# OIL AND VIOLENT CONFLICT IN AFRICA

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**ABSTRACT**

There have been violent scrambles to control oil wealth in Angola, Algeria, Sudan, Democratic Republic of Congo, Liberia, Sierra Leone and Nigeria. This paper examines the linkages between oil and violent conflict in selected African countries. The author reviews extant literature on armed conflicts in oil-dependent African countries and explore what could be done to address it. The paper argues that the possession of oil resources and the revenues that accrue to governments from the exploitation of this resource exacerbate conflict and lead to war largely because of poor governance and corruption by states actors. Oil wealth has not been equitably distributed for the benefit of the people. However, if these African governments are transparent and accountable in the management of their oil revenue for the welfare of the people, this will likely reduce the incidence of armed conflicts in these countries. There is no innateness of natural resources that compel conflict. It is rather the hegemonic struggles between superordinated and subordinated groups and the nature of management and appropriation of resources that engender conflict.

**Keywords**: Oil, Resource Management, Violent conflicts, transparency, Africa

## INTRODUCTION

Many African countries derive their main revenue from the exploration and production of mineral resources such as oil and gas, diamond, gold, copper-ore, uranium, platinum, iron-ore, chromate, phosphate, bauxite and many others. However, these countries lie at the bottom of the ladder in comparative statistics on human development (Furley, 1995; Olukoshi and and Laakso, 1996; Sambanis, 2003; Wolf-Christian, 2004). Equally disturbing is the fact that several conflicts in resource rich states are characterized by violent scramble to control these natural resources (Reno, W., 2000a). This is what has led to the characterization of violent conflicts and civil wars in countries such as Angola, Algeria, Sudan, Zaire (Democratic Republic of Congo), Liberia, the Republic of Congo, Sierra Leone, and Nigeria as resource wars, rebellion and insurgencies (Reno, 1995). Only a few African countries, for example Botswana, Gabon and South Africa have shown ample evidence that mineral wealth can be turned into concrete development benefit if properly managed (Wolf- Christian, 2004). However, oil revenues have far-reaching effects on a country's political and economic well- being.

The linkage between natural resources and conflict, such as oil and diamonds has attracted a plethora of studies but there is a lack of consensus on the nature of their relationship to conflict (Furley, 1995; Olukoshi et al, 1996; Reno, 2000a; Reno, 2000b; Wolf- Christian, 2004; Collier, P. and Hoeffler, 2005). The availability of abundant resources in a country does not necessarily lead to violent conflict, as evidenced in the case of Botswana, Chile, Norway and Canada. However, resource-rich countries appear to be more susceptible to conflict than the resource-poor. This risk seems to be greatest when resource extraction accounts for a substantial proportion, about thirty percent of GDP, particularly in countries that are largely dependent on the export of these primary commodities. In this light, this study examines the linkages between oil and violent conflict in selected African countries and explore what should the done to address it. It can be argued that the competition over scarce or vital natural resources and struggle for the control or sharing of revenue derived from mineral resources, particularly oil, are major causal factors for explaining protracted violent conflict in African states in possession of these natural resources. The pertinent question is; what role do natural resources play in conflicts?

Researchers at the World Bank link violent conflict in countries with abundant natural resources to greedy citizens who take up arms to capture them. Collier and Hoeffler suggest that countries whose wealth is largely dependent on the exportation of primary commodities are highly prone to civil violence (Collier, 1999; Collier and Hoeffler, 2000a; Collier, 2003). They further argue that conflict may be explained either by grievance or greed and conclude that if we want to understand the causes of contemporary civil wars we should ignore explanations based on grievances and look instead at the greed of rebel groups (Collier and Hoeffler, 2000b). However, by claiming that violent conflict is a result of the greed of rebels, the research promotes a bias against rebel groups, and ignored the role that government play in promoting violence. Even with evidence from situations in these African countries which point to the role of the states in fostering conflicts.

One cause of conflict lies in the way in which resources are extracted, how revenues from this sector are distributed, and the extent of the involvement of the local population in making decisions on the development of the affected region. In most of the resources-rich countries, environmental standards were flouted for decades by the extractive industries, and the interests of the local population disregarded in the industry's decision-making. As a result, there arose popular movement against the extractive industries and the government who gave license to these industries. These resources-induced conflicts have the tendencies to escalate from social unrest into open war in many of these countries.

