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Between Three Continents: Rethinking Equatorial Guinea on the Fortieth Anniversary of Its Independence from Spain

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Continuity and change in the political economy apropos Equatorial Guinea

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This paper tries to confront the general paradigm of “resource curse” in the case of Equatorial Guinea inserting the discovery and exploitation of oil in concrete and broad historical and regional processes. It is argued that the new production has implied, since the mid 1990s, continuities and transformations in the way power is exercised and experienced in different constituencies and localities.

1. The *resource curse* in relation to Equatorial Guinea

By the turn of the century, many in Equatorial Guinea started to realize that initial optimism about the potential for oil for improvement of social conditions in the country was not so well founded. It was not necessary to be conscious of the academic literature on the paradoxical social effects of oil extraction, to realize that since the arrival of American oil companies, the international pressures towards a greater democratization of the country had basically stopped. It was the case that huge revenues generated by the new oil administration remained in hands of government officials, with no immediate consequence for the majority of the Guinean population.

Indeed, the oil production in Equatorial Guinea has gone from 17 barrels per day (bpd) in 1996 to 350.000 or 400.000 bpd nowadays, which represents around 80% of the PIB of the barrels

Equatorial Guinea appears to fit well in the model proposed by some scholars around ideas such as the *rentier state*, the *resource curse* or the *paradox of plenty* (see for example MAHDAVY, 1970; BEBLAWI & LUCIANI, 1987; YATES, 1996; AUTY, 1993; KARL, 1997 AND 2005; HUMPHREYS, SACHS AND STIGLITZ, 2007). These authors point out to the tendency of countries dependent on production and exportation of minerals and hydrocarbons to be subjected to authoritarian political mechanisms and economic processes of general impoverishment through the activation of state renterism and neopatrimonialism.

This model has the merit of highlighting the relationship between economic activities and political forms, in contexts of massive production and export of natural resources. However, the idea of common dynamics to all countries dependent on export of minerals and oil does not sufficiently attend to specific historical trajectories and situated exercise of power. The despotism and exclusion suffered in Equatorial Guinea is not identical to those suffered in other places exploiting oil. Oil has its own specific genealogy that is site specific. This awareness requires, therefore, of a more particular rapprochement and careful analysis, paying close attention to local and historical contexts.

Another weakness of the academic literature is the predilection for the framework of the national format. Two factors have to be taken into account: state power is always exercised in various ways across the national territory, and therefore specific *topographies of rule* created in a context of enclave production should be addressed (BOONE, 2003). Secondly, the oil industry is a trans boundary enterprise clearly transcending the frontiers and the institutions of the productive countries. Concepts such as *rentier state* do not help us to understand the direct participation of transnational actors such as oil companies, or the IMF, in the making of social order. International institutions and agreements or principles such as the *sovereignty principle* are fundamental

It was during the period of slave trade abolition that the colonial city of Clarence, on Bioko island (Fernando Poo for the Europeans of the time), was founded in 1827. Clarence was set up as the operation base for the British Navy to crack down on slave trading ships operating in the Gulf of Guinea. This settlement forced the Bubi indigenous population to share the island with a small community of creole Africans who came from Western African British settlements and emancipated slaves, who were soon referred to as Fernandinos.

The island of Bioko's slow and gradual integration into the Atlantic economy started thus in the relatively late era of slave abolition, with the commerce on palm oil, which took over the general population's forms of subsistence agriculture. British companies, which were dominant between 1835 and 1843, were substituted by a creole African elite named Fernandinos (SUNDIATA, 1996).

In the last third of the 19th century, when the Spanish Government was already established in the colonial city, re named Santa Isabel, palm oil trade gave ground to a

The authoritarian Francoist regime, established after the Spanish Civil War, involved a stronger interference of the colonial apparatus in the daily lives of colonial population. Colonialism ceased being an enclave presence, to become a much more socially intrusive project. Apart from cocoa, other sectors were developed, such as timber in Río Muni. New treaties were signed with Nigerian British authorities to import manpower to Bioko. From that moment onwards, there was always a large immigrant population in the island, whose rights were even more restricted than those of the "indigenous people" of Guinea.

During last decade of colonial domination, and 20 years later than other European powers, the Madrid government implemented a developmental program involving investments on infrastructures, primary education and health services. At the same time, Spanish Guinea enjoyed since 1964 a kind of self government regime, *Régimen de Autonomía*, which Africanised the colonial administration and promoted the participation of part of the African elite in new institutions, such as the *Consejo de Gobierno* (Government Council).

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International norms relating to self determination and sovereignty played also a big part supporting

centuries. Each economic moment has brought different kinds of labour relations and has been managed by different social groups. Oil exportation is only the last version of this engagement with the world at large.

3. Family, oil and sovereignty in Equatorial Guinea

The 1990s brought important transformations in the transnational connections that also inevitably pass through the Equatorial Guinean territory. These were related, firstly to the political effects of the end of Cold War and the constitutional reforms that were spreading throughout the African continent; and secondly to the discovery and exploitation of huge deposits of oil in the sea area of the Exclusive Economic Zone of Equatorial Guinea.

A new constitution in 1991 established a multiparty system with periodic elections for the legislative assembly, the presidency and the town councils. Up to thirteen political parties, apart from the government *Partido Democrático de Guinea Ecuatorial* (PDG), were recognised. The Nguema's in government learned soon how to manipulate elections and their results and how to intimidate citizens to refrain them from participating in political activities. International donors, with new discourses after the Cold War, replied by halting support of the political transition (ABAGA, 1997; ESCRIBANO, 1999). The Spanish government cancelled most of its institutional aid programs in 1994 and the Clinton Administration closed the US embassy and the rural development programs of the Peace Corps two years later. In 1996, the IMF suspended its programs due to lack of accomplishment of fiscal measures and also due to corruption.

