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The Effect of Resource Curse in Africa:

Varied Resources in Varied Conflicts

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The Effects of Resource Curse in Africa:

Varied Resources in Varied Conflicts

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Abstract

This work seeks to interpret resource curse on the African Continent by analyzing three separate cases: Sierra Leone, The Democratic Republic of the Congo, and Nigeria. In respect to each case's civil war, these will primarily be analyzed in terms of how their dominant natural resources play a role in these conflicts. This thesis also seeks to gain a better understanding of what policies might be able to be put into place to try and limit the future outbreaks of resource driven conflicts.

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Chapter 1: Introduction and Hypothesis

The primary aim of this work is to analyze the relationship between abundant natural resources and conflict, as an aspect of what is commonly known as "Resource Curse". However, this paper takes the concept of Resource Curse one step further, making the assumption that Resource Curse exists in the modern world, and it seeks to understand how different resources impact the level of conflict within the states. The large discrepancy between the value of resources and the low per capita income in some developing nations may lead to conflict over control of the resources. However, not all resources will impact a state in the same manner, and those unique effects are the primary focus of this work.

This work explores the hypothesis that the more easily a resource can be transported, the greater the increase in conflict within the state. The main reason for this hypothesis is the level to which insurgent elements (primarily war-lords or gangs as may best fit with the nation-state in question) become involved in the procurement and/or sale/distribution of the resources, rather than large corporations, which might mitigate active conflict, while at times increasing political conflict to help leadership that is favorable to the corporation's ability to maintain, or gain leadership power in the government.

Corruption is an important aspect in all of the cases looked at in the study. Primarily, this is because corruption leads to large income variances. These large variances and wealth inequality become intermediary variables in the presence of resource curse and violent civil wars occurring within the states in question.

Cases

This thesis studies three cases. Case study number one will involve an analysis of Sierra Leone, its "Blood Diamond" situation, and the war with the "Revolutionary United Front" (RUF) from 1991 to 2002. Sierra Leone represents an example from the late 20th century while the other two cases involve an on-going conflict. Thus, the case can show the methods used to end major conflict and restructure the state in an attempt to mitigate future outbreaks. The Sierra Leone case involves a resource, the diamond, which is simple to extract, easy to transport, and high in economic value (making for financial gains that could incur rapidly for a group or individual who gains control of the state's deposits). This particular conflict offers a useful contrast with ongoing active forms of conflict and provides different concepts about future policy-making, based on the ability to look at track record of successful policies vs. non-successful policies and how to best adapt the successful ones to other cases.

Case study number two will be that of Democratic Republic of the Congo, where cobalt and copper excavation has been accompanied by internal conflict that dominates large parts of the social landscape of the state. This case will add to academic appreciation not only of the impact of ore materials as resources in the situation but of ongoing conflict (and of resource-impacted-conflict in the current day). Also, ore production involves unique excavation, refining, and transportation processes. In particular, the fact that it can be done with low-budget as well as high-budget operations leads to a wide variety of players, and in turn, more conflict can occur over opportunities for extraction. This study represents resources that are of high value, with some simple methods of extraction, and some difficult (depending upon the volumes being attempted to extract), while showing a high economic potential gain.

The third and final case study will be that of oil production in Nigeria. The ongoing conflict in the Niger Delta since 2004 has taken place against the backdrop of oil production and abundance. The players involved in oil production throughout the state will be analyzed in this particular case as well. This case analysis will allow for interpretation of the various methods of extraction, refinement, and transportation (and in turn, what players get involved to try to control the resources) but also for continuing conflict, primarily in one region of a state and how conflict is distinct in the twenty-first century. Oil represents a resource that requires greater investment and infrastructure to extract and transport, but still has high value. The unique extraction and transportation methods impact the variety of players involved in the state, both pre-conflict and during the state's ongoing strife.

Each of these case studies will offer a distinctive perspective and allow for an interpretation of the connection between resource curse and intrastate conflict. Also, they will enhance an understanding of the degree to which each resource can impact conflict within a state and perhaps find ways to mitigate that conflict. Each case study will feature an analysis of the state prior to the breakout of conflict that includes: the political climate and strength, the resource in questions abundance and market value at the initial time of conflict, outside influences and players, and the overall connection (if any) between the resource extraction/sale and the conflict occurring within the state.