In the case of oil and gas resources, revenues accruing from petroleum have four distinctive qualities, which include their scale, source, stability, and secrecy (Collier and Hoeffler, 2000a). Their scale can be massive, in which case, on average, the governments of oil-producing countries are almost fifty percent larger (as a fraction of their country’s economy) than the governments of non-oil countries. In low-income countries, the discovery of oil can set off an explosion in government finances. The sheer volume of these revenues makes it easier for authoritarian governments to silence dissent. It is also an important reason why many of the oil-producing countries have violent conflicts. The host communities in the oil-rich states also want a larger share of the immense revenues collected by the central government. In terms of size, the size of oil revenues alone cannot account for the oil curse because many peaceful, democratic European countries have bigger governments than many conflict-ridden, autocratic oil-rich countries in Africa.

The source of these revenues also matters. Oil-dependent governments are not financed by taxes collection, but by the sales of state- owned assets, that is, their petroleum wealth. This helps to explain why so many oil-producing countries are undemocratic, in other words when governments are funded through taxes, they become more constrained by their citizens than when funded by oil. In the case whereby government revenue is generated from oil, they become less susceptible to public pressure. Other problems can be traced to the stability or rather, the instability of oil revenues, which arises from the volatility of world oil prices, and the rise and fall of a country's reserves which can produce large fluctuations in a government's finances. This financial instability saddles governments with tasks they are seldom able to manage, and often helps explain why they frequently squander their resource wealth.

In addition, the secrecy of petroleum revenues compounds these problems. Governments often collude with international oil companies to conceal their transactions, and use their own national oil companies to hide both revenues and expenditures (O'Brien, 2003). Secrecy is a key reason why oil revenues are frequently lost to corruption. It is also the reason why dictators in oil-rich states can remain in power, by concealing evidence of their greed and incompetence. It also explains why insurgents are often reluctant to lay down their arms, because they distrust government overtures to share the oil revenues more equitably.

Apart from the aforementioned, petroleum has other troublesome qualities. First, the extraction process typically creates few direct benefits, but many social and environmental problems for the surrounding communities. Second, oil and gas facilities have large sunk costs, which make them vulnerable to extortion. When produced in large quantities, petroleum can affect a country's exchange rates and reduce the size of the manufacturing and agricultural sectors, which in turn can shut off economic opportunities for the populace. These features provide further insights into the paradoxical effects of oil wealth.

However, the most important political fact about oil and the reason it leads to conflict in many states in Africa is that the revenues it bestows on governments are unusually large, do not come from taxes, fluctuate unpredictably, and can be easily hidden (Ross, 2010). It has been argued that oil and gas resources are not located in African countries where there are democratic governments. In most African countries, there is a negative correlation between dependence on natural resources, which is measured by the fraction of resource receipts in total exports, and economic growth. Scholars have described this situation as "resource curse". The paradox of poverty amidst immense resource wealth implies that being rich in these natural resources should lead to economic success. Many of the poorest and most troubled states in Africa have, paradoxically, high levels of natural resources wealth.

Africa has become a major oil producer and although rates for oil and gas fell repeatedly, notably in the mid-1980s and mid-1990s, after the highs of the mid-1970s, they are on a phenomenal rise in the mid-2000s. In any case, up or down, oil and gas production should provide a new injection into at least selected African economies, and yet nowhere does it bring a corresponding improvement in human development indicators. Worse than HIV/AIDS, the Dutch Disease of neglect and inflation has been ravaging African oil economies, depriving them of the benefits that oil rents should bring (Zartman, 2008). There is a growing body of evidence that resource wealth itself may harm a country's prospects for development. States with greater natural resource wealth tend to grow more slowly than their resource-poor counterparts. They are also more likely to suffer from civil wars. A third component added to the resource curse is that oil and mineral wealth tends to make states less democratic (Ross, 2001).

Some political scientists have tried to distinguish between different types of natural resources in order to explore the mechanisms that link resources to conflict. Their research distinguishes between different commodities based on dimensions such as the extent to which production is centralized, the geographical distances between zones of production and the seat of government, and the extent to which trade in the resource is legal (Le Billon, 2001; Ross, 2002a). It has also been argued that the institutional capacity of governments alters relationships between natural resources and conflict. The type of economic policies that governments choose plays a significant role in determining the likelihood of conflict. Policies that induce conflict may result from deliberate decisions to weaken state institutions so that leaders can more easily enrich themselves (Le Bullion, 2001; Ross, 2002b).