In August 1993, the country suffered the effects of the devaluation of CFA franc. The economic crisis that followed pushed Equatorial Guinean government to request again foreign support. Donors, especially the Spanish foreign ministry, took advantage of the situation and made external aid subject to the fairness of the next election. Actually, due in part to this pressure, local elections in September 1995 are considered the fairest of all since 1991. The opposition proposed a joint list that won 19 out of 27 town councils (though ultimately government only recognised 9). These events were proof of the intense connections between strategies of local actors and donors' policies this new, cleaner dynamics, however, did not continue in subsequent elections.

In fact, during those same years, the American independent *Walter International* started exploitation of Alba field opposite Malabo coasts in 1991. The ascendancy of aid agents and diplomats almost disappeared with the arrival of representatives of big oil corporations, mostly Americans. The landing of American businessmen at the time the US ambassador was leaving and the US embassy was closing, is a good symbol of all this new situation monopolized by international corporations and not by state agents. From the beginning therefore, American companies have dominated the oil production in Equatorial Guinea, although there are always other governments, from Spain to China, who are looking for participating in the new oil (EIA, 2007).

The extraction of oil by foreign companies has, first of all, empowered the government of Equatorial Guinea, and has provided the Nguema family who occupies it with new economic and diplomatic resources. But the new richness and the new actors have not

altered much of the old authoritarian modes of governance, which are expressed in different forms and new spheres of influence. As a general rule, the power of the state is distinguished by its *non regulative* character and the *privatized* forms in which it is often exercised.

In terms of electoral politics, the open fraud in the periodic elections, in which the president's party always claims more than 95% of the vote, deserves since the beginning of oil exploitation in mid 1990s more than soft condemnations of international organizations and donors. Violence against political dissidents and population in general has continued despite the oil companies; furthermore, oil companies pay for the services of the security company owned by Obiang's brother, a known torturer. Opposition has suffered a periodic process of fragmentation and absorption by the party in power, and repression has reached exiled dissidents in neighbouring countries. All this contributes to the repressive engines that have helped to maintain the government, traditionally based on the fear and the passivity of the bulk of the population.

In addition to fear, patronage is the other mechanism that link government with part of the population. Oil resources have helped President Obiang to intensify the politics of patronage and clientelism. Temptation to collaborate with the party in government to get a job or simply avoid police harassment is bigger and bigger since the discovery of oil. However, most of the oil revenues remain in few hands. Most of the payments of oil companies to the State of Equatorial Guinea are made, not to the state Treasury account in the *Bank of Central African States* (BEAC), but to personal bank accounts abroad, like the ones in Riggs Bank exposed by the United States' Senate Report of 2004. These payments seem to be compensation of shareholding agreements extremely favourable to oil companies. The privatization of relations between state and oil companies have been reinforced by the creation of the national companies *GEPetrol*, in February 2001, and *SonagasGE* in 2005; together they formally represents the government in shareholding contracts with trans national companies for oil and gas exploration and production, as well as taking part in some *joint ventures*.

Relations between the oil industry and the Nguema family have provided the latter with new mechanisms of both personal richness and social control and exclusion, in spheres such as labour, building or security. Relevant members of the government control the employment agencies through which the oil industry draws on the relatively reduced number of Equato Guinean workers the companies need, and they retain over 50% of workers' wages, sometimes even 70%. Government imposes the participation of these agencies, which demand a membership card of the governing party to get a job and thanks to which dissidents and known opposition members are totally excluded of this new source of salaried employment (CAMPOS & MICÓ, 2006).

The big companies' demands

gone abroad, through the investments of the Nguema family on luxurious residences in Spain or the United States (US SENATE, 2004).

On the other hand, any attempt of business, with local or transnational capital, without the participation of a member of the Nguema family is systematically undermined by administrative difficulties or the direct intervention of the police. Along with a favourable environment for big businesses, small producers and entrepreneurs find many political obstacles to their economic activity. The end result is that the enclave oil economy reinforces the state as the main social source of accumulation. In fact, oil has narrowed the group in power, which suffered from periodical internal conflicts around oil distribution. The non distribution of revenues among the population is part of the politics of impoverishment that explain the lack of basic sanitary stuff in hospitals and drinking water in cities, as well as the deficient education.

The new economic context has therefore not altered the despotic and non regulative manner in which state power is exercised; but in which

We have insisted earlier on the historical continuities in the manner of exercising power in Equatorial Guinea, based on the extraversion of government political and economic resources, and the role of the state as the main mediator between the territory and the foreign actors. This notwithstanding, there have also existed main transformations in the way in which different social groups have been integrated, or excluded, in the modes of production and government, as well as in the individual and collective reactions towards the mechanisms of political control.

In recent times, we have been able to observe some ongoing transformations in the way state power and company power is experienced by different people in different spaces. Even in a small country like Equatorial Guinea, with an empowered government, the idea of *topographies of power* pushes us to see power relations in a more nuanced way. There are, first of all, those new spaces controlled directly by the oil companies, and where the political dynamics described above stay at the door. They are basically the sea platforms, and the company compounds (where the staff work, and where the expatriates live when in land). These are spaces where the international regulations on the oil industry or those of the companies' home country dominate over the legislation of Equatorial Guinea, except for the oil

Less visible but longer in time, opposition groups have created linkages with other social or political movements in distant spaces. Equato Guinean parties that emerged during the constitutional reforms of early 1990s became some of the few spaces of political autonomy vis à vis the government. Nevertheless, they have suffered the strategies of cooptation and repression by the government, which have turned many of them into exiles or partners with PDGE in government. Survival of political opposition inside the territory of Equatorial Guinea has required of physical and economic personal fortitude, as well as the capacity to connect with other

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