

Group 4. The Economics and Politics of Phosphate

Morocco and the Western Sahara are key producers (miners) of phosphate (See Figure 1). Phosphate also plays a role in a political conflict between Morocco and the Western Sahara. Because of this, some information about Western Sahara is given on this page, and you should also read the statement by the company PotashCorp. Use all of this information to answer the questions on page 2–3.

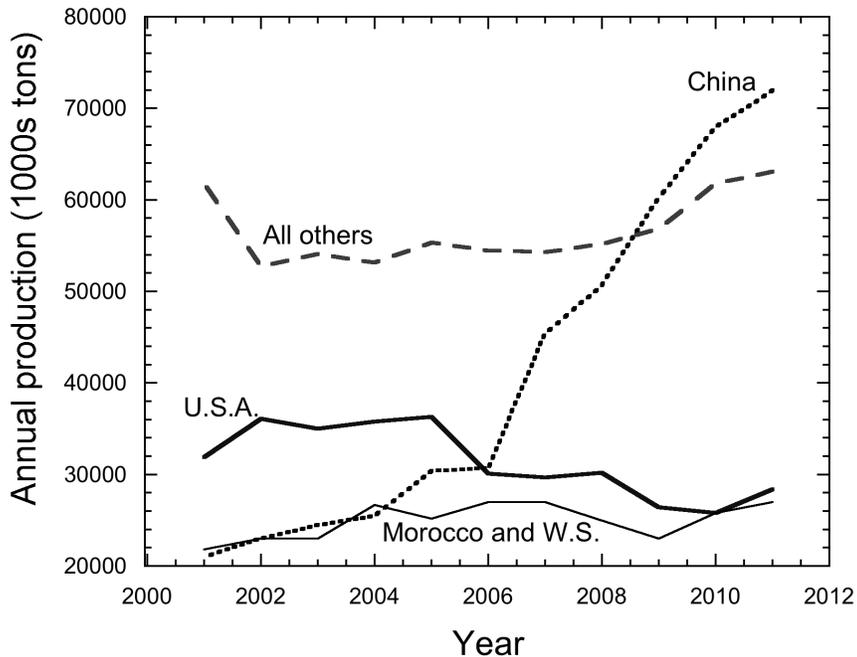


Figure 1. Data from USGS Mineral Commodity Summaries (2002–2011). W.S. stands for Western Sahara, which has phosphate mines run by the Moroccan state-owned company OCP. Morocco plans to almost double their phosphate production by 2017 (USGS Commodity Summary 2012).

Some Information about Western Sahara

Spain controlled Western Sahara until 1976. When they pulled out, two countries, Morocco and Mauritania, claimed the territory, but this was disputed by an independence group called Frente POLISARIO (Frente Polpular para la Liberación de Saguia el-Hamra y de Tio de Oro).

Mauritania pulled out of the conflict in 1979. Morocco took over the western part of the territory, but Frente POLISARIO controls the eastern part of the territory and still contests Morocco's takeover. The United Nations and Organization of African Unity have been working since then to resolve the conflict.

A ceasefire was enacted in 1991 and has been generally held since then. However, the border between the eastern and western portion of the region is littered with land mines. Initially, the

UN and OAU hoped to hold a referendum in the 1990s in which people of Western Sahara could vote on their fate (whether to be part of Morocco or an independent country), but that referendum still has not taken place. The interested parties cannot come to agreement on a plan, as they have such opposing positions.

Mining began at the Bou Craa phosphate mine in the 1960s. As it is in the western portion of Western Sahara, Morocco's state-owned company OCP took over and now owns and operates the mine. Moroccans moved into the area to work the mine, potentially displacing local (Western Saharan) workers.

The European Union banned imports of Western Saharan phosphate due to consumer protest. (The protestors claim that OCP, and the Moroccan government, illegally took over the mine and basically stole the mine revenue from Western Sahara.) The United States imports phosphates from Morocco and plans to be heavily reliant on Moroccan phosphate when our own reserves run out. In 2010, a major fertilizer manufacturer in the United States called Mosaic Corporation stopped importing phosphate from Western Sahara (although it still imports rock from the mines in Morocco). A company called PotashCorp does import phosphate from Western Sahara. They released a statement (included) about this in response to consumer pressure.

On January 15, 2012, when asked about Western Sahara, then-Secretary of State Hillary Clinton said, "And with regard to the Western Sahara, our policy has not changed. We continue to support efforts to find a peaceful sustainable mutually-agreed-upon solution to the conflict. We support the negotiations carried out by the United Nations and we encourage all parties . . . to play an active role in trying to move toward a resolution."

1. Before the United States runs out of our own phosphate, we will start importing more phosphate to supply our needs. Morocco is expected to be our main source of phosphate. The graph above shows that China is producing more phosphorus than Morocco, so why then will we import more phosphorus from Morocco? (Hint: think about how those two countries differ.)

2. What concerns arise if the United States becomes heavily reliant on one country (like Morocco) for its phosphorus?

3. Why are companies in the United States questioning whether or not they should import phosphorus from Western Sahara?

4. Why does PotashCorp feel that it is okay to import phosphorous from Western Sahara?

5. What are your opinions about PotashCorp's claims?