

WEST AFRICA: AMERICA'S FOREIGN POLICY POST 911 AND THE 'RESOURCE CURSE,' A HEAD ON COLLISION

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Can the current American foreign policy strategy in West Africa prevent or diminish the effects of the 'resource curse'?

Since 911, there has been a greater focus on West Africa¹ in American foreign policy. The United States has determined that unimpeded access to African oil is a national security interest of the United States. In 2002, Walter Kansteiner, the assistant secretary of State for Africa, said, 'African oil is of national strategic interest to us, and it will increase and become more important as we go forward'². According to the former Ambassador to Chad this is the first time the concepts 'Africa' and 'U.S. national interest' have been uttered in the same sentence.³

West Africa currently supplies the U.S. with 15% of oil imports, and U.S. officials predict that West Africa will supply 25% of American oil imports by 2015.⁴ Currently, many African oil-exporting countries are afflicted with the 'resource curse.' The 'resource curse' is a phenomenon where resource abundant economies experience slow and even declining rates of economic growth. According to research completed by Sachs and Warner, between 1970 and 1989 none of the countries with abundant

¹ For the purpose of this paper West Africa will include Angola, Gabon, Congo, Chad, Niger, Equatorial Guinea, Sao Tome and Principe, Nigeria, Central African Republic, Benin, Togo, Ghana, Burkina Faso, Mali, Mauritania, Senegal, Guinea-Bissau, Guinea, and Sierra Leone. However, the paper will focus on the former ten significant oil producing nations.

² Michael Crawley, (2002, May 23) With Mideast Uncertainty, US turns to African Oil. *The Christian Science Monitor*. Retrieved November 23, 2006, from <http://www.csmonitor.com/2002/0523/p07s01-woaf.htm>

³Michael T. Klare. & Daniel Volman (2006) America. China & the Scramble for Africa's Oil. *Review of African political Economy*, 108, 298.

⁴ Jonathan Katzenellenbogen, (February 2003) United States Eyes West African Crude. *World Press*, 50(2). Retrieved November 15, 2006, from www.worldpress.org

resources experienced rapid economic growth.⁵ The 'resource curse' is attributed to many socioeconomic and political problems, including a lack of economic diversity, civil conflict, corruption, and authoritarian regimes. This phenomenon threatens the production and exportation of oil in both the long and short term and is a pressing concern for states dependent on external sources of energy.

While the 'resource curse' is both a phenomenon that is well understood and well documented, generally there has been little consideration of the resource curse in foreign policymaking. Recognizing the insecurity present in West Africa, the United States is pursuing a multifaceted foreign policy, focusing on aid, trade, and security. The American foreign policy strategy in West Africa is influenced primarily by the American oil lobby, the war on terror, the desire for energy security, and competition with China. These influences have culminated in a foreign policy strategy that is focused first and foremost on the militarization of Africa. These influences have propelled the policy towards a strategy of militarization; however, there is little evidence that the militarization of Africa will effectively diminish the effects of the 'resource curse.' Conversely, the proliferation of arms and military training in the region could potentially increase the amount and intensity of conflict and insecurity.

This paper will first review the strategies pursued by the United States in West Africa and their efficacy and intentions. This paper will then examine what factors and bodies have influenced these strategies. Subsequently, this paper will use two short case studies to examine the intersection between the 'resource curse' and American foreign policy. Based on this paper's review of American foreign policy in West Africa,

⁵ JD Sachs and A. Warner, *Natural Resources and Economic Development: The Curse of Natural Resources*, European Economic Review (45, 2001), pp. 827-838.

the factors influencing or affecting that policy, and the 'resource curse' this paper will draw conclusions. Specifically, finding that America's foreign policy strategy will do little to both prevent and reverse the effects of the 'resource curse' that plagues West Africa. Thus despite increased financial expenditures and efforts, the U.S. is not pursuing policies that will generate long-term stable and secure oil exports from the Gulf of Guinea. In conclusion, this paper will recommend specific policy changes to the American government.

America's Foreign Policy towards West Africa

America's foreign policy strategy towards Africa, and in particular West Africa is comprised of several elements: trade, social development, the 'war on terror,' and energy security.

West Africa and the 'War on Terror'

West Africa is a fragile region that is susceptible to the infiltration of terrorists. In 2004, in Nigeria, a group dubbed 'the Taleban' carrying a flag with the Islamic symbol, struck out at police stations and abducted several police officers; none of the militants were apprehended.⁶ In addition, in Nigeria, ethnic tensions have been on the rise in the last five years between Christians and Muslims. Recently, Sharia law was extended in the northern region of Nigeria to include only Muslims, undermining the largely secular

⁶Nigeria police hunt Taleban (2004, November 22) *BBC News: Africa*. Retrieved November 12, 2006, from <http://news.bbc.co.uk/2/hi/africa/3679092.stm>

nature of Nigerian society.⁷ In another case, former Liberian President Charles Taylor has been accused of harbouring members of Al Qaeda responsible for the American embassy bombings in Tanzania and Kenya, and he has been implicated in the trading of 'blood diamonds' with Al Qaeda.⁸

The U.S. has responded to the terrorist threat in Africa, and specifically West Africa, by doubling military spending between 2002 and 2005 compared to the three preceding years.⁹ Despite a limited budget and an overextended military due to the Iraq war, the U.S. has allocated greater military attention to West Africa. This shift is due, at least in part, to the regions strategic oil reserves.

West Africa has not experienced a terrorist strike akin to those in East and North Africa, however, due to the political instability, poverty, and the socio-economic and governance crises that plague the region, policy makers are concerned that a terrorist threat is imminent.¹⁰ West Africa's incorporation into America's 'War on Terror' has led to the development of a foreign policy strategy focused primarily on securing and stabilizing the region. Rear Admiral Tallent, Director of the European Command, states that "we are supporting U.S. national security in the global war on terror by enhancing Africa's regional security, thus promoting an Africa that is self sufficient and stable."¹¹

One counterterrorism strategy pursued by the U.S. is the PSI (Pan Sahel Initiative) which was later followed by the TSCTI (Trans Sahel Counterterrorism Initiative). Both programs are aimed at training African security forces to protect their

⁷ Islam in Nigeria: Simmering tensions (2003, September 24) *BBC News: Africa*. Retrieved November 14, 2006, from <http://news.bbc.co.uk/2/hi/africa/3155279.stm>

⁸ Cyril Obi, (2006) Terrorism in West Africa: Real, emerging or imagined threats? *African Security Review*, 15 (3), p. 93.

⁹ Barnes, Sandra T. (2005) Global Flows: Terror, Oil, and Strategic Philanthropy (Electronic Version). *African Studies Review*, 48(1), p. 237.

¹⁰ Obi, p. 88.

