Resource-Fuelled Political Transitions in Africa:
The Way Ahead
by Bruno Hellendorff

Key Points

- *Recent episodes of political violence in the MENA and West Africa regions have drawn attention to the role that natural resources can play in the eruption of conflicts. Conversely, governance of natural resources can provide both the common ground where local belligerents and the international peacebuilding community can meet, and the departure point for all-encompassing, multi-layered peacebuilding strategies to develop.*

- *Two sets of factors have to be computed when trying to understand why natural resources can channel violence: the first is universal and includes the rational calculations by political entrepreneurs to maximize group or individual gains. The second is contingent and relies on the stakeholders' perceptions, which are shaped by particular historical and socio-cultural legacies.*

- *To date, direct external involvement in resource-related conflicts has essentially revolved around targeted sanctions, and external assistance to natural resource governance has focused on two core areas: transparency measures and capacity-building. In both fields, there is an opportunity to seize in better exploiting the domestic political dimensions of natural resources.*

- *Natural resource governance provides entry points for external assistance in the transition to peace and development in two key ways. Reform in the natural resources sector can pave the way for deeper institutional changes; it can also help in shaping the sequencing of peacebuilding practices and options.*

Recent turmoil in the Middle East and North Africa (MENA) region has put human rights and democracy at the fore of global mainstream media attention as drivers of political violence. A succession of coups and the intensification of various armed groups' operations in West Africa further raised the profile of political grievances in the international community's agenda. Yet, other considerations such as horizontal inequalities, identity politics, economic frustrations or environmental variations played a no less important role in these various uprisings, as "root causes", "enabling causes", or both, depending on the case. In such context, natural resources have generally been treated as a concern of essentially international and geopolitical nature, much of the debate revolving around the question of who would gain preferential access to regional wealth. A somewhat missing point to this has been the domestic dimensions of natural resources, and the interconnection between domestic and international considerations in the management of these resources as underlying factors of political transformation. In actual fact, in both regions, catalytic episodes of political violence have had a strong link to natural resources, somewhat overlooked in the security and peacebuilding communities.

"In the MENA region and West Africa, episodes of political violence have had a strong link to natural resources, somewhat overlooked in the security and peacebuilding communities"

Natural Resources as Vectors of Political Transition

Natural resources are key vectors of political transformation. Whether this transformation takes a negative, possibly violent, turn (as was the case in Nigeria and Libya but also in Tunisia, Mali and Côte d'Ivoire) or a positive, growth-enhancing turn (as in Norway or Botswana) ultimately depends on policy choices. These choices constitute the playing field of domestic political constituencies as well as of external actors, be they neighbouring states, international organizations, transnational corporations or non-governmental organizations.

In 2001, Le Billon noted that natural resources in their most basic form, namely a marketable good, already had a fundamental political dimension: "the transformation of nature into tradable commodities is a deeply political process; involving the definition of property rights, the organisation of labour, and the allocation of profits".[1] How these latter policies relate to violence eventually depends on two sets of factors: the first is universal and encompasses the calculations that rational political entrepreneurs make in order to reduce uncertainty and maximize personal or group gains. The

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1 P. Le Billon, "The Political Ecology of War: Natural Resources and Armed Conflicts", *Political Geography,* Vol. 20, Iss. 5, 2001, pp. 561-584.

second is contingent, and embraces the particular historical and societal environment from which stakeholders originate and that define their perceptions and expectations over natural resources and political power. Both aspects need to be addressed by peace-building initiatives if these are expected to be successful.

Searching for common ground: the rational use of resources and violence

In the first case, i.e. in "rational choice" linkages between natural resources and violence, political uncertainty is the central theme. Political uncertainty opens space for contestants to challenge officeholders. While these gaps are institutionalized in democratic systems, authoritarian states try on the contrary to close or limit them. From the incumbents' perspective, oppression appears to be a rational way to reduce uncertainty. On the other side, oppression is often used by contestants to legitimize their challenging of the *status quo*, which in turn has few avenues but violence to thrive. Natural resources provide, in this context, both the motives and opportunity structures justifying the use of force.