Moreover, because oil revenues are managed by central governments that are often neither democratic nor financially transparent, the money generated by oil production often does not contribute to national economic development, but is instead diverted into the bank accounts of government officials or used to finance unnecessary prestige projects. The misuse of oil revenues exacerbate political discontent and can provoke internal political violence. Also, because oil production is often carried out with few, if any, environmental controls, it can have a devastating effect on people living in the oil producing areas, thus further aggravating public unrest. As the following cases studies illustrate, oil production does not always cause militarization and violence, but it usually has a negative impact on the security and stability of those countries that have large oil resources.

In African countries such as Republic of Congo, Sudan, Nigeria, Chad and Angola, the ownership of enormous oil resources played a pivotal role in the crisis that have engulfed these countries. In general terms, oil producing countries tend to be unaccountable and so misappropriation, corruption and plunder are common (Fearon, 2005). Rent, which is the surplus over costs and normal profit, differ between commodities. Rents on oil are obviously much larger than rents on agricultural commodities, and this may be why oil is differentially important in conflict risk.

## VIOLENT CONFLICT IN OIL-RICH AFRICAN COUNTRIES

The linkage between oil and conflict are not always precise. Oil has been identified as a major resource that is more susceptible to tensions and conflict than other natural resources in Africa. This is because oil revenues are extremely high, offering a source of easy money through rent-seeking and corruption as revealed in the case of Nigeria and other mineral-dependent countries in Africa such as Sudan, Algeria, Chad, Angola and Republic of Congo. While oil exploitation is the main cause of the restiveness in Nigeria, in the other countries, oil revenues have provided the resources for the parties to prosecute the wars and condition the intensity of the fighting (Imobighe, 2004). Natural resources have been targets or instruments of warfare in the past and may remain so in the future if care is not exercised. Warring parties need money and they take it wherever they can find it. However, the character of a resource can certainly influence the prosecution of a war. The following examples highlight the importance that the oil wealth plays in sustaining armed conflicts.

## ANGOLA

Angola had experienced protracted civil war since its independence in 1975. The war initially started as a revolt against the Portuguese colonialists but later developed into a cold war struggle between socialism and capitalism, one side backed by the Soviet Union and Cuba, the other by the United States. By the 1990s, however, the fighting was no longer driven by ideological differences or ethnic grievances, but by crude material interests (Hodges, 2001). Through the 1990s, the civil war was between the government and the National Union for the Total Independence of Angola (UNITA), led by Jonas Savimbi. The Angolan conflict is one of the most protracted and costly conflicts in contemporary Africa. It was estimated that the war killed over half a million people, and displaced two to four million out of a total population of about 13 million (Hodges, 2001). The combatants fought for control of the state in order to get access to the public resources generated by oil and diamonds. While the government had access to oil revenues, the rebel faction engaged in the production and sales of diamond.

The rebel organization, UNITA drew its funding from sources as diverse as financial aid from China and several Western industrialized countries and from the trade in gold, timber, wild animals and diamonds. After the end of the Cold War, oil and diamonds came to dominate the war economy (Le Billon, P., 2003). The government had access to the major oilfields in the coastal region, while UNITA funded its war from the revenue from the diamond mines in the areas under its control (Elbadawi and Sambanis, 2000; Volman, 2003). During the civil war, both sides profited from unhindered access to the revenues from the extractive industries which, although not the cause of the war, played a key role in funding it (Webster, 2000; Gumbel, 2003; Schofield, 2003).

The vast oil revenues that the government received from oil export led to the acquisition of massive quantities of sophisticated military hardware, including combat aircraft and tanks, from the former Soviet Union and other countries. However, in 2002, government troops killed Savimbi, and subsequently the government and UNITA signed a ceasefire accord, ending the civil war. The possession of large quantities of advanced weaponry allowed government forces to contain, if not defeat, the forces of Jonas Savimbi's UNITA movement and, ultimately, to reach a peace agreement with UNITA after Savimbi's death. The government and UNITA's access to oil revenues and diamonds permitted both sides to continue the devastating civil war for twenty-seven years without making any serious attempt to reach a political resolution of the conflict. However, since the death of the UNITA leader, Jonas Savimbi, considerable progress has been made towards resolving this conflict constructively (Green, 2003).