¹¹ Obi, p. 92.

borders and detect and detain terrorists. PSI has trained forces in Mali, Mauritania, Chad, and Niger, and the TSCTI will expand both in mandate and countries, to engage Ghana, Nigeria, Algeria, Tunisia, Senegal, and Morocco in learning about basic marksmanship, communication, land navigation, patrolling, and medical care.¹² In addition, countries receive trucks, radios, uniforms, and other equipment.¹³ The program has already resulted in the successful killing of forty-three alleged militants in the Niger-Chad border region.¹⁴

The second American initiative focused specifically on anti-terrorism is the African Crisis Response Initiative (ACRI), which has now become the African Contingency Operations Training Assistance (ACOTA). This initiative is designed to provide training in peacekeeping operations and military tactics by U.S. Special Forces in select African countries including Malawi, Mali, Ghana, Cote D'Ivoire, Benin, Kenya, Senegal, and Uganda.¹⁵ In addition, ACOTA provides African troops with offensive military weaponry including, rifles, machine guns, and mortars, thus training troops in the use of American military hardware (Ibid).

In a third counterterrorism initiative, the U.S. treasury has promoted anti-terrorism legislation in African countries. While some countries have responded to American pressure, other countries, including many Muslim countries, have protested against the new laws promoted by the United States.

¹² TSCTI (Trans Sahel Counterterrorism Initiative) (2006) *Global Security*. Retrieved November 23, 2006, from <http://www.globalsecurity.org/military/ops/tscti.htm>

¹³ Brennan M. Kraxberger, (2005) The United States and Africa: Shifting Geopolitics in an "Age of Terror" (Electronic Version). *Africa Today*, 52(1), p. 58.

¹⁴ Kraxberger, p. 59.

¹⁵ Daniel Volman, (2003, February) U.S. Military Programs in sub-saharan Africa, 2001-2003. *African Centre for Strategic Studies*. Retrieved November 20, 2006, from

White paper (n/d) African oil: A Priority for US Energy Security and African Development. *AOPIG*. Retrieved November 23, 2006, from <http://www.iasps.org/strategic/africawhitepaper.pdf>

U.S. Energy Security and the 'War on Terror'

The 'war on terror' and the American desire for oil security are inherently interconnected. In a regional military conference in Cotonou, Benin, in November of 2006, the American military and military advisors made a considerable appearance, indicating that the United States has a vested interest in securing the Gulf of Guinea for future oil exports.¹⁶ The United States has a vast network of military bases network that circumfuse the globe, however, the United States has only one military base in Africa.¹⁷ It can be seen from *Appendix 1* that the United States tends to establish military bases in countries that reside in important oil exporting regions. Therefore, it is no surprise that the American government has, according to one source, already begun establishing military bases in Senegal and Sao Tome and Principe and has signed military pacts with Gabon, Mauritania, and Guinea.¹⁸ In addition, the Bush administration has reached agreements for the use of airfields in Senegal, Uganda, Ghana, Cameroon, Gabon, Equatorial Guinea, Zambia, and Namibia, and in 2003 was discussing agreements with Nigeria, Benin, and Cote D'Ivoire.¹⁹ As oil exports from a particular region become of greater strategic interest to the United States, based on past U.S. military, a base expansion initiative can be expected. While the United States is primarily interested in securing rights for military bases, they are also pursuing a second foreign policy strategy that intersects with both the 'war on terror' and the U.S. energy policy. This strategy includes programs for arms sales to African governments through

¹⁶ Daniel Stanway, (2006, November 6) Soft power and hard raw materials: China's Africa Campaign. *Interfax*. Retrieved November 15, 2006, from <http://www.interfax.cn/displayarticle.asp?aid=18573&slug=AFRICA>

¹⁷ Volman, February 2003.

¹⁸ US Strengthens Grip on Guinea Gulf Security (2006, November 16) *Afrol News*. Retrieved November 23, 2006, from <http://www.afrol.com/articles/22691>

¹⁹ Volman, 2003.

both direct sales programs, American financing programs, and commercial sales programs.²⁰ Direct U.S. arms sales to Africa have almost doubled in the last two years, reaching 60 million U.S. dollars.²¹ Most American arms sales are directed at South and East Africa, however, commercial sales programs are expanding in many oil producing countries in West Africa.²² In 2002 and 2003, America delivered more arms to Nigeria than any other country in Africa, and next year the U.S. plans to deliver seven surplus Coast Guard cutters to Nigeria to facilitate offshore oil security.^{23 24} U.S. arms and military supply sales have been spread across the African continent, indicating that the United States is not merely pursuing energy security, but also attempting to contain and undermine transnational terrorist networks.

A second program in which West Africa and other African countries have received increased funding is through the American International Military Education and Training (IMET) program. IMET is a program whereby “grants are given to foreign governments to pay for professional education in military management and technical training on U.S. weapons systems.”²⁵ The breadth of IMET has expanded to include 11 new countries since 2000, including Equatorial Guinea and Sao Tome and Principe which are both considered to be important to future global oil production.²⁶ In addition,

²⁰ Volman, February 2003.

²¹ William Church, (2006, October 16) Africa: U.S. Arms Sales Increase. *American Chronicle*. Retrieved November 23, 2006, from <http://www.americanchronicle.com/articles/viewArticle.asp?articleID=14920>

²² Volman 2006 US Military Programs in Sub-Saharan Africa 2005-2007. *Association for Concerned Africa Scholars*. Retrieved November 23, 2006, from <http://www.prairienet.org/acas/military/military06.html>.

²³ U.S. Arms Sales Agreements with and deliveries to Major Clients 1996-2003 (2004, December 8) *CRS Report for Congress*. Retrieved November 23, 2006, from <http://www.fas.org/man/crs/RL32689.pdf>

²⁴ Ibid.

²⁵ William D. Hartung & Frida Berringen (2005, March) Report: Axis of Influence. *World Policy Institute*. Retrieved November 23, 2006, from <http://www.worldpolicy.org/projects/arms/reports/AfricaMarch2005.html>

²⁶ Ibid.

in 2006, Nigeria is expected to be Africa's second largest recipient of IMET program funding.²⁷

The United States is also pursuing other military structured policies in Africa, including the Africa Coastal Border Security Program (ACBSP), which is aimed directly at increasing the security of the Gulf of Guinea to facilitate future offshore oil installations. Additionally, the U.S. has given Nigeria, Sao Tome and Principe, and Ghana Coast Guard Cutters, and has given Nigeria several helicopters to increase their coast guard capacities and secure offshore oil production.²⁸ The U.S. also launched a five week West Africa Training Cruise (WATC) in September of 2005.²⁹ Moreover, there are plans to place 5,000-7,000 American troops in a dozen locations across Africa with close to half of them located in West Africa.³⁰ "All these programs are intended to bolster the capacity of African military forces to protect oil production and transport facilities from any conflict that might disrupt oil shipments."³¹ In addition, they are intended to prepare the U.S. for possible interventions in Africa.³²

Energy Security, the 'war on terror', Development, and Beyond

The United States has recognized that a trade-off must occur in Africa. Congressman William Jefferson³³ statement below exemplifies this trade-off;

²⁷ Congressional Budget Justification for Foreign Operations. Request by Region: Africa (2006) *State Department*. Retrieved November 23, 2006, from <http://www.state.gov/documents/organization/60658.pdf>

²⁸ Barnes, p. 238.