The market value of natural resources provides rational actors with potential means to finance their political activities, either within or outside the state, depending on the resources considered, their spatial disposition and the socio-economic processes associated to their commercial exploitation. With regards to motivations, natural resources increase the value of institutions through which their use is legitimized, whether these institutions are "modern", customary or a combination of both, hence encouraging competition over their control. That being said, regardless of their type and range, institutions are more a process than a fixed product; what political entrepreneurs essentially do is try to curb their evolution in their favour. Violence is instrumental.

To take an instance of violence developing at the margins, the National Movement for the Liberation of Azawad (MNLA) military operations were largely motivated by the explicit objective of controlling the so-called Azawad region's riches. Its subsequent unilateral declaration of independence represented an attempt to modify the existing institutions through radical means – secession – with the expectation that the new institutional settings would bring more benefits to its members and support base. In the same vein, "warlordism" in Sierra Leone in the 1990s and the more recent "*ni paix ni guerre*" situation in Côte d'Ivoire have both been characterized by the local institutionalization of war/shadow economies where predatory behaviours outgrew legal obligations and civic liabilities, and where violence has grown to be not only a risk management tool but also a profitable activity. For instance, in then rebel-held northern Côte d'Ivoire, individual military governors – or "comzones" – derived considerable benefits from the diversion of taxes and resource rents, transit tolls, and racketeering among other activities that were made possible by the military stalemate with government forces.

"International efforts aiming to escort a country's political transition should be complemented by locally-led incremental changes in the management of its natural resources"

At the centre, in resource-rich authoritarian states, regime security ultimately relies on the rulers' ability to maintain a delicate balance between "carrots and sticks", meaning between repressive and subsidization policies, and between foreign earnings and domestic spending. As sustaining both equilibriums require strong administrative capacities, it should come as no surprise that most of the MENA and West Africa countries developed a large bureaucracy, to such an extent that the private sector has been quite literally crowded out of their economies (with public investment as the key driver of private activities). In Nigeria, between 1960 and 1999, the size of the public service grew by 350 percent but national population only by 160 percent.[2] Such expansion of the public sector also has the paradoxical effect to generate more uncertainty among leaders for it provides potential power bases for contestants. Challenging the incumbents from within the state apparatus indeed significantly offset their comparative advantage. Natural resources here play a crucial role as an "enabling factor" for authoritarian systems to develop an overstretched and ineffective public sector, so as to limit political uncertainty (by controlling the space available to potential contestants). Firstly, natural resource rents provide leaders with the means to subsidize this wasteful scheme. Secondly, capturing resource rents requires less administrative capacity than implementing effective fiscal policies; this allows governments to subsidize a quiescent bureaucracy. Thirdly, in most cases, resource rents are more easily managed in an opaque and unaccountable fashion than other types of earnings, and this provides both opportunities and motivations for the accumulation of particular economic and political gains by public means. According to this functionalist perspective, considering a country's resource wealth may help interpret and even predict some behavioural patterns among political actors (cf. Table).

Back to basics: particular historical and socio-cultural legacies

In the second case, i.e. in the "societal" linkages between natural resources and violence, it is the role of perceptions that becomes central. Particular historical and socio-cultural legacies also have their role in the constant remodeling of institutions and uses of natural resources. An illustration of this is how the colonial experience of most states in MENA and West Africa shaped a widespread sensitivity on matters related to sovereignty and autonomy. And yet, the main concern of authoritarian regimes when it comes to natural resources is to keep the flows going and capture the rent associated; indigenous capacity-building is a conspicuously absent issue in their agenda, except when it is politically convenient to adopt a rhetoric of "Resources are ours".

This distortion in perspectives inevitably generates friction between the state and the population: popular discontent in Egypt over the government's decision to sell natural gas on unfavourable terms to Israel sharply illustrated this dynamic. Besides, the exploitation of resources is a

2 E. Okechukwu Innocent and S.C. Ugwu, "Developmental State Bureaucracy in Nigeria: Restructuring for Effectiveness (1999-2007)", *Arabian Journal of Business and Management Review*, Vol. 1, No. 4, Nov. 2011, pp. 41-54.