Angola presented a horrifying case of squandered possibilities. In Angola, oil is mainly produced offshore and it is extracted and produced by United States oil companies. In 2002, Angola was the world's fourth largest diamond producer. Angola's oil reserves were estimated to exceed 7 billion barrels, making it Africa's second largest producer after Nigeria. Though smaller than the oil giants such as Saudi, Iraq, Venezuela, and Russia, Angola's reserves amounted to 700 barrels per citizen (Dines, 2003). Angola was supplying the U.S. with roughly the same amount of oil as Kuwait (U.S. Department of State, 2003). However, in spite of the abundant natural resources, Angola was among the poorest countries in the World, with the majority of the people living in abject poverty. The people have not benefited from the oil wealth. There were widespread poverty in the midst of the oil and diamonds.

From a per capita income of $5,000 in 1973, it fell by a factor of ten over the next three decades, and by 2002 it was just $500 (Hodges, 2001). This catastrophic drop in living standards resulted from a longstanding civil war and what the Angolan government itself called precarious economic policies. More than three quarters of Angola's population were living on less than one dollar a day, and most of these people live in rural areas where poverty is pervasive. A crucial dimension of poverty in Angola has been insufficient public spending on pro-poor social and economic infrastructure and services, and the consequent breakdown of public services, as evidenced by the low allocation of the annual budget to health, education and welfare services (Butcher, 2002).

In addition, oil wealth fosters corruption instead of economic development. The oil revenues go straight to the state budget, but the people see very little benefit (Swarns, 2001; Melvin and Deans, 2003). More than $1 billion per year of Angola's oil revenues had reportedly disappeared in within a consecutive five years (Walsh, 2002; Carroll, 2003). Clearly in most petrol-producing countries, it is the ruler, rather than the populace that is the main beneficiary of resource wealth. The Transparency International (2002) report revealed that Angolan officials siphoned as much as $1 billion in oil revenues each year (Transparency International, 2002). In a country where three-quarters of the people were on the verge of starvation, a billion dollars a year was one-sixth of national income.

**SUDAN**

Sudan is Africa's largest country and a major oil exporter alongside Saudi Arabia and Libya since 1999, when the first oil was shipped from the southern oil fields to the Red Sea, along its newly constructed 1,610km pipeline to a new port built for oil tankers. A huge country of vast semi-desert expanses and intense heat, Sudan is said to have oil reserves of about 600 million barrels to 3 billion. Proven oil reserves are estimated to last about 15 years. Sudan is also endowed with minerals, gold, uranium, and vast expanses of arable land. However, the country has not made judicious use of its abundant natural resources, notwithstanding the host of complications arising from the sheer immensity of the terrain. The availability of oil has not alleviated any of Sudan's deep-rooted problems, rather it has aggravated it.

Oil has played a central role in the civil war in Sudan. The oil- producing area of Sudan is located in the southern part of the country and the competition for control over these resources was one of the main causes of the rebellion by the Sudan People's Liberation Army (SPLA). The government has, therefore, concentrated its forces in the oil- producing areas and used terror and violence to force local people to flee the region. Having earned over $3 billion since its discovery in the south and south-west of Sudan, oil has not yet had a demonstrably positive impact on Sudan's economy or people's lives. It helped re-ignite civil war in 1983 after a decade of relative peace, and there are plenty of reasons to believe that it will continue to do more harm than good. The region's chronic instability has added significantly to the costs, in terms of financial and human cost of extraction, while the act of extraction and maintaining "security" has fuelled that instability, in a vicious cycle.

Throughout the 1990s, Sudan's government has been using the prospect of oil for maximum propaganda value, a vital part of its efforts to get rid of its international human rights and terrorism pariah status and attract foreign investment into its war-devastated economy. The growing involvement of Canadian and European companies lend the government a much-needed, but unwarranted, appearance of respectability (Marchal, 2007). The foreign companies exploiting oil in Sudan have inevitably become involved in the war on the side of the government forces. The National Islamic Front government has been making allies in countries whose corporations are lining up for oil contracts (Marchal, 2007). These allies lobbied their governments against any condemnation of Sudan for its extreme violations of human rights.

Sudan's oilfields, which lie underneath the dividing line between the warring north and south of the country, have fuelled conflict for the last 20 years. Resentment in the South about the central Government’s apparent intention to get complete control of the oil escalated tension in the state. Southern Sudanese have long felt that they were being cheated of the potential oil wealth, which was already a major factor when the civil war rekindled, way back in 1983. In

Sudan, the acute poverty of the South compared with the North, as well as the feeling that the Northern-based government was exploiting the region's resources, without any returns to the region, contributed to the outbreak of conflict in 1983 (Yartey, 2004). People in the areas around the militarised oil installations and the pipeline route have been subjected to devastating attacks by government forces for years (Yartey, 2004). They were driven from their homes by air-raids and bombardment, and by militias supported by the government, resulting in horrendous suffering (Yartey, 2004). As a result of the civil war, Sudan accounts for the largest number of the world's uprooted people.