²⁹ Daniel Volman, (2006, July) The Scramble for African Oil. *New African*, pp. 18-21.

³⁰ Barnes, p. 240.

³¹ Volman, 2003.

³² Volman, 2006, July.

³³ Congressman William Jefferson was recently implicated in a scandal involving *igate* (a two-way broadband technology), where he was paid to bribe officials in Nigeria, Ghana, and Cameroon to buy the technology, while convincing the US military to test it. Jefferson was caught with 90,000 dollars in his freezer.

“So Africa provides the oil, helps us with human intelligence, helps us with our access to the Middle East so we can have a forward presence. Our tradeoff has to be to help develop Africa with what makes our country work: transportation and information technology.”³⁴

In a meeting of members of Congress and representatives of the business community in 2002, many speakers spoke highly of the African Growth and Opportunity Act (AGOA), and when concerns of a prolonged ‘resource curse’ in Africa were raised, representatives suggested combining strategies of transparency, democracy, and the opportunities available for countries under AGOA.³⁵ Developed in 2000, the AGOA is available to qualified African countries and provides the most liberal access to American markets available to any region that does not have a free trade agreement with the United States.³⁶ Eligibility for AGOA is based upon,

Have(ing) established, or (are) making continual progress toward establishing the following: market-based economies; the rule of law and political pluralism; elimination of barriers to U.S. trade and investment; protection of intellectual property; efforts to combat corruption; policies to reduce poverty, increasing availability of health care and educational opportunities; protection of human rights and worker rights; and elimination of certain child labor practices. These criteria have been embraced overwhelmingly by the vast majority of African nations, which are striving to achieve the objectives although none is expected to have fully implemented the entire list.³⁷

However, there are several problems apparent in the capacity of AGOA to generate visible development success in Africa. Firstly, AGOA is being used by the United States to encourage African countries to remove trade barriers to American products in the

³⁴ Paul Whiby, & Barry Schuz (eds) (2002, May) Proceedings of an Institute Symposium: African Oil: A priority for US National National Security and African Development. *Institute for Advanced Strategic and Political Studies*. The University Club Washington DC.

³⁵ Ibid.

³⁶ AGOA legislation: Summary of AGOA 1 (2006) *Africa Growth and Opportunity Act*. Retrieved November 23, 2006, from http://www.agoa.gov/agoa_legislation/agoa_legislation.html

³⁷ Ibid.

hope of producing long-term African-American free trade agreements in the future.³⁸ Despite what the U.S. considers to be unacceptable barriers to trade, America has increased exports to Africa by 40% between 2003 and 2005, and Africa has doubled exports to America in the same time frame. AGOA is aimed at reducing barriers to trade for primarily for textiles, however, over 90% of the growth in trade from Africa to the US can be attributed to Chad, Angola, Equatorial Guinea, and Nigeria, where growth was based almost solely on increases in oil exports.³⁹ Therefore, AGOA's impact on African development, to date, has been negligible. Secondly, AGOA is not an outreach program; therefore, there is little support for those people in Africa who desire to develop an export company. Finally, certain countries, most notably Equatorial Guinea, with a high GDP per capita have been denied access to AGOA despite the economic realities that indicate that the majority of the population is living in abject poverty. While AGOA is a good start to fairer trade for African nations, it will have a limited impact on African development, and will contribute little to preventing the 'resource curse' associated resource dependent economies.

AGOA is only one development mechanism created by the United States to promote overall African development. The Millennium Challenge Account (MCA) is another trade based initiative whereby the United States will distribute ODA to countries that demonstrate good governance, respect for the health and education of their people, and sound economic policies that foster enterprise and entrepreneurship.⁴⁰ President

³⁸ Emad McKay, (2006, June 8) African Nations Wary of Closer Embrace with US. Retrieved November 24, 2006, from http://www.bilaterals.org/article.php3?id_article=4918

³⁹ US Sub-Saharan trade statistics (2005) *AGOA.gov*. Retrieved November 23, 2006, from <http://www.agoa.gov/resources/annstats05.pdf>

⁴⁰ Millenium Challenge Account fact sheet (2002, June) *USAID*. Retrieved November 23, 2006, from http://www.usaid.gov/press/releases/2002/fs_mca.html

Bush has committed 5 billion dollars over five years to this fund. However, like AGOA, MCA targets only a subset of actors and primarily those that have already achieved minimum levels of development, including Uganda, Botswana, and Ghana. Thereby, both the MCA and AGOA tend to bypass both oil-exporting countries and failing and failed states which are the focus of other American foreign policies driven by energy security concerns and the 'war on terror'.

A third development commitment came after pressure and advice from the American Evangelical movement pushed the Bush administration to propose a 15 billion dollar emergency relief fund for HIV/AIDS based on the ABC (abstinence before contraception) approach to HIV/AIDS prevention. HIV/AIDS has been connected to state failure, which as can be seen in *Appendix 1*, is a serious concern for oil-exporting West African states. The United States Institute for Peace suggests that there is a strong positive correlation between population health and state capacity.⁴¹ The HIV/AIDS prevention fund will both increase the prospects of development in West Africa and fulfill the other goals pursued by the current American foreign policy strategy.

The two former American foreign policy strategies in regards to development appear to be at odds with America's interests and other foreign policies the U.S. is pursuing in Africa. Overall, America's foreign policy strategy does not address the causes of the 'resource curse.' Nor does it adequately address the symptoms of this debilitating phenomenon. Therefore, while the American foreign policy strategy may provide greater supply security in the short-term, the effects of the resource curse will remain creating the potential for greater instability in the long-term. To further

⁴¹ Andrew T. Price-Smith & John Daly (2004) Downwards Spiral: HIV/AIDS State Capacity and Political Conflict in Zimbabwe. United States Institute for Peace. Retrieved November 23, 2006, from <http://www.usip.org/pubs/peaceworks/pwks53.pdf>

understand the foreign policies discussed above, the next section will consider influences in American foreign policy making in Africa.

Influences in American Foreign Policy in Africa

American foreign policy in West Africa is influenced by five important factors, several of which have been discussed previously, including national energy security, the 'war on terror,' the oil lobby, competition with China, and the American Evangelical movement. This paper will not address the role of the American Evangelical movement, except to note that their goal is anomalous in the context of the other interests, because the American Evangelical movement pursues a non-military development based strategy that focuses on HIV/AIDS. This paper will focus primarily on the former four influences and their role in foreign policy making.