Anticipated Findings

One thing that is expected with each case is a particular combination of resource value, state GDP per capita, size of groups involved in the conflict, portability of the resource, and investment involved in the production. The proposed combinations are:

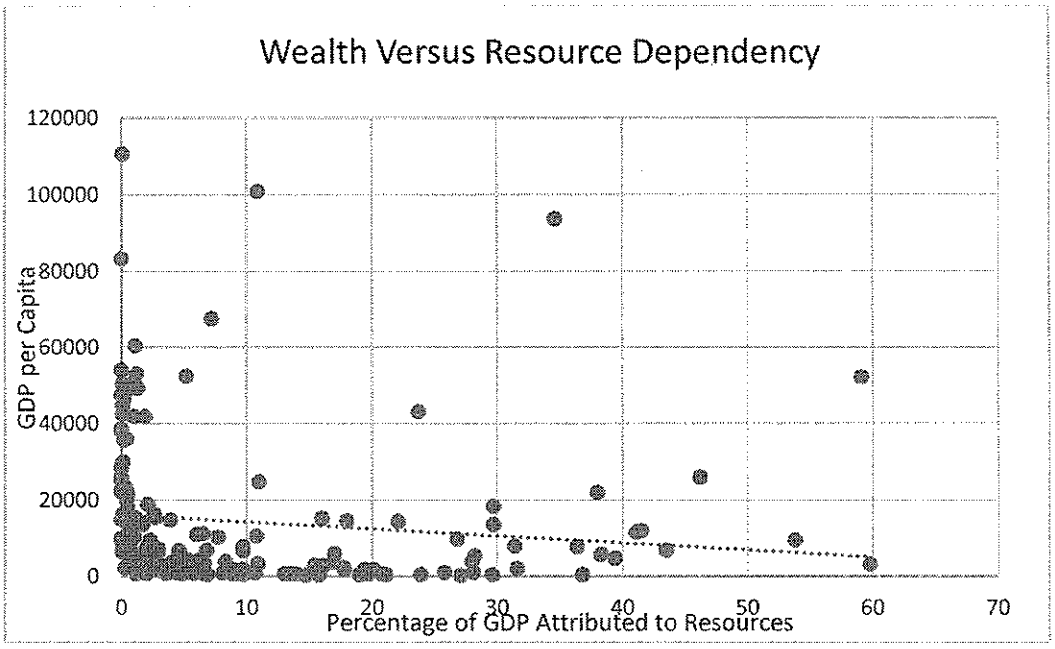
1) Sierra Leone and Diamonds: High values, low GDP per capita, individuals or small groups involved, high portability, and the ability to be extracted easily with minimal capital investment.
2) The Democratic Republic of the Congo and Copper: High values, low GDP per capita, small to mid-sized groups involved, moderate portability, and moderate capital investment to extract.
3) Nigeria and Oil: High values, low GDP per capita, larger groups or other nations involved, low portability (because of cost) and high capital investment to perform extraction, and the requisite corporations for the refinement processes.

These connections will be analyzed in the succeeding chapters. The primary basis for the concept of transportation difficulty (or lack there/of) is due to the weight and volume of the resource. This is because of cost to transport the particular resource, rather than the physical ease. In particular with oil, this includes a capital investment to have the right equipment to package and transport the crude oil. A knowledge of the individuals involved in the conflict also assumes the physical and financial investment involved, and makes an assumption that in these conflict inflicted states, that much of the insurgency effect is no more organized than is necessary to control the particular resources in play or to control the segment of government necessary to become profitable from the resources. It will also be important to grasp the level

of resource rents for the state's income, and whether or not the state is a rentier state. A rentier state produces a disproportionately large level of its income from the production, sale, and/or distribution of its natural resource deposits. As is the case in many civil conflicts, insurgent elements tend to produce only the minimal amount of effort to achieve their goals.