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Table: Resource wealth and expected rational behaviors

		Earnings	Spending	Use of Violence
Resource-rich settings	States	*Rents essentially*	*Geared towards short-term consumption with the aim to consolidate the state, not human capital*	*Repression, destruction of civil society organizations*
	Rebels	*Extortion, levies from resource exploitation/trade*	*Personal gains, securing combatants' allegiances and group cohesiveness*	*Indiscriminate*
Resource-poor settings	States	*Fiscal capacities, extraction from society*	*Investments in welfare and productive capacities, with the aim to consolidate the taxation base*	*Counter criminality, enforce official commitments and credibility*
	Rebels	*Extraction from portions of society*	*Less arbitrary, "marketing" operations*	*Selective*

highly visible process in any given country: shifting the burden of responsibility for unpopular aspects of resource exploitation (pollution, depletion, etc.) to external actors is a common tactic among political staff in MENA and West Africa. International oil companies are often the target of such campaigns, former colonial powers as well. Maybe even more important to the explanation of conflict is the symbolic significance of livelihood resources such as water or land. In many African countries, land tenure reforms have deeply modified local structures of production and affected the livelihoods of local communities, hence contributing to the eruption of frustrations and violence. For instance, Tuareg populations in the Sahel have recurrently expressed their anger over the regional states' handling of their traditional transhumance routes and pastoral wells – which threatened their traditional way of life – by taking up arms.

Natural Resources, Violence and External Involvement
To be sure, in the MENA and West Africa regions, abundant resources have noticeably widened the gap between rulers and the ruled by generating horizontal inequalities and considerably reducing the scope of state-society interactions. In most regional countries, natural resources management has been shaped by a "political economy of state predation", that is the capture of resource rents by political elites buttressing their power via the subsidization of allegiances. Prime examples of such mismanagement of resource wealth included Gaddafi's Libya or Nigeria, where oil rents have ostentatiously been used to grant special favours to specific portions of the population or individuals, in return for political support and to fund unproductive segments of the public sector.

Natural resources, through rational calculations and contextual influences, played a great role in how political violence unraveled in these institutional settings. Conversely, they may also provide fundamental entry points for external assistance in the management of conflict and the construction of a sustainable peace, especially for institutional actors such as the UN or the European Union (EU). Indeed, tackling natural resource management can be a very effective tool within "backward-looking functions of peace processes that address the ends or means of past

disputes as well as [within the] forward-looking functions that shape the visions of a new economy and society".[3]

To date, direct external involvement in resource-related conflicts has essentially revolved around targeted sanctions, and external assistance to natural resource governance has focused on two core areas: transparency measures and capacity-building. We find that, in both fields, there is an opportunity to better exploit the domestic political dimensions of natural resources.

Firstly, the shared reliance of authoritarian regimes on foreign sources of income has unquestionably provided the international community with the opportunity to press for domestic change through targeted sanctions among other instruments. The effectiveness of this leeway, however, depends on the level of cohesiveness among international partners, and is often portrayed by targeted states as "neo-imperialistic" in nature. A very promising approach in crisis management strategies would be to put the domestic dimension of local political arrangements back at the centre of the picture. In so doing, it is indeed at the interface between the state and the population that external assistance may be the most effective. Pressure on the former and relief efforts targeting the latter can only have provisional consequences if underlying structures and institutions are not addressed.

Secondly, natural resource governance is a policy area where international institutions are already most active. Transparency measures in the natural resource value chain – such as the Extractive Industries Transparency Initiative (EITI) – have become a beacon in many international lobbying and policy-making circles. Without a doubt, they are a first and indispensable step towards the consolidation of an economically sound management of natural resources: rents, as "unearned" windfalls are only temporary. In countries experiencing bad resource governance, there is often a lack of will, knowledge, and capacity on how to invest these rents properly, so as to benefit from them in the longer run. Fighting opacity is therefore a productive area for niche diplomacy and international assistance, just like the provision of programmatic advises or quality benchmarks. Success in these fields should logically lower

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3 A. Wennmann, "Breaking the Conflict Trap? Addressing the Resource Curse in Peace Processes", *Global Governance*, Vol. 17, No.2, 2011, pp. 265-279.

the probability of conflict re-emergence, and bring the necessary financing to the development of a performing private sector. Capacity-building initiatives, for their part, aim to foster a democratization process and constitute another key field of cooperation between conflict-ridden, resource-rich, developing countries and the international community. They mostly operate under the premise that resilience to future conflict depends on the consolidation of democratic and decentralized political institutions, a process in which most OECD states claim a certain expertise.