Energy Security

Africa's position in the world changed dramatically after 911. Never before had the world been so compelled to secure oil resources outside of the oil rich Persian Gulf. When Africa was declared a national strategic interest of the United States, and a bevy of news began to flow into the developed world comparing the Gulf of Guinea to the Persian Gulf, Africa was not prepared for the onslaught of corporate, military, and international attention. Driving America's foreign policy in Africa is the fear that, in the words of President Bush, "America is addicted to oil."⁴² In the 2001 *National Energy Strategy Report*, Cheney grumbled about America's "dependency on foreign powers

⁴² George Bush, (2006, January) President Bush Delivers State of the Union Address. *The White House*. Retrieved November 23, 2006, from <http://www.whitehouse.gov/news/releases/2006/01/20060131-10.html>

that do not have America's interests at heart."⁴³ The Gulf of Guinea provides an alternative source of oil that is, for the most part, not only outside of the scope of OPEC, but in a region more open to democratization and westernization. According to one Congressman,

There's a chance for us to overcome some of the issues of bad governance through democratic influences. These things are not foreseeable in the Middle East. There's a greater prospect for good governance, for the flourishing of democracy, for our supporting democratic institutions, in Africa, and, therefore, for having democratic partners in Africa than there is in the Middle East.⁴⁴

In addition to the reasons previously stated, there are four practical reasons why West African crude is highly attractive to the United States. Firstly, West Africa has greater market openness to foreign companies than other established oil producing regions and U.S. energy imports are more secure when American companies supply the oil.⁴⁵ Moreover, according to industry sources, companies are able to make greater profits per barrel in West Africa's offshore oil fields than any other region in the world.⁴⁶ Secondly, transportation between the Gulf of Guinea and the U.S. is both shorter and accrues fewer costs than shipping oil from the Middle East to the U.S. Thirdly, most African crude is located offshore, which isolates the oil from political upheaval and theft.⁴⁷ And lastly, African oil is low in sulphur which 'provides the high gasoline yield preferred by American refineries.'⁴⁸

⁴³ Dick Cheney, National Energy Strategy Report <http://www.whitehouse.gov/energy/National-Energy-Policy.pdf>

⁴⁴ Whiby, 2002.

⁴⁵ Richard Lowry, (2002, June 17) Into Africa...and out of OPEC. *National Review*. Retrieved November 24, 2006, from http://www.findarticles.com/p/articles/mi_m1282/is_11_54/ai_86481295

⁴⁶ Ellis, Stephen (2003) Breifing: West Africa and Its Oil (Electronic Version). *African Affairs*, 102, p. 135.

⁴⁷ Oil can be stolen from offshore platforms, however with adequate security it is reasonably easy to protect.

⁴⁸ Lowry, 2002.

Despite the overwhelming benefits of West African crude, there are also drawbacks. Most importantly, the United States faces political and economic risks when investing in a region with rampant bureaucratic and political corruption and many failed and failing states (see *appendix 1*). In addition, should West African development continue to decline, America risks a situation similar to that of the Middle East where their investments and oil supplies cannot easily be secured? A third risk, which is also an emerging reality in West Africa and will be discussed further later, is that in order to facilitate investment, the United States will need to partner with governments that have incurred a legacy of human rights abuses and are inherently corrupt. Despite certain important drawbacks, West African oil is of strategic interest to the United States explaining why the U.S. has broadened their foreign policy agenda placing greater emphasis on West Africa.

The discussion above has also demonstrated why West African oil appeals strongly to America corporate investors. Oil-related foreign direct investment (FDI) has increased rapidly in the last five years in West Africa. In Equatorial Guinea alone, 5 billion U.S. dollars were invested between 1998 and 2003. It is estimated that in the near future 65-75% of U.S. direct investment in Africa will be in the energy sector.⁴⁹ However, it also estimated that American companies will contribute only 40% of total FDI in oil resources extraction in West Africa.⁵⁰ America may find a significant obstacle from the expanding Chinese market.

⁴⁹ Stephen Ellis, (2003), p. 135.

⁵⁰ Adam Wolfe, (2006, March 20) The Increasing Importance of African Oil. *Power and Interest New Report*. Retrieved November 16, 2006, from http://www.findarticles.com/p/articles/mi_m1282/is_11_54/ai_86481295

China

China has an indirect and increasingly important influence on both the formulation and affects of U.S. foreign policy in West Africa. As late as 1993, China was self-sufficient in oil production, since then China's demand has more than doubled and China's thirst for oil has created greater competition in global energy markets.⁵¹ In early November 2006, 48 African countries were invited to China for a summit to discuss China's 'mutually beneficial' interests in Africa. In the same summit, China promised to double its aid to Africa in the coming years.⁵² Currently, China receives significant and growing oil imports from Sudan, Angola, Chad, the Congo, and Equatorial Guinea.⁵³ China's insatiable appetite for oil has led it directly to West Africa for the same reasons that U.S. companies first increased their presence there: markets are not dominated by state-owned companies (as of yet), OPEC has yet establish a strong footing, and new oil reserves are being discovered at an unprecedented rate.⁵⁴

China has a long history in Africa. Since the late 1950s, China has provided weapons to African groups pursuing independence, university educations for many African students, and aid in emergencies and crises.⁵⁵ In addition, unlike the United States, China maintains a 'hands off' policy in Africa, in which all Chinese aid comes free of economic and political constraints. Therefore, China has been granted greater liberty to invest in countries whose governments are considered to have committed grave human rights abuses or to be profoundly corrupt.

⁵¹ Daniel Yergin, *Ensuring Energy Security*, *Foreign Affairs*, (March/April 2006).

⁵² Daniel Stanway, (2006, November 6).

⁵³ Ibid.

⁵⁴ Katzenellenbogen, 2003.

⁵⁵ Klare, et al, 2006, p. 304.

China has a two pronged national interest in Africa, to generate a new market for the export of Chinese manufactured goods and to secure oil supplies; the latter being the more important of the two. The U.S. Department of Energy estimates that between 2002 and 2025 China's total energy consumption will rise 153% and therefore China must secure new and stable oil supplies quickly.⁵⁶ China already has a significant presence in Sudan, and has most recently closed a 2.3 billion dollar deal to acquire a 45% stake in off-shore Nigerian oil fields.⁵⁷ The second prong of China's strategy is related to trade. Since 2000, two-way trade between China and Africa has quadrupled, to reach 40 billion in 2005.⁵⁸ Africa has provided China with an important market for low cost textiles and manufactured goods.

While China's presence in West Africa does not present a threat to the United States, China's investment strategies and diplomatic tactics are troubling for several reasons. Firstly, China's 'aid for oil' strategy has undermined international efforts to bring about transparency and political reform.⁵⁹ For example, in Angola, when the international community held back loans and aid to pressure Angola to create greater transparency in the oil sector, China stepped in and offered Angola a 2 billion dollar package of loans and aid, most notably for infrastructure, in return for remaining a key oil supplier to China.⁶⁰ In addition, while Chinese aid is provided without political and economic restrictions, it is often mandated that all infrastructure projects be contracted to Chinese firms, who will, more often than not, import Chinese workers for the

⁵⁶ Ibid.

⁵⁷ Ibid., p. 305.