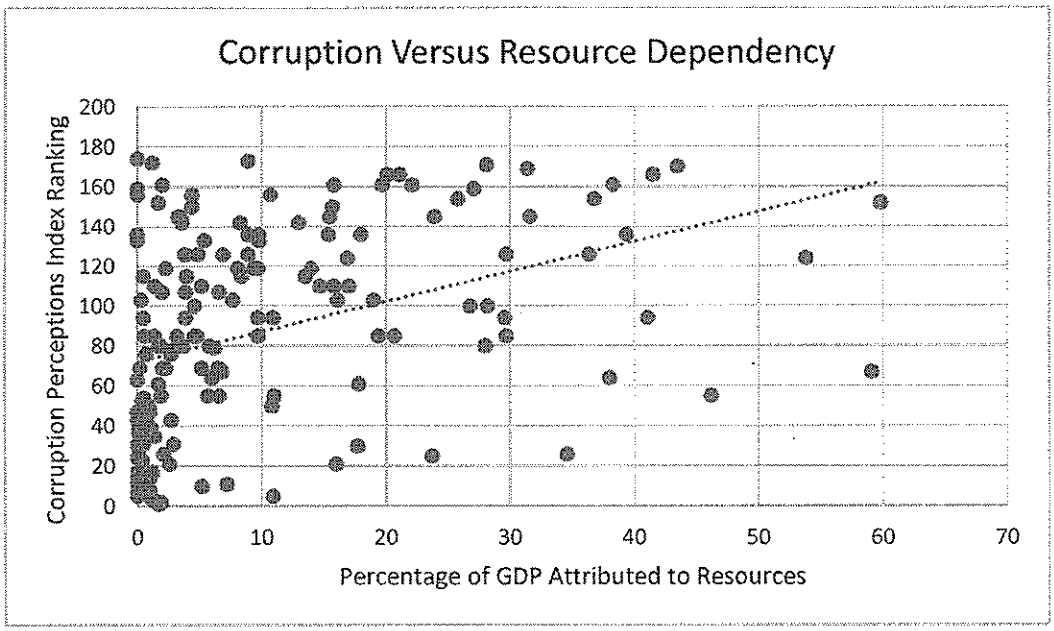
Data about Resource Curse

In looking at resource curse as it relates to conflict, there are three data trends that concur with the initial thesis. All three data sets will be modeled on a scatterplot fitted with a trend line to show the overall direction of the data set. First, in states with high resource dependency, the wealth of the citizenry will decrease. Resource dependency here is measured by the percentage of resource rents, while citizen's wealth is determined by the GDP per capita, both using data produced by the World Bank.

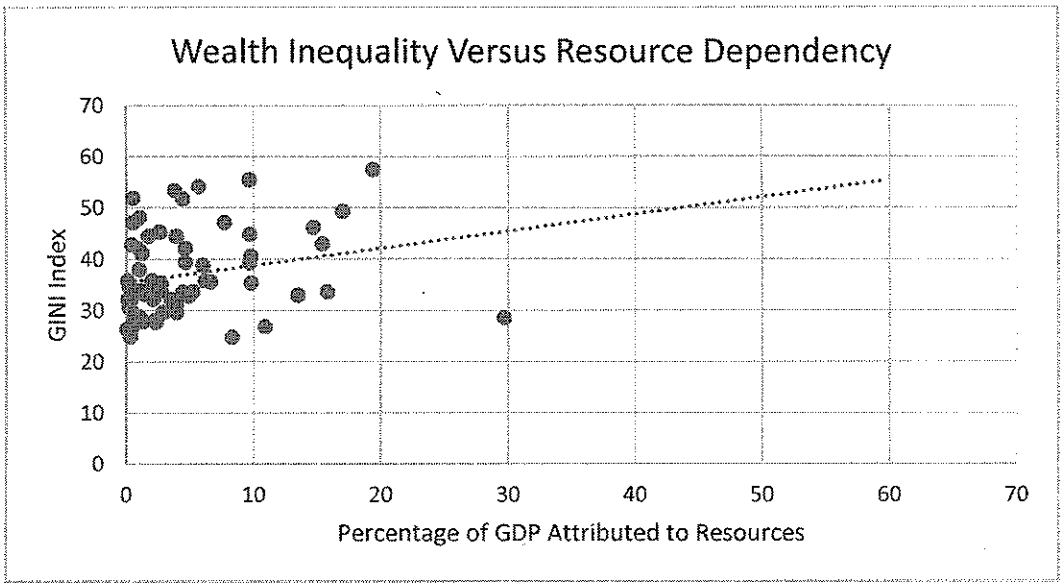


This chart shows a negative relationship between the two variables in question. The second

chart is to examine the relationship between resource dependency and the perception of corruption (as shown by the Corruption Perceptions Index produced by Transparency International):



