

# Queen's researcher explores effectiveness of Extractive Industries Transparency Initiative

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Queen's University political researcher Nathan Andrews has co-authored a report on the effectiveness of the Extractive Industries Transparency Initiative (EITI) in improving transparency and domestic government in resource rich countries suffering from the "resource curse."

"It's a great initiative to begin with because it brings some of these opaque practices (around) taxes and royalty payments into the public domain," says Dr. Andrews. "We felt that it's not just about having the initiative. We needed to test, over the long-term, how it has impacted the [countries](#) that have signed on and to what extent. The reports disclose these huge sums of money, trillions of dollars in tax and royalty payments, but does that disclosure have any impact?"

Dr. Andrews and his colleagues looked at the first 16 countries that achieved EITI compliance as of 2012 to determine if meeting the requirements of disclosure correlated with improved accountability for local governments, per capita GDP growth and improved standard of living for residents.

Interestingly, the researchers found that EITI countries did not perform better under the scheme and did not perform better than other resource rich countries such as Canada that were not signatories to EITI. Dr. Andrews and his team speculate that the limited scope of the initiative, its voluntary nature and the lack of a strong, independent media in most of the nations profiled prevented the initiative from being as effective as it could have been.

"Even within the framework, one of the challenging aspects is that participation and disclosure are voluntary," he says. "The countries that really are part of the initiatives are not better off in terms of accountability."

Since the 1950s, researchers have noticed, paradoxically, that countries with an abundance of natural resources, specifically non-renewable resources like minerals and fuels, tend to struggle to achieve economic growth, transparency and democratic rule. Programs such as the EITI were launched to bring [transparency](#) to the [royalty payments](#) countries receive in exchange for resource extraction, with the goal of reversing the resource curse.

Dr. Nathan Andrews is a Banting Post-Doctoral Fellow in the Department of Political Studies at Queen's University. The full study, titled Energy Governance, Transnational Rules and the Resource Curse: Exploring the Effectiveness of the Extractive Industries Transparency Initiative (EITI), has been published as an open source piece in the journal *World Development*, and is available online.

**More information:** Benjamin K. Sovacool et al, Energy Governance, Transnational Rules, and the Resource Curse: Exploring the Effectiveness of the Extractive Industries Transparency Initiative (EITI), *World Development* (2016). [DOI: 10.1016/j.worlddev.2016.01.021](https://doi.org/10.1016/j.worlddev.2016.01.021)

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