Sudan's government, a military-Islamist junta, used the regime's share of the oil revenue, estimated at $200 to $400 million a year, to purchase and build tanks and missiles for pursuing the war. The government has used bombers, helicopter gunships and artillery against unarmed civilians (Marchal, 2007). In addition, the government has used oil revenues to finance massive arms purchase, primarily from China, and more recently, to establish its own military industries to produce light weaponry and ammunition (Marchal, 2007). Its encouragement of violent militancy has spread beyond Sudan's borders and is a source of alarm to its neighbors in the Horn of Africa. The government was confronted with rebellion from a coalition of southern and northern forces, known as the National Democratic Alliance (Melvin and Deans, 2003). The toll on southern Sudan has been terrible, spreading famine and prompting an enormous international aid effort which in mid-1998 was also costing about $1 million a day (Melvin and Deans, 2003).

The UN Commission on Human Rights noted that the long-term efforts by the various governments of the Sudan to protect oil production have included a policy of forcible population displacement in order to clear oil producing areas and transportation routes of people thought to support the rebels. The aim of the government was to form a 200-mile buffer zone around the oilfields which the SPLA cannot cross, and then keep the southern factions too preoccupied fighting each other to be able to bother with the oil. To ensure an uninterrupted flow of oil and protect the pipeline from attacks, three thousand government troops have been assigned to the areas to guarantee security (Melvin and Deans, 2003).

Sudan's mineral wealth which consists of oil in Southern Sudan and Southern Kordofan, as well as gold in the Red Sea Hills and chromium in the Ingessana Hills, has been monopolized by central government for its own ends. Struggles over environmental resources such as land and water as well as minerals drive the war at a deeper level than questions of religion. The people of Western Upper Nile and South Kordofan who have already suffered more direct military oppression, are also confronted with ecological disaster as well as famine and war. Control over the oil fields and the allocation of oil revenues was the main obstacles to a peaceful settlement of the conflict (Elbadawi and Sambanis, 2000; Volman, 2003; Yartey, 2004).

With the decision of the electorate to make the choice for independence, a new chapter was opened in Southern politics. After the completion of the self-determination referendum, South Sudan gained its independence from the North in July 9, 2011. For the newest state, the failure to take critical decisions that would define the political space has implications for the health and trajectory of democracy. Oil and oil revenue management will, thus, have considerable impact on national stability and the character of the new state. If well administered, oil can become a key instrument in decentralizing authority and empowering state and local politics in the South Sudan. If not, it could prompt deeper national division and societal decay, and the young state could easily become another example of the "resource curse" (Ross, 2001). Therefore, it is not surprising that the newest state in Africa is now embroiled in political conflict that has implication for political stability in the Southern Sudan.

## THE REPUBLIC OF CONGO

The Republic of Congo is the fifth-largest oil producer in sub- Saharan African, after Nigeria, Angola, Gabon, and Equatorial Guinea: Oil production is mainly located offshore and managed by joint ventures between international companies and the national oil company (Société Nationale des Pétroles du Congo, SNPC). Ancillary oil-related services are dominated by international groups, and the bulk of their supplies are imported. The Congolese economy is dominated by the oil sector, which, in 2004, accounted for over 50 percent of GDP, more than 70 percent of government revenues, and almost 85 percent of merchandise exports (Rina and Ghura, 2006).

After three relatively peaceful, but coup-ridden, decades of independence, Congo experienced three intense conflicts in the 1990s (1993, 1997, and 1998–99). Following an already turbulent first half of the 1990s, due principally to disputes over elections, political turmoil intensified after 1996 and two civil wars in 1997 and late 1998 ravaged the southern part of the country. Oil also played a central role in the civil war in the Congo Republic from 1993-1994, between forces loyal to President Pascal Lissouba and the former head of the military government, General Denis Sassou-Nquesso, and for the incessant violence in the country since then (Rina and Ghura, 2006). Although essentially a conflict between the leaders of rival ethnic groups, the civil war also took the form of a proxy war between rival U.S. and French oil companies (Rina and Ghura, 2006). The French national oil company (now TotalFinaElf) had a longstanding relationship with General Sassou-Nquesso during his years in office and funded the creation of his private army, which ultimately took control over most of the country. Elf has recently been indicted, along with President Sassou Nguesso for war crimes committed in October 1997 in Congo, standing accused of direct involvement in the war subsequent to claims that massacres were carried out by Elf's helicopters in a bid to preserve contracts for the corporation (Akitoby and Cynyabuguma, 2004).