This scatterplot shows a positive correlation between the two variables being demonstrated. In doing so it demonstrates the idea that as a state becomes more dependent upon resources to produce its revenue, the perception of corruption of the leadership increases. The final graph to look at is one comparing the relationship between the inequality of wealth (as represented by the GINI Index ratings from the World Bank) and Resource Dependency:



This particular chart shows a positive relationship between the two variables, as resource dependency increases, the trend towards income inequality increases. While showing the trend, it is important when looking at this chart to see that there are large clusters both above and below the slope line. This shows the researcher that even at both high and low levels of resource rents, there are some states that exhibit great income inequality, and there are those that do not. These charts, while not a comprehensive proof of the thesis, does support much of the underlying theory, and the concepts of the intermediary variables and relationships that will be examined in greater detail in the case studies of this thesis. These three trends are to be remembered as the case examinations begin, that resource dependency has a positive relationship to both wealth inequality and perceptions of corruption, while having a negative relationship to overall wealth as measured by the GDP per capita.

Follow Up

Resource curse is an ever-evolving concept that can include a multitude of outcomes to the inherent struggle to achieve control over the state's resources. This work will focus on scenarios of resource curse that lead to violent conflict between the state and other entities. By gaining a better depth of knowledge of all of the parameters above, this thesis aims at finding the policies and methods that can help to mitigate conflict, by determining what resources are more likely to lead to conflict than others and in what ways different resources are capable of impacting conflict. Each case will require an analysis of resource curse as a whole, the political and environmental climate of the continent of Africa, in particular the specific case's political and environmental scenario, and the types of players that become involved in the situation.

In understanding these particular resources in each of these situations, one can hope to grasp the overall concept and appreciation of resource curse and how states affected by it function and can hope to find means to avoid the conflictual result that these states have endured or continue to experience. The succeeding three cases hope to highlight the uniqueness of different types of natural resources within each case, and in turn how these different resources, such as diamonds, copper, and oil, can play a role in civil wars and other conflicts.

Chapter 2: Literature Review

This section of the paper will attempt to gain a better interpretation of the basic elements of resource curse and how they can each interact. Also, in an attempt to gain a basic knowledge of resource curse and resulting conflict, this section will analyze other types of group interaction, resources not to be described in the case studies, and other concepts about resources, trade, and conflict between states or smaller groups within the state.

Resource Curse

Resource curse is the phenomenon by which the existence of natural resources in a state can lead to economic difficulty, conflict, political change, or other problems for the state and its population. Conflict is to be interpreted as negative interactions, whether political, militarily, economically or by other means within multiple groups. Resources are an item naturally occurring within the state which include minerals, oil, diamonds, humans, forestry, or any other commodity not produced inorganically.

In investigating natural resources and conflict, one must assess the government's ability to maintain control over the state's resources. Governmental control plays a major factor in interpreting susceptibility to external influences, which can be a role in conflict arising within the state from resource curse. According to Mitchell and Thies (2012, 223) "conflict risk may be based on characteristics of the natural resources, such as the government's ability to control them and whether they are located in a few or many sites. Whether natural resources fuel civil conflict may also depend on their interaction with other factors that increase a state's risk for

conflict." The degree to which the state can control its own natural resources can be a factor in the manner by which conflict arises. As stated earlier, the number of locations in a state that contain resources can affect conflict since the increase in sites decreases the state's ability to maintain control. Also, in analyzing a state's ability to maintain control over its own resources, economic stability and the ability to put the necessary entities into place that enable control, one is capable of making more informed assumptions about the effects of resource curse in a particular case.