Peacebuilding Options

So far, though, efforts in the governance field have largely concentrated on tentative "great fix-alls" such as data publication in the first case, elections and decentralization programmes in the second. And empirical experiences have shed light on the gaps of such approaches. For instance, in EITI-compliant Nigeria, political and economic elites still managed to take advantage of the official licensing process to secure probably huge private gains. With regard to capacity-building, "the view that state failure is a matter of low capacity, lends itself to 'off-the-shelf' technical solutions that, not coincidentally, are ideally suited for conventional foreign aid programmes. […] Yet, […] in some circumstances state failure is viewed by local elites as a desired outcome, not a problem to be solved".[4] Both transparency and capacity-building measures need to take into account the underlying rational calculations and contextually-dependent perceptions that shaped existing institutions to have an effect in the long run.

At this point, it is critical to reintegrate the economic, functionalist dimension of violence at the earliest stages of conflict management and peacebuilding initiatives – which currently focus more on short-term humanitarian and technical considerations. This can be translated by, for instance, assisting in the drafting of income-sharing deals, in the renegotiation of contracts with extractive corporations, in the interpretation of the country's international legal responsibilities, in the programming of incremental changes in the state's political economy, etc. It is no less fundamental to incorporate local historical and socio-cultural specificities in these same policies: general models and "ideal" processes give local elites the space to loosely interpret them and shape their outcomes in a way that preserves or consolidates their particular interests and leaves popular grievances unaddressed.

As a conclusion, it appears that international efforts aiming to escort a country's political transition should be complemented by locally-led incremental changes in the management of its natural resources. Firstly, the outward-oriented nature of resources flows provides international actors with powerful means to influence individual behaviours through both push and pull policies, via sanctions (embargoes…) and enticements, so as to discourage harm and foster stability. Secondly, what stems from this first point is that natural resources also provide an excellent entry point for international actors to engage with local belligerents, through confidence-building measures and the opening of stable and trusted channels of communication, for example. Thirdly, addressing the rational use and symbolic significance of violence in processes of institutional transformation is an essentially political and local endeavour, to which international organizations can successfully relate via pooling and enabling actions. Support to a locally-driven reform in the field of natural resource governance can here pave the way for other restructuring processes to take place, by affording "quick wins", i.e. rapid and high-visibility peace dividends such as the provision of sanitation and water, by restoring trust in the government's capabilities, by setting an example for other ministries and by constraining the structural opportunities and motivations that led to conflict in the first place.

In such a framework, processes are as important as outcomes, as the level of inclusiveness within decision-making processes often determines how successful and sustainable their outcomes will be. Therefore, not only can natural resource governance provide the field where local and international stakeholders meet, it can also help in sequencing external contributions to local peacebuilding efforts through "stabilizing", "engaging" and "enabling" policies.[5]

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4   K. Menkhaus, "State Failure and Ungoverned Space", in M. Berdal and A. Wennmann (eds.), *Ending Wars, Consolidating Peace: Economic Perspectives*, London, International Institute for Strategic Studies, 2010, pp.176-177.

5   These arguments are based on interviews conducted by the author with several experts and stakeholders, Geneva, December 2011, as well as on the proceedings of the 2011 Annual Meeting of the Geneva Peacebuilding Platform, see J. Milliken, *What the Peacebuilding Community Can Contribute to Political Transitions in North Africa and Beyond*, Geneva Peacebuilding Platform, Geneva, Paper No. 4, 2012.

NB: This paper is solely the opinion of the author and does not necessarily reflect the official view of the GCSP.

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