, Gustafsson, Merino and Scurrah explore how bilateral aid agencies and the OECD influenced the institutionalisation in Peru of a contested land-use planning reform designed to reduce socio-environmental conflicts. Through an analysis of norm contestation between national elites and societal coalitions, the paper shows how weak and uneven patterns of norm domestication resulted from conflicting political effects of international norm promotion. While aid agencies partially empowered civil society and sub-national policy coalitions in favour of land-use planning reforms, the OECD’s interventions favoured national elites opposed to these reforms. In both cases, the authors argue that by failing to foresee the political resistance resulting from contending interests of business groups and national elites, international actors contributed to the weakening and elite capture of land-use planning norms.

The second paper by Nem Singh and Camba examines norm contestation surrounding debates over ‘responsible mining’ in the Philippines, exploring the conditions under which
global regulatory norms concerning taxation, social revenue generation and environmental monitoring became domesticated in large-scale mining. Norm contestation processes have played out through competing policy coalitions, whereby the inclusiveness of coalitions explain the partial, uneven adoption of global regulations aimed at setting standards for corporate behavior in large-scale mining. The extent to which mining policies incorporated protections for communities affected by the socio-environmental impacts of resource exploitation is shown to depend both on the extent to which civil society and mining communities were included in policy making processes, and the degree to which such processes were dominated by narrow governing coalitions.

With a similar focus on mining, Hatcher examines norm domestication in the case of Mongolia’s Oyu Tolgoi Mine, in which struggles to shape extractive sector governance were caught between two conflicting sets of global norms: one promoting norms of corporate social responsibility and environmental regulation, and the other promoting market-oriented norms and policy frameworks. In this case, the domestication of market-oriented norms was shown to have taken precedence over competing regulatory norms, compelling the state to strategically cede some of its former roles and responsibilities to the private sector, and leaving local communities with little recourse to address a highly asymmetric relationship with Rio Tinto, the main shareholder of the mine.

In the fourth paper, Winanti and Hanif stress the significance of local politics in shaping global norms concerning revenue transparency in extractive industry governance in Bojonegoro, Indonesia. The domestication of global transparency norms remained very uneven, particularly with regard to dimensions of these norms concerning public accountability and civil society participation. The authors argue that the distinctive political environment of post-authoritarian Indonesia meant that localization depended crucially on the capacity of local political leaders to harness global transparency norms in support of their own political strategies. As a result, it was ultimately the material political interests of local norm-takers rather than their normative or cognitive orientations that contributed most decisively to explaining varied patterns of norm domestication in this case.

Finally, the fifth paper by Macdonald examines the politics of norm domestication surrounding efforts by global non-governmental supply chain governance systems to
promote social and environmental regulatory norms across a variety of political contexts in Asia and Latin America. The paper develops a typology of domestication strategies currently being used by global private regulators and examines the effects of these strategies on supporting or undermining the overall values and purposes of global regulatory agendas. The paper shows that when global norms were perceived to challenge local practices in ways that established local powerholders found disrespectful or threatening, the legitimacy of these norms was frequently challenged. The effects of the resulting power and legitimacy struggles on the strengthening or weakening of global regulatory standards remained highly contingent on path-dependent contests between competing regulatory coalitions at both local and global levels.

Collectively, the papers demonstrate how patterns of norm domestication vary across contexts not only because of differences in political institutions and interest configuration across locations, but also because of much more contingent features of agency and timing, which shape the ways that global norms become salient or useful to key actors in local political contests. Analysis highlights not only dynamics of power and conflict emerging in encounters between ‘global’ norms and agendas of ‘domestic’ ownership or control, as traditions with a strong north-south orientation tend to emphasise, but also dynamics of contestation and power among competing domestic actors, who often appropriate global norms for the purpose of advancing existing domestic political agendas. These findings thus point towards the value of frameworks for studying contested norm domestication that explicitly focus on political agency and contingency, alongside broader macro-structural influences on the evolution of institutions and regimes of resource governance in the developing world.
References