However, in a state that lacks the necessary financial and structural resources to put into place the mechanisms for maintaining its own natural resources, one generally sees other differences in the manner by which the state is managed. In other words, the variance in the state's average income, as well as its financial capital on hand can give some indications as to the level of control that the leadership of the state maintains within its own borders. Obviously, this can also be achieved by more visible measures, such as citizen compliance, levels of conflict and leadership stability. These other measures of the society often produce interesting results. For example, Soysa and Gizelis (2013, 93) have identified a relationship between resource and HIV infection: "When the within country variance is estimated, higher incomes seem to increase the prevalence rate, suggesting that the negative effects from high incomes in our original results may reflect unmeasured country-level effects (omitted variables). By contrast, there seems to be rather robust evidence that oil rents increase the prevalence of HIV/AIDS and deaths from AIDS." The authors of this text contend that, based on their data results, in a rentier state, higher levels of HIV/AIDS cases and deaths exist. There is not likely causal, but rather a spurious correlation that low economic levels lead to both the

state working with manners such as oil rents to increase the state's income levels, and higher levels of HIV/AIDS deaths. Any studies of Africa in the modern day are incomplete without the recognition of the high HIV/AIDS death levels.

It is important to note that resource curse can arise in many ways. It is any negative effect on a state due to the fact that the state is resource dependent for its economic success. In many cases of resource curse, the negative effects do not necessarily mean violent conflict. Norway is an example of this scenario. In Norway, the negative effect of the natural resource dependence has been rapid inflation in the whole economy (Røed 2005, 80-82). In this case the negative effect at first seems positive, until the whole economy grows so drastically that everything in the market is overvalued.

There are also some African states that have abundant natural resources and generate much of their income from their extraction and distribution, yet have avoided conflict. One such case is that of Botswana, where the state, for all intents and purposes, has avoided the negative potential implications of so much of the state's economy being based in its natural resource abundance (Elbra, 2013: 549). Cases such as Botswana are necessary to understand resource curse, as it must be recognized that not in all situations where the resources are such a part of the economy will there be resource curse effects.

Financial Implications

Lower income levels and a state's reliance upon creative income sources (such as resource rents), both indicate that the state lacks the financial resources to ensure stability. That also implies that a state without proper levels of financial stability is more prone to

external influences or internal displeasure (which can lead to other internal issues, such as intra-state conflict).

These negative financial situations, while likely leading to decreased levels of healthcare and quality of living conditions, also can lead to lower security and possible increases in conflict within the state. In his research, Billon (2008: 347) assesses a few characteristics of states that are most prone to civil war in the latter half of the 20th and the 21st centuries: "According to the political economy literature, the characteristics of countries most vulnerable to civil war since 1946 are low per capita income, declining economic growth rate, 'weak' state coercive capacity and institutional authority, and political regimes in transition, although the influence of different kinds of inequalities remains debated." These states with declining economic growth are often more likely to be engaged in creative forms of income, such as creating a rentier state situation. Or, it creates a scenario (if the resources exist that is) where individuals or a faction with some level of influence might attempt to take control of the state and its natural resources to try and change the financial status of the state.

Declining economic growth can occur from a variety of causes. Interestingly enough, conflict can be a cause (interesting since economic issues can lead to scenarios that cause conflict). This finding means that when analyzing conflict as an effect of resource curse, it is important to see if there is a time-order effect.

In interpreting declining economic growth, many variables may be responsible. When analyzing resources and conflict, one must look at interactions between the two parties in question that have other variable involved. For instance, how climate change and civil war together combine to impact the state's economy is an interesting interaction to consider. As

Devitt and Tol (2012, 139) observed: "Taken separately, climate change and civil war have a relatively modest impact on economic growth. Taken together, the impact is more substantial – and indeed the sum is greater than the parts. A conflict-and-climate poverty trap is therefore more likely than either a climate poverty or a conflict poverty trap." What is to be taken from Devitt's excerpt, is not just about the reality that civil war and climate change combined can hamper economic growth but also the impact of multiple variables on the situation.

Though climate change might seem like an odd item to discuss with resource curse, but the above work on conflict and climate change becomes more pertinent when talking about civil war and natural resources. Largely this is because one must look at this correlation and remember that climate change can impact the ability to access resources. This may be a direct or indirect link, but is worth making note of in this text.

Multiple variables will always be a part of interpreting political situations, however, some of these variables can be a part of the state, a part of nature, outside states, corporate, or militant forces that desire control of the resources. One must ensure that these forces are accounted for in case study analyses.