⁵⁸ Elizabeth Economy, (2006, November 2) The Perils of Beijing's Africa Strategy. *International Herald Tribune: Council on Foreign Relations*. Retrieved November 23, 2006, from http://www.cfr.org/publication/11886/perils_of_beijings_africa_strategy.html

⁵⁹ Esther Pan, (2006, January 12) Background: China, Africa, and Oil. *Council on Foreign Relations*. Retrieved November 25, 2006, from http://www.cfr.org/publication/9557/china_africa_and_oil.html

⁶⁰ Ibid.

construction. Therein, the recipient country benefits from the completed infrastructure but rarely profits from the construction.

A second problem lies in China's capacity to undermine U.S. aid policies. The much touted AGOA program has been put at risk for two reasons: China is flooding African markets with low cost textiles, reducing the ability of African manufacturers to compete in domestic markets;⁶¹ and more importantly, there is some evidence that China is moving Chinese manufacturing facilities to Africa because China has realised that African textiles receive preferential access to European and American markets.⁶²

China's weapons sales program presents a third problem. China has been accused of selling weapons indiscriminately to prospective buyers around the world. China has been arming African countries since the 1950s and currently provides Africa with 10% of all arms imports. China's 'non-interventionist' oil investment strategy in Sudan, where China owns 40% of the largest oil company, combined with arms and equipment sales to the government in Khartoum, and China's refusal to press Khartoum to accept a UN peacekeeping mission, have resulted in the accusations that China is either fuelling and/or exacerbating the current conflict in Sudan.^{63 64}

The challenges that China poses to the United States in West Africa have increased American concerns that China will "undo much of the progress that has been made on democracy and governance in the last 15 years in African nations."⁶⁵

⁶¹ Nigeria's textile industry has been devastated by the flood of Chinese textiles leaving vast numbers of youth unemployed (Lyman 2005).

⁶² Pan, 2006.

⁶³ Economy, 2006.

⁶⁴ Klare, 2006, p. 304.

⁶⁵ Ibid., p. 305.

However, there are concerns that as the United States buckles to corporate interests and energy security they will themselves undo much of the progress in the region.

Currently, China's presence in the African oil industry has, thus far, has only had a limited influence on American foreign policy; however, China's capacity to undermine U.S. development efforts have generated increasing fears that competition for resources between the two great nations will lead to a race for the bottom. Additionally, China's 'hands off policy' limits the capacity of the United States to use diplomatic pressure to force governments to alter their policies.

Oil Lobby

In the United States the African oil lobby is lead by a U.S.-Israeli lobby, the Institute for Advanced Strategic and Political Studies, which has established a working group entitled the African Oil Policy Initiative Group (AOPIG).⁶⁶ However, the African oil lobby also consists of major oil companies, pro-Israeli groups, and the Congressional Black Caucus.⁶⁷ Recently, AOPIG produced a white paper recommending that the United States create a military command in West Africa to increase security in the Gulf of Guinea in order to secure American infrastructure investments.⁶⁸ However, AOPIG also strongly emphasizes the development of Africa; they highlight the potential of both AGOA and the New Partnership in African Development (NEPAD)⁶⁹ to aid African development. In addition, AOPIG stresses government, NGO, and Corporate

⁶⁶ Ellis, 2003, p. 135.

⁶⁷ Ibid.

⁶⁸ White paper (n/d) African oil: A Priority for US Energy Security and African Development. *AOPIG*. Retrieved November 23, 2006, from <http://www.iasps.org/strategic/africawhitepaper.pdf>

⁶⁹ NEPAD's mandate is to promote growth, incorporate Africa into the process of globalization, empower women, and eradicate poverty.

cooperation on development issues and suggests creating tax incentive for oil companies contingent on the companies publishing their payments to oil producing governments.⁷⁰

While AOPIG leads the American oil lobby, oil companies are pressing the American government to renew ties with oil producing states to facilitate trade and investment despite rampant government corruption. To this end, America has recently renewed diplomatic relations with Libya and Equatorial Guinea. The American government states that renewed diplomatic ties were a reward for Libyan cooperation in the 'war on terror.' However, American oil companies have been lobbying the U.S. to renew ties and remove Libya from America's terrorist list because their work was hindered by restrictions on dual use technology.⁷¹ In addition, US oil companies feared that without renewed diplomatic ties China would have unfair advantage in the upcoming round of licensing.⁷² In another case, President Bush, impelled by worries of energy security and the oil lobby, reopened the U.S. embassy in Equatorial Guinea despite protests by human rights groups.⁷³

The American oil lobby is keen to invest in West Africa, and despite rhetoric concerning African development, their foremost concern is to lead oil exploration and extraction as new reserves are found, and therefore, they require unrestricted and secure access to oil resources. Thus, the oil lobby provide consistent domestic support for a foreign policy focused foremost on the progressive militarization of West Africa.

⁷⁰ White paper (n/d).

⁷¹ Libya-US Ties Renewed (2006) Africa Research Bulletin: Overseas Relations, 16666.

⁷² Ibid.

⁷³ Brendan McSherry, (2006). The Political Economy of Oil in Equatorial Guinea. *African Studies Quarterly*, 8(3), Retrieved October 15, 2006, from <http://www.africa.ufl.edu/asq/index.htm>

The 'War on Terror'

These same security concerns are driving the logic behind West Africa's incorporation into the 'war on terror'. While America strives to secure West African oil, they have also recognized that failed and failing states, which predominate in West Africa, pose a security threat to the United States and the World. In his overview of America's National Security Strategy, President Bush acknowledges that weak states can pose a danger to America's national interests, and "poverty, weak institutions, and corruption can make weak states vulnerable to terrorist networks and drug cartels within their borders."⁷⁴ West Africa's failing and failed states, the existence of a large Islamic population in several states (Nigeria and Sierra Leone), and large well financed criminal-financial networks comparable with Al Qaeda have caused significant concern amongst American foreign policy analysts.⁷⁵

"West Africa is one of the global sites for the US's war on terror, involving both governments of the region and ECOWAS (Economic Community of West African States) in a counter-terrorism partnership with the US and G-8 allies. Critical to the partnership is US interest in ensuring that terrorist groups do not find sanctuary, raise funds, recruit terrorists and operate from this region. Another consideration is the need to protect vital Western and US strategic and energy security interests in the region."⁷⁶

What is not stated above is the correlation between terrorist financing and oil revenue, which is growing concern in West Africa.⁷⁷ For the reasons stated in the previous sections, the 'war on terror,' U.S. energy security, and the oil lobby have contributed significantly to the militarization of America's foreign policy strategy in West Africa.

⁷⁴ George Bush, (September 17 2002) The National Security Strategy of the United States. *White House*. Retrieved November 20, 2006, from <http://www.whitehouse.gov/nsc/nssall.html>

⁷⁵ Kraxberger, 2005, p. 55.

⁷⁶ Obi, 2006, p. 91.