President Lissouba, on the other hand, opened up the country's oil fields to exploitation by a U.S. oil company, Occidental Petroleum, which helped fund and equip Lissouba's troops (Akitoby and Cynyabuguma, 2004). Although General Sassou-Nquesso's forces were victorious, insurgents continue to oppose the government and the country remains highly unstable. The 1997 ethnic and political tensions which exploded into a full-scale civil war, was fueled in part by the prize of the country's offshore oil wealth, which may have motivated warlords (Akitoby and Cynyabuguma, 2004).

However, the security situation has remained fragile. The prevailing situation indicate that Congo has had limited success in utilizing its oil resources to significantly advance the welfare of its people. Even though Congo's human development index is higher than the average for sub-Saharan Africa and for oil- and non-oil producing (PRGF-eligible) countries, it has been falling steadily since 1985. Moreover, poverty remains widespread, according to the United Nations Development Program, 70 percent of the population lives below the poverty line, unemployment and underemployment affect 50 percent of the active population, and only 30 percent of the population has access to adequate medical care. Over the past decade, Congo has also fallen significantly behind other developing countries, including oil-producing PRGF-eligible countries in per capita GDP growth performance (Dietrich, C., 2002; Akitoby and Cynyabuguma, 2004).

**NIGERIA**

Nigeria, Sub-Sahara Africa's largest oil producer gives a classic illustration of natural "resources as a developmental trap" (Sala-i-Martin and Subramanian, 2003). The country has abundant oil resources (approximately 30 billion barrels of oil) and has earned over $340 billion in the past five years. Nigeria's oil exports rank only behind Saudi-Arabia, Venezuela, Iran and United Arab Emirates. Oil dependence accounts for over 83 percent of Federal Government revenue, more than 95 percent of export earning and approximately 40 percent of GDP ((Phillips, 1991; Soremekum and Obi, 1993; Ikporukpo, 1996; Olomola, 1999; HRW, 1999; Onimode, 2001; Onosode, 2003; Imobigbe, 2004; Iwayemi, 2006; Osaghae, *et al.,* 2011; Mahler, 2012).

However, the vast revenues from oil have not made any appreciable impact on the citizen, particularly in the oil-rich Niger Delta region. Rather, the people experience poverty in the midst of abundant oil wealth. The Niger Delta region are confronted with abject poverty, environmental degradation, marginalization, endemic conflict and social deprivation. The pathetic situation in the region have led to frustration and pre-disposition of the population especially the youth to violence (Albert, 2001). However, the Nigerian government and the oil companies have amassed huge profit from oil revenues while leaving the environment and local people in the region with dislocated environment and high rate of poverty.

The Nigerian government and oil companies' security forces responded brutally to peaceful agitation an protestation by the Niger Delta people (Human Rights Watch, 1999; Okonta and Douglas, 2001; Albert, 2003). Indeed, foreign oil companies have sometimes purchased arms themselves and distributed them to Nigerian military units deployed in the Niger Delta to suppress local discontent (Human Rights Watch, 1999; Okonta and Douglas, 2001; Albert, 2003). Oil revenues have also made it possible for the Nigerian armed forces to pay for major arms purchases, including combat aircraft, tanks, armored vehicles, and naval vessels. As a result, the country has a powerful military force. With these arms, and with the money from oil revenues, Nigeria has conducted major military interventions abroad, first in Liberia and then Sierre Leone, among others. While the record of Nigeria's troops has not always been particularly impressive, oil revenues have made it possible for Nigeria to act as West Africa's regional military hegemonic power and to play a significant role in conflicts throughout the region.

At the same time, however, quarrels with neighboring countries that challenge Nigeria's claims to oil in the Bakassi Peninsula and offshore could have led to armed conflicts with other countries, including Equatorial Guinea, São Tome, and Cameroon. Although Nigeria has reached agreements with Equatorial Guinea and São Tome regarding the distribution of revenues from off shore oil production, Nigeria initially refused to accept an International Court of Justice decision giving control over the Bakassi Peninsula to Cameroon. Since there have been numerous clashes between Nigerian and Cameroonian troops in the disputed region for many years, the quarrel could easily have led to a major war between the two countries. However, Nigeria Government has finally agreed to implement the ruling of the court and negotiation with Cameroun has commenced.