In interpreting resource curse, different data will arise around states, depending upon when their resource extraction was at its height. Depending upon what the political situation of the state is/was, the economic situation, the degree of control the state has over its population, the amount of impact outside influences exercise over the state, and other factors can limit the findings. Among those, the political situation is one of the most important factors in determining the outbreak of conflict. However, the degree to which it impacts the state will depend not just on these other influences, but also the type of resource in play: "Unlike earlier

African oil producers such as Angola or Nigeria, which discovered their oil fields under autocratic regimes, Ghana's oil windfall auspiciously arrived under a democratic regime during a time of greater awareness of the resource curse. Yet empirical studies suggest that oil can have a corrosive effect on democracy, particularly in low-income countries," (Gyimah-Boadi and Prempeh 2012, 95.) According to Gyimah-Boadi and Prempeh (2012), though Ghana's oil boom occurred under democracy and a strong awareness and interpretation of resource curse, it still can be harmful to the state. Oil as with many natural resources, according to this article, can be negative to the democratic regime in place, but this impact becomes even more heightened when low-income countries are involved.

Low-income economies are quite vulnerable to resource curse, largely because the members of the state are in such poor situations that they will do what others ask of them if it can improve their financial, medical, educational situation. Low-income economies will be impacted differently than high-income economies by resource curse, as the states' economies are more susceptible to external influences, both financial and political, as the states and their citizens are in much greater need.

That being said, trade and conflict are inherent realities to the world, and state leadership must be able to keep that in mind and adapt accordingly. Low-income states in particular, need to be capable of recognizing their susceptibility when it comes to their policy-making.

Conflict Theory

Trade and conflict are realities for states. When conflict is likely to exist, some people would argue that it still does not likely deter trade activities since trade is necessary for the state's prosperity. This is particularly true when in a state's dominant natural resources as these are necessary for the state to grow its economy without having to add new industries, as Gartzke, Li, and Boehmer (2001, 395) state:

> Thus, trade and conflict are both endogenous; states will not be deterred from conflict if the threat of conflict deters trade. Second, the deterrent effect of trade should be modest. Any factor that discourages aggression by one party encourages aggression in others. States can use trade to signal, informing others by demonstrating a willingness to pursue costly acts (harming trade). Finally, interdependence may affect conflict indirectly by transforming state preferences in such a way that states no longer desire to compete.

While states in this situation may lose the incentive to compete, they still look to find trade opportunities, as trade is perceived as a benefit that exceeds the risk associated with potential conflict. There becomes a need for a state in a downward economic situation to ignore other issues that allows citizens/the state to increase revenue and change the fiscal climate. These changes will not only have an impact on the financial situation but also the state's healthcare, its politics, and even its national security.

However, in increasing the amount of trade involved for the state, the potential for conflict arises. Not only does this happen based on new interactions but also as an issue related to the state's existing interactions. This can also hold true for problems that are already

occurring between different groups within the state prior to the increase in trade volume, as it can multiply the number of occurrences.

Intergroup conflict can arise from existing intergroup difficulties, such as ethnic struggles or other standing issues, within the state, as well as changes from outside players, such as international corporations, other nations, or international NGO's that see a problem to be addressed. Existing issues are likely inflamed when the state's resources increase in scarcity, in value, or in access for the groups that depend on it, whether it is for financial success, or health/nourishment/other forms of well-being: "Intergroup grievances are likely to increase when a sense of relative deprivation makes losers resentful and covetous of the gains of others. Intense resource competition can also increase intergroup grievances by creating zero-sum conflicts of interest between groups," (Kahl 1998, 88). The reason zero-sum conflicts of interest can occur is that there are limited amounts of resources, and if each group is fighting for total control, then both groups cannot gain success. More likely, neither group will be optimally successful if there is too limited of an amount for both groups to have a share. The first conflicts to arise are more frequently those based upon existing hostilities between the groups.

In poorer states, with financial and physical intergroup conflict, changes in regime can positively impact some groups, while being detrimental to other groups. Under different political leadership, different groups that did not have success earlier, might have heightened opportunities, especially if the new leadership is not entirely ethical in its oversight of the state.