⁷⁷ Fuelling Terror (n/d) Institute for the analysis of Global Security. Retrieved November 23, from <http://www.iags.org/fuelingterror.html>

Moreover, China's growing presence in the region has increased the pressure for a greater American military presence. While the four factors currently influencing and affecting American policies and programs in Africa may contribute to a policy that creates greater security in the short-term, their commitment to policies that might prevent or diminish the 'resource curse' is limited.

U.S. foreign policy and the 'resource curse'

The essential thesis of the 'resource curse'⁷⁸ is the paradox that countries that have plentiful natural resources experience slow economic growth or economic decline. The 'resource curse' has been occurring in West Africa for some time. Real per capita incomes in Congo, Gabon, and Angola have plunged to levels seen twenty years previously.⁷⁹ In Nigeria the situation is worse,⁷⁹ and despite 340 billion USD in oil revenues, real per capita incomes have fallen to 1960s levels while more than 70% of the population lives on less than a dollar a day, 43% lack sanitation and clean water, and infant mortality is among the highest in the world.⁸⁰

To explain the 'resource curse', Leonard and Straus employ the term enclave production, which includes resources that cannot be easily moved or changed, are less labour intensive, and are geographically concentrated.⁸¹ According to Leonard and Straus, enclave production increases the likelihood of both personal rule and civil war

⁷⁸ Another term for the 'resource curse' is Dutch Disease. This name comes from the effect of oil discovered on the economy of the Netherlands in the 1960s and 1970s. The oil created an export boom but the domestic economy suffered from inflation and decline.

⁷⁹ Terry Lynn Karl & Ian Gary (2004, January) Petro politics special report. *Foreign policy in focus*. Retrieved November 23, 2006, from <http://www.fpi.org/papers/03petropol/development.html>

⁸⁰ Ibid.

⁸¹ This includes tree crops, oil, and mining. David K. Leonard, & Scott Straus (2003) *Africa's Stalled Development: International Causes and Cures*, Boulder: Lynne Rienner Publishers Inc.

for four reasons: revenue is generated whether or not the state functions, it generates a steady stream of cash, there is little or no motivation/desire for national cooperation or legitimacy at both the international or national level, and the welfare of the political elites are not tied to the welfare of the public.⁸² Fearon and Laitin have proven that countries exporting oil, and not other enclave resources, are more likely to undergo a civil war partly due to the ease of financing a rebellion.^{83 84} In addition, according to Professor Terry Karl, “oil over time reduces welfare, lowers growth rates, leads to political instability of oil exporting countries, causes great environmental damage, and also buffers regimes, authoritarian regimes that are violators of rights.”⁸⁵ While it is possible to escape the ‘resource curse,’ as seen in the oft cited case of Botswana, in West Africa it is typical for most enclave producers, both veteran and novice, to suffer from the ‘resource curse’.

To understand the relationship between American foreign policies and the ‘resource curse’ this paper will explore the case of Equatorial Guinea and Angola. While Nigeria provides a relevant case study that demonstrates conclusions similar to those seen in Angola and Equatorial Guinea, due to length constraints this paper will not consider this case study.

⁸² David K. Leonard & Scott Straus (2003) *Africa's Stalled Development: International Causes and Cures*, Boulder: Lynne Rienner Publishers Inc.

⁸³ J.D. Fearon and David D. Laitin, *Ethnicity, Insurgency and Civil War* American Political Science Review (97, 1), pp. 75-90.

⁸⁴ McSherry, 2006, p. 91.

⁸⁵ Whilby, 2002.

The Case of Equatorial Guinea

Equatorial Guinea provides an ideal example of the 'resource curse.' At 50, 200 USD Equatorial Guinea now has the second highest GDP in the world and the real growth rate of their GDP is growing at 18.6%, yet life expectancy remains under 50 years old, the same as Ethiopia, a country with a per capita GDP of \$900.⁸⁶ Equatorial Guineans are burdened by the personal rule and corruption that plagues the country. Obiang Nguema Mbasago rules the country through patronage and repression.⁸⁷ He is known for his reprehensible record of human rights abuses, scandal, and corruption.⁸⁸ Obiang has recently been implicated in a scandal with Riggs bank of Washington DC, where he was accused of siphoning off 35 million USD from the Equatorial Guinean government into his own personal accounts.

What is relevant to this discussion is the policy response by the US to Equatorial Guinea. In 2003, the United States reopened their embassy in Equatorial Guinea despite loud opposition from human rights groups.⁸⁹ In addition, to reduce their dependence on Middle Eastern oil, the United States has worked to improve relations with Equatorial Guinea.⁹⁰ Recent attempted coups have pushed the U.S. government to support Obiang's regime in order to increase the stability of oil production. To promote stability, Equatorial Guinea has become the U.S.'s newest inclusion in IMET. The efforts made by the American government reflect the interests of the oil lobby; three U.S. oil companies: Exxon Mobile, Amerada Hess, and Marathon Oil dominate

⁸⁶ World Fact book: Equatorial Guinea, Ethiopia, Angola (2006) *Central Intelligence Agency*. Retrieved November 23, 2006, from <https://www.cia.gov/cia/publications/factbook/geos/ek.html>

⁸⁷ McSherry, 2006, p. 21.

⁸⁸ Ibid.

⁸⁹ George Jdrzej Frynas, (2004) The oil boom in Equatorial Guinea (Electronic Version). *African Affairs*, 103(413), p. 538.

⁹⁰ Ibid.

Equatorial Guinea's oil production.⁹¹ The United States and the oil lobby's rhetoric of good governance has been largely absent in the case of Equatorial Guinea. The oil industry supplies 10,000 jobs in Equatorial Guinea, mostly to American, Cameroonian, and Nigerian expatriates.⁹² ⁹³ Reducing cocoa production and falling ODA, coupled with limited government investment in social services⁹⁴ has resulted in the deterioration of living standards for the average Equatorial Guinean.⁹⁵ In addition, corporate philanthropy has been minimal, and in some cases has furthered government patronage; mosquito nets donated by ExxonMobil to the health ministry were sold, in part to the public and in part to Cameroon.⁹⁶ While poverty increases, so does discontent. Ethnic tensions between the Bubi and the Fang have been exacerbated by oil production. The Fang have been the recipients of the majority of oil revenues, and inequitable development may only increase the chances of ethnic and regional violence; this is consistent with the 'resource curse'.⁹⁷

Equatorial Guinea exemplifies America's failure to fulfill rhetoric concerning positive African development coupled with policies that aid African countries to avoid the 'resource curse.' America's foreign policies as discussed in the first section, which include TSCTI, ACOTA, ACBSP, IMET, will all result in increases in the military capabilities of Obiang's regime. However, Obiang's regime, in concert with American oil companies, is at the root of the problem. The senate investigation into the Riggs Bank scandal has indicated that U.S. oil companies were involved in numerous questionable

⁹¹ Ibid., p. 530.

⁹² Ibid., p. 540.

⁹³ McSherry, 2006, p. 18.