It is within Nigeria, however, that the impact of oil production has been felt most strongly. At the national level, struggles for the control of oil revenues have contributed to the persistence of military rule (as military leaders compete with each other and with civilian rivals), corrupted the political process, and undermined the development of democratic political institutions. Even, with the transition to democratic government since 1999, the oil-induced crisis in the country has remained intractable (Ibeanu, 2000a; 2000b). However, the recent Amnesty programme of the Government has brought fragile peace to the Niger Delta region but it is very unlikely that the peace will be sustained given the prevailing developmental challenges in the region.

**CHAD**

In Chad, power has been monopolised by a Zaghawa military clan since 1990, leading to increased violence in political and social relations, ethnic tensions and distribution of the spoils of government on the basis of clan favoritism (Volman, 2003). Neither return to a multi-party system in 1990, enhanced government revenues from newly exploited oil reserves since 2004, nor elections backed by Chad's Western allies have brought democracy or improved governance (International Crisis Group, 2006). The monopolisation of both economic and political resources by the president, Deby his allies, the members of his family and ethnic group, the Zaghawa, has contributed to Chad being classified by Transparency International on its corruption perception index as among the five most corrupt countries in the world in recent years (Transparency International, 2007). For example, Chad ranked 145th out of 149 in 2004, 162nd out of 162 in 2005 and 160th out of 166 in 2006 (Transparency International, 2007). In 2007, Chad was 172nd out of 179 countries on the corruption list and has consistently been ranked among the most corrupt countries in subsequent years.

When the President declared his intent to run for a third term in office, some elements of the Chadian elite resorted to armed conflict with the aim of gaining political power and a share of the oil wealth (Volman, 2003). Chad has been devastated by more than three decades of civil war, military coups, internal political strife, ethnic tensions, and conflict with neighboring countries. Political instability and civil war have endangered the natural resources, especially along the border with Sudan and the Central Africa Region, where the Darfur crisis has led to the influx of more than 220,000 refugees, are particularly affected (Volman, 2003).

Relations between Sudan and Chad remained tense despite international efforts to foster dialogue among the two neighboring countries (Marchal, 2007). The causes of the Chadian civil war stem from fiscal and political crises that engendered a social crisis and the conflict in Darfur, which became a trans-national conflict due to the involvement of Zaghawa officials (the Chad president's ethnic group) that purportedly offer dissidents from Darfur safe haven and military assistance (Marchal, 2007). The United Nations recently warned that the violence in Chad could turn into genocide similar to that in Rwanda in 1994. Eastern Chad and Darfur have a similar ethnic composition, with nomadic Arab groups and black African farmers both seeking access to land and scarce water points.

After thirty years of conflict, Chad occupies the position of the 6th poorest country in the world in 2006 and ranked 171st out of 177 countries surveyed in the 2006 United Nations Development Report. Chad is currently ranked in the bottom five out of nearly 180 nations rated by the United Nations in its annual human development index assessment. Despite its access to oil revenue since 2003, there were no significant changes in development indicators (International Crisis Group, 2006). Chad's geographically landlocked position, poor transportation network, inadequate natural resources, high energy cost, and ongoing political turmoil have severely hampered economic development.

Chad is potentially a major oil producer from oil fields in the Lake Chad basin. The nation's total oil reserves have been estimated to be 2 billion barrels. Current gross oil production levels are around 131,000 barrels per day. Oil production came on stream in late 2003 and Chad began to export oil in 2004, and while the fighting in Chad is not directly about natural resources, oil has made control of the government an even greater political prize. Petroleum is produced in the southern Doba basin, which is connected by pipeline with the Cameroonian port of Kribi. The construction of the Doba-Kribi pipeline was considered the biggest land-based investment in Africa. In 2000, the World Bank approved a loan to finance the construction of the oil pipeline by ExxonMobil and Chevron to transport the oil through Cameroon (International Crisis Group, 2006). However, the World Bank, under pressure from local, national, and international NGOs, imposed strict conditions on the use of oil revenues by the Chad and extracted a commitment to direct income from the pipeline towards alleviating poverty from the government (International Crisis Group, 2006).