Unethical leadership can lead to intergroup conflict wherein one side is aided and supported by the state, based on its involvement in the progression of the political power of the new leadership. As noted in the Economist (2012, 14):

> "The crudest example, inevitably, is Zimbabwe, where Robert Mugabe's cronies have proceeded from grabbing white-owned farmland to seizing foreign mining firms, starting with a reasonable sounding 10% ownership share, soon to go up to 51% and probably beyond. There is little sign of that wealth going to the Zimbabwean people. Others have been less blatant, but they still subject miners to arbitrary rule changes: firms are suddenly forced into partnerships with locals who have no industry experience. In South Africa, where private mining has a long history, the government has conspicuously failed to shut down talk in its own ranks of planned nationalizations."

In this case, one can see an increase in attempts to control commodities by Mugabe's inner circle in Zimbabwe while white landowners lost their control quite quickly. Beyond that circle, few Zimbabweans benefited. Economic prosperity did not filter down to many Zimbabweans and was is limited to only a small faction.

When in cases such as the above, where economic prosperity is limited to a small elite of the society, the factions of the society that do not derive any of these benefits may look to other methods to try and increase their financial situation. However, it does not limit itself to financial difficulty for individuals. This can occur when the state itself has financial issues.

Whether the relationship between resource curse and active conflict is causal or not is important for this study: "It is possible that the trade-conflict relationship is correlational, not causal. In this argument, interdependence simply serves as a proxy for interaction—trade does not actually cause conflict," (Pevehouse 2004, 262). One must consider when analyzing a case to determine whether the resources themselves (and the trading of them) cause the conflict

present in a case or whether other interactions by similar groups (or the same groups) lead to conflict. Eliminating spurious correlations is requisite to any study. In looking at that particular aspect, one can interpret whether trade is just that which forces interaction between the groups, and that any involvement between the groups would lead to conflict. Or in the particular case, is trade interaction the primary cause of conflict in the scenario, which is necessary for analysis of resource curse case-by-case.

It is important to interpret when the interactions between groups cause conflict, versus when they are actually just proxies that for the interaction, and any interaction would cause conflict. In resource curse, trade is just one type of group interactions for control of the resources that can lead to conflict. Often times, trade is actually just an activity that gives the groups reasons to desire control of the resources, so that they can trade with outside entities for profit, and they then have conflict with other groups over control of the resources. It may well be that an activity such as trade is just one variable in the causal chain to conflict between groups/individuals.

Great Power Politics

Many other aspects play a role in the underlying theoretical basis behind the relationship between trade and conflict. Great power politics plays an important role for conflict in the global society, as the great powers are such substantial participants in international trade and in the sphere of global security.

In Braumoeller's analysis of conflict as it pertains to great power politics, conflict can be explained through two models: the *deterrence model* (also known as rational deterrence

theory) that argues conflict occurs as states lower their guard to potential aggressors and the *spiral model* that maintains that states increase their own defenses when another lowers their guard and then systemic hostility increases as both parties increase defensive measures (Braumoeller 2008, 80). What is interesting is the connection between the two theories: "Although it is rarely noted explicitly, both explanations for the outbreak of conflict are contingent on a relationship of some hostility between the two states," (Braumoeller 2008, 80). Thus, for conflict to arise, some hostility must exist between the two entities (extracting this concept beyond inter-state activities).

This work on resource curse will examine the cause of the hostility between the two entities. By looking at great power politics, it is possible to see how leadership impacts the conflicts within the state. In the proceeding cases, this thesis will observe the involvement of state leadership in the respective civil wars. In many of these instances, the leadership will not serve the best interests of the general population.

There are always dissenting interpretations of every concept. Resource curse is not an exception: "However, the nature of the resource curse and the causal mechanisms linking natural resources to negative political, economic and social outcomes remain contested," (Idemudia 2012, 184). The differences in beliefs can generally be tied to one of two reasons, the first is the notion of causality, since there are so many intermediary variables or causes, and some might say that there are too many links to identify a cause. The second is the idea that much of the linking is too limited to specific state structures to be likely to actually produce similar results. The thing to remember about each of these, is though that they require more specific scenarios, this is not unique to this issue, most issues in the social sciences are case

specific, and while this can decrease external validity, it still has interesting information about the issue to offer. As expressed by Idemudia, there are some contested beliefs about the causality of resource curse and negative outcomes in the state.