⁹⁴ Equatorial Guinea spent 1.4% of their GDP on health, lower than that of Cameroon, Nigeria, and Mozambique, Amongst others. (Frynas 2006 543)

⁹⁵ Frynas, 2006, p. 543.

⁹⁶ Ibid.

⁹⁷ McSherry, 2006, p. 89.

transactions with Obiang and the wealthy elite of Equatorial Guinea.⁹⁸ Personal rule and corruption negate progress towards democracy, transparency, and development. While security is one of the first steps to development, citizens can become less secure when weapons and training are provided to a repressive regime. Additionally, other U.S. policies including AGOA, MCA, and ABC will have little affect on Equatorial Guinea, as they will not fulfill the requirements of the latter two, and the population is too impoverished to benefit from the first. In a worse case scenario, China might decide to move into the oil market in Equatorial Guinea, undermining any positive steps taken toward democracy and transparency through their 'hands off' policy which may be very positively received by Obiang and his family.

The Case of Angola

The case of Equatorial Guinea exemplifies the inadequacy of American policies to combat the 'resource curse'; however, it is not a unique example. In Angola, to use the words of David Sogge, "the nation is ruled (by a) constellation of politician *rentiers*, petroleum sector technocrats and military officials, who all use the state to further their own interests."⁹⁹ The country has been ravaged by war, corruption, structural adjustment, and poor governance; today Angolans face human rights abuses, poverty, and a life expectancy rate of less than of 40 years.¹⁰⁰ ¹⁰¹ Despite evidence that the Angolan government has siphoned off 4 billion dollars in oil receipts, in 2003 the United

⁹⁸ Justin Blum, (2004, September 12) US Oil Firms Entwined in Equatorial Guinea Deals. *Washington Post*. Retrieved November 23, 2006, from <http://www.washingtonpost.com/wp-dyn/articles/A1101-2004Sep6.html>

⁹⁹ David Sogge, (2006, January) Angola: Global "Good Governance" Also Needed. *FRIDE*. Retrieved November 23, 2006, from <http://www.tni.org/archives/sogge/angola.pdf>

¹⁰⁰ *Ibid.*

¹⁰¹ World Fact Book, 2006.

States has accepted Angola into the AGOA program, which requires that a country undertake visible efforts to eradicate corruption. In fact, the United States has accepted all significant oil producing states in West Africa into AGOA, with the exception of Equatorial Guinea, despite dubious efforts by many of those states to eradicate poverty, eliminate corruption, endorse the rule of law, and increase spending on health care amongst others things that are criteria for acceptance into the AGOA program.¹⁰²

Implications

Foreign policies

America's current foreign policy strategy will fail to avoid the 'resource curse' in Africa for three reasons. Firstly, no policy is aimed explicitly at breaking the cycle of personal rule, corrupt governments, and patronage that plague West Africa. The United States is generally following trade based development strategies which do not eliminate patronage politics, and have little hope of disseminating wealth amongst the very poor. In addition, America's military and naval programs work with existing regimes, without requiring elements of good governance.

Secondly, the current strategy is lopsided and favours a military based approach in West Africa. Training and arming weak, ineffective and/or corrupt governments is risky. African governments are prone to coups; between 1956 and 2001 West Africa experienced 85 failed or successful coups, more than any other region in Africa.¹⁰³ Therefore, the likelihood that arms, military equipment, and even military training can

¹⁰² AGOA legislation: Summary of AGOA 1 (2006) *Africa Growth and Opportunity Act*. Retrieved November 23, 2006, from http://www.agoa.gov/agoa_legislation/agoa_legislation.html

¹⁰³ Patrick McGowan, (2003) African Military Coups d'etat: Frequency, Trends, and Distribution. *Journal of Modern African Studies*, 41 (3), p. 354.

land in the hands of armed militias is very high. “The paradox is that the US national security interest can lead to a military build-up that subverts the very premise – the reduction of conflict –upon which it is based.”¹⁰⁴ Daniel Volman attributes Gabon’s stability to the capacity of the government to avoid large arms purchases and manage political competition over oil revenue.¹⁰⁵ Consequently, by providing more arms for future coups and armed resistance, the American government’s security efforts may in fact contradict the stated principles of both the government and the industry, which is to promote stable development to insure a secure flow of oil and minimize the risk of transnational terrorism.

Lastly, the American strategy fails to identify the role of corporations in the cycle of the ‘resource curse.’ The American government has not endorsed strategies such as Publish What You Pay (PWYP) and have instead attempted to shift the burden of transparency to oil-exporting states versus oil-exporting corporations.¹⁰⁶

Influences

The factors influencing American foreign policy will make it very difficult for America to change their current strategy for several reasons. Firstly, oil companies have been largely adverse to any foreign policy strategy that places the onus of transparency on the oil-exporting company. The oil companies have pushed the American government to reject PWYP because it calls for mandatory disclosure of payments in the extractive industry and instead endorse EITI which leaves disclosure of

¹⁰⁴ Barnes, 2005, p. 342.

¹⁰⁵ Volman, 2003 February.

¹⁰⁶ Sogge, 2006, p. 15.

information to the discretion of corporations and oil-exporting governments.¹⁰⁷ EITI is designed to increase transparency and control, ensure long term savings are being made, and stabilize price controls.¹⁰⁸ While many countries have signed on to EITI, most countries have done little to implement the strategy, leaving oil companies free of obligation.

Secondly, the American oil lobby is pushing the U.S. to maintain a strategy with a long term focus on security. Oil companies have been complicit in arming regimes that have favoured American oil-exporting companies over those from other states. In the Congo, Occidental petroleum armed President Lissouba's troops, while the French national oil company, now TotalFinaElf, equipped General Denise Sassou-Nguesso. In addition, oil companies benefit from the militarization of Africa because countries that are reliant upon oil-exports are more likely to focus their military efforts on oil producing regions and the oil industry rather than communities experiencing instability.¹⁰⁹ In addition, military aid to current regimes that favour U.S. oil companies increases the stability and viability of those regimes and therein protect future and current U.S. investments.

Thirdly, China's growing role in African oil development has increased the impetus on the American government and U.S. oil companies to aggressively pursue a large market share of African oil, regardless of the human rights record of the regime controlling the resources. In addition, China has undermined American policies to promote trade within Africa and poses a significant threat to further Western initiatives to

¹⁰⁷ Barner, p. 14.

¹⁰⁸ Congressional briefing on EI transparency tackles resource curse (2006, June 20) *Banking Information Center*. Retrieved November 24, 2006, from <http://www.bicusa.org/en/Article.2850.aspx>

¹⁰⁹ Watts, 2006, p. 15.

promote human rights and good governance. The independent task force for the American Council on Foreign Relations states succinctly the three problems that China poses to the U.S. in West African oil development.

The first is China's protection of "rogue states" like Sudan and Zimbabwe in the face of egregious human rights violations. Second is China's effect on patterns of Western influence: negative pressures—such as withholding aid or placing limitations on investments—to improve an African country's human rights or governing practices provide less leverage if China is prepared to counterbalance that influence. Third, Chinese business practices, which serve state interests as much as a profit motive, create unfair competition to U.S. firms in bidding for contracts.¹¹⁰

China's policy of 'business before politics' weakens western strategies to improve governance; for example, if the U.S. were to pull out of Equatorial Guinea due to the country's human rights record and government corruption, China would soon take their place.¹¹¹ Consequently, the regime could continue to develop and export oil without making significant changes to governance.

A fourth constraint on American foreign policy is the 'war on terror'. The 'war on terror' is most easily concentrated on state-based military education and supply programs combined with U.S.-African military cooperation. However, state-based military initiatives are not necessarily the most effective method of eliminating terrorism. Short-term frugal government thinking has resulted in this state-based military solution, when in reality, targeting the instability, poverty, and repression that plagues regions that have fostered transnational terrorism may be a better means to address the problem of terrorism. Subsequently, a more viable long term solution to the threat of

¹¹⁰ Princeton M. Lyman & J. Stephen Morrison (Project Directors) (2006) A Strategic US Approach Towards Africa: Report of an Independent Task Force. *Council on Foreign Relations*, p. 49. Retrieved November 34, 2006, from http://www.cfr.org/content/publications/attachments/Africa_Task_Force_Web.pdf

¹¹¹ *Ibid.*, p. 51.

terrorism might lie in initiatives of good governance and poverty reduction strategies. To paraphrase the words of Michael Watts the Director of the Center for African Studies at Berkeley, 'under the auspices of military neoliberalism and the 'war on terror', Nigeria may indeed become the next Iraq.'¹¹² This is the very situation that American policy makers and oil companies wish to avoid; at least that is what their rhetoric suggests.

American foreign policy influences in the case of West Africa can generally be expected to pressure the American government to continue adopting policies that will not circumvent the 'resource curse,' and may in fact exacerbate it. This unfortunate reality conflicts with the general understanding that countries that fall in to the trap of the 'resource curse' are more prone to civil conflict, corruption, personal rule, and declining development, and therefore provide an unstable investment climate.

Conclusion

The question this paper opened with was: Can the current American foreign policy strategy in West Africa prevent or diminish the effects of the 'resource curse'? This paper has demonstrated that America's current foreign policy strategy will do little to prevent or diminish the effects of the 'resource curse' in West Africa. The current strategy will leave West African countries thinking, to borrow the words of the former oil minister Sheik Yamani of Saudi Arabia, "All in all. I wish we had discovered water."¹¹³ However, the shift in thinking in American foreign policy that has placed a renewed focus on Africa, including the inclusion of Africa as a national strategic interest, provides greater hope for American participation and leadership in policies and development

¹¹² Watts, 2006, p. 17.

¹¹³ Whiby, 2002.

strategies that can prevent or undermine the 'resource curse' and promote oil-led development in Africa. To date, the pentagon has led the American policy strategy in West Africa, which has focused policies around enhancing military and security capabilities. However, the security of state can be easily undermined when the state is experiencing civil war, economic decline, inadequate social services, or is ruled by a repressive, violent, and/or untrustworthy regime. "We promote the militarization of Africa, ignoring the fact that once again, as with the Cold War, we are creating client states, playing into the hands of powerful military elites and strengthening the hands of corrupt leaders."¹¹⁴ Therefore, the United States must consider the nature of the regimes it arms and trains to determine whether that training and equipment will promote or undermine future stability. In addition, new policies to promote trade and development in oil-exporting countries must be considered.

There are several concrete policies the United States could adopt to prevent the 'resource curse' in West Africa. Firstly, the United States could endorse and provide funding to the Extractive Industries Transparency Initiative (EITI). In addition, they could provide staff to help governments in West Africa implement the initiative. In a bolder move, the United States could support the Publish What You Pay initiative, which puts the onus on the corporation to publish transactions between the oil company and the respective governments. Alternatively, the US could endorse AOPIG's strategy of providing tax incentives for oil companies that publish all their payments to oil producing governments, which would pressure oil companies to increase transparency in their economic transactions with oil producing states. Secondly, the United States could endorse trade initiatives that target West African oil producers, and can aid those

¹¹⁴ Barnes, 2005, p. 248.

countries to diversify their economies. Unemployment fuels conflict and insecurity, therefore, a program to create widespread employment could aid West African countries to stabilize and develop. Thirdly, the United States needs to develop criteria against which they can evaluate African countries to determine whether they should receive military aid. If a country does not meet the criteria than America needs to reconsider plans to equip and train military personnel based on the past performance of the government and the military. West Africa will only suffer from the continued proliferation of small arms. Fourthly, the United States could partner with American oil companies to implement social development and governance projects. Strategic philanthropy by oil multinationals is increasing, and fearing instability and violence oil companies may be more willing to donate significant funds to community or government development projects. Lastly, the United States could partner with the IMF and the World Bank to support the creation of Oil Revenue Distribution Funds in oil-exporting African countries, and encourage other Western states, China, and India to do the same. An additional strategy supported by many academics encourages the United States to actively include China when pursuing development strategies in Africa. However, recent events in Sudan demonstrate that China is highly unresponsive to international engagement on humanitarian issues, thus, at least in the short term, this strategy may prove futile.

America's current foreign policy strategy has little hope of increasing energy security and reducing the threat of terrorism in oil-producing states of West Africa. Moreover, the oil-producing states of West Africa will remained mired in poverty, disease, crime, corruption and in some instances civil war, doomed to remain in the shadow of the 'resource curse.' By recognizing the existence of the 'resource curse' and

its effects, the United States has the opportunity to pursue a more diverse foreign policy strategy with a greater likelihood of achieving both their own strategic goals and reducing the effects of the 'resource curse.'

Appendix 1

U.S. oil imports	%	U.S. Military Bases	Fund for peace failed Index: Warning, Monitoring, Sustainable	State Alert, or Borderline	Foreign Policy Failed States Index: Critical, In Danger, or Borderline
<i>Europe</i>					
UK	2.1	Yes	Monitoring		
Norway	1.9	Yes	Sustainable		
Netherlands	1	Yes	Sustainable		
<i>North America</i>					
Mexico	11.1	No	Warning		
Canada	16.1	Yes	Sustainable		
<i>South America</i>					
Colombia	1.1	Yes	Alert		Critical
Ecuador	2.3	Yes	Warning		Borderline
Venezuela	11.7	Yes	Warning		In Danger
<i>Asia</i>					
Russia	2.3	No	Warning		In Danger
Saudi Arabia	12.2	Yes	Warning		In Danger
Iraq	3.5	Yes	Alert		Critical
Kuwait	1.5	Yes	Warning		
<i>Africa</i>					
Nigeria	7.9	No	Alert		Borderline
Angola	3.2	No	Warning		Borderline
Gabon	1	No	Warning		
Algeria	2.7	No	Warning		

(U.S. total crude... 2006; Countries and Separate... 2002: Failed State Index 2006; The Failed State Index 2005)

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