However, when the first payment of $25 million was made to the government of President Idriss Deby in 2000, it was disclosed that the Deby government had spent $4 million of the money on arms to fight insurgent forces that continue to destabilize the country (International Crisis Group, 2006). The acquisition of oil revenues, thus, promises to prolong Chad's civil war and reduce the likelihood of a peaceful resolution of the conflict. And even though the oil companies involved in Chad have pledged to protect the local environment and promote the economic development of the areas where the oil pipeline is currently been laid, oil production in Chad may well lead to the type of environmental, social, and political problems that have accompanied the development of oil resources in Nigeria and other oil-rich countries in Africa.

**CONCLUSION**

As these cases studies indicate, the possession of oil resources and the way it is managed have led to armed conflicts. One additional case, Gabon, shows that, at least in certain circumstances, the possession of oil resources does not necessarily lead to militarization and violence. The absence of major oil-related problems in Gabon, however, appears to be due primarily to the ability of the government to manage political competition over the control of oil revenues and to refrain from making excessive arms purchases. As the political violence in Côte d'Ivoire (another country once cited for its peace and stability) demonstrates, political stability is highly precarious and can easily break down. Given the instability and lack of democracy in most African countries and the difficulty of solving political problems by peaceful means, possession of oil is certain to continue to promote the militarization of African countries and to provoke both internal and inter-state violence.

The impacts of natural resources on conflict will depend on the ability of a state to manage its resources and this may vary over time. For instance, Sierra Leone and the Democratic Republic of Congo were previously stable and only recently began undergoing resource motivated conflicts. Siaka Stevens was able to hold power in Sierra Leone for close to 20 years and Mobutu lasted for 30 years. Also, there is Botswana, among the fastest growing and least violent countries in Africa even though its economy depends on mineral resources such as diamonds, copper and nickel. The evidence from Botswana suggests that natural resources, if managed well, may even reduce the chances of violent conflict. It could be the best defense against oil-induced violent conflict and civil war.

For their own benefit, corrupt national governments act in collusion with multinational oil companies at the expense of their own people. The oil companies in complicity with National governments can worsen conflicts in a number of ways, such as by widening existing social inequalities; ignoring the concerns of local communities by failing to comply with environmental standards; attempting to evade official taxes and reinforcing corrupt power structures through bribery and a lack of transparency and lastly, supporting authoritarian regimes to safeguard their own interests. When mining and oil companies are confronted with violent conflict or even civil war, they often decide to continue their operations and protect their installations with armed security forces, and as a further means of defending their interests, they make payments to whoever happens to hold power in the region.

In addition, the ability of parties to a conflict to exploit natural resources depends to a great extent on their access to external markets. Policy-makers must, therefore, find a way of curbing the access to international trade which allows parties in conflicts over oil resources to have access to external markets. The international community has failed to address this problem effectively and systematically by sanctioning western countries involved in these 'backdoor' transactions with the conflict parties. This necessitates transparent and equitable distribution of revenues from the resource sector, socially and environmentally responsible corporate governance, transparent and responsible tax policies, and government policies which not only defend the interests of companies but also those of the local populations. This requires democratic institution-building and diversification of the economy.

These factors are especially important in countries coming out of conflicts where natural resources have played a key role. If these resources played a key role in the war, then they must play a key role in the peace. This would be a crucial element in ensuring a comprehensive and effective approach to peacebuilding by the United Nations which builds on its recognition of the importance of natural resources in conflict and post-conflict reconstruction. The UN could set up a unit that would monitor and pressure the national government to be more transparent and accountable in the management of oil resources and compel the oil multinationals to adhere to proper environmental standards in their oil-related activities. Transparency in the management of the oil resources will serve the interest of the people, increasing their bargaining power, and helping to limit corruption.

Considering the fact that around $20 to 40 billion over the decades has been illegally and corruptly appropriated from some of the world's poorest countries in Africa, by politicians, soldiers, business-persons and other leaders, and kept abroad in the form of cash, stocks and bonds, real estate and other assets, the international community could adopt a treaty to expedite the tracing, recovery and repatriation of wealth stolen from developing countries and transferred abroad, including sealing of all known loopholes, requiring banks to open their books for inspection where there is reasonable cause to suspect illegal activity, and mandatory liquidation and repatriation of assets known to have been corruptly acquired.

Oil revenues should be used for economic development and provision of quality social services and amenities. It is time African leaders shunned greed and mismanagement of both human and natural resources. They should inculcate the culture of proper management of their God-given natural resources

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