An element of resource curse is the notion that the revenue derived from the state's resources does not filter down from the leadership to the general population. This inequality can often lead to the more conflictual situations: "In principle, one would expect that the wealth generated by the hydrocarbon industry would contribute to the development of localities that experience a boom in natural resources. However, this assumption does not always hold true, and careful decisions must be made to reverse the negative effects of the resource curse," (Costa and Santos 2013, 789). The inconsistency by which much of resource capital is dispersed within certain states explains of the development of conflict. When citizens can see massive wealth being produced yet not being dispersed throughout the state it can create much frustration and a lack of connection to their government.

In states susceptible to resource curse, the level of corruption plays a role in the interaction between the citizens and their leadership. How much the laws set forth by the leadership protect the general population or limit the propensity to abuse power by the executives can influence this relationship. If a state's laws protect fundamental rights and if they allow for oversight of the executive power (Costa and Santos, 2013: 790), then there will be less corruption in this state. Government control, depending how it is oriented, can either limit government corruption, or lead to the increased corruption that can decrease the sense of loyalty by the citizens to their leadership.

One benefit of natural resource abundance is capital accumulation. Human capital is necessary for long-term growth of a state's economic structure. Human capital, refers to the skill sets that the citizenry brings to the state's development. However, along with capital, certain other forms of capital are necessary for overall economic growth of a state. "Some empirical studies have found that natural resource development activities closely relate to human capital accumulation. It has been a consensus that human capital plays a vital role in driving economic growth," (Shao and Yang, 2014: 633). Though initial thoughts about a state's economic growth tend towards financial changes, if limited to finances alone, the state will fall short in any endeavors attempted to grow its economic structure. The human capital within the state, in a state susceptible to resource curse downfalls, invests the people in their government, and the government in its people. With this mutual investment, the tendency to rise up against the government by individuals or groups decreases.

Conclusion

So many of the different elements listed above can contribute to the development of conflict in a resource curse inflicted state. Along with intergroup hostility, the abundance of a particular resource is necessary, but it need not only be of great value, but also valuable relative to the wealth of the average citizen. This is true for so many resource curse situations, as we will see in the proceeding cases. For example, the high value in Sierra Leone of Diamonds compared to a per capita income, coupled with militia entities, will help to explain this concept. Finally, in analyzing resource curse, one must look at there being a cause for the high value resource to incite conflict. Often, this is due to either the lack of distribution of wealth to the

average citizen, or a lack of faith by the average citizens in the leadership to have the best interest of the state in mind. Resource curse is a multi-faceted concept and as a result it can have various effects upon a state.

Chapter 3: Case Study 1

Sierra Leone and Diamonds

A commonly discussed scenario when dealing with resource curse in Africa, is that of Sierra Leone, and the rise of "Blood Diamonds". This conflict can be analyzed in connection with the war with the "Revolutionary United Front" (RUF) from 1991 to 2002. In the wake of this particular conflict, Sierra Leone has worked to create a restructured state with decreased conflict and heightened state security.

Sierra Leone Prior to Conflict

To further study the situation in Sierra Leone, one must first analyze the setting of the state prior to the attacks by the Revolutionary United Front (RUF) in 1991. "From 1988 to 1991, the GDP per capita of Sierra Leon declined from $270 to $192...comparatively, the United States in 1991 had a GDP (in current USD) of $24,405," ("Gross Domestic Product (GDP) per Capita, USD"). This declining economic situation, as well as the limited level that it is for a baseline comparison to a developed Top-10 GDP state, puts the citizens into a place where they are much more susceptible to other influences to increase economic standing (whether those influences are external or internal to the state). The baseline is necessary in any further analysis of economic state, and its relationship to the RUF. Sierra Leone experienced a net decline in GDP of 28.89% from 1988 to 1991 and in 1991 has a GDP equal to 0.79% of the GDP of the United States.

Secondly, the mineral situation prior to the RUF outbreak in 1991 had an impact on the conflict in Sierra Leone. There are key players, resource abundance, and international involvements that are all factors in the mineral climate prior to the state's conflict with the RUF: "The RUF's war began in 1991, and from the outset, Liberian warlord and later President, Charles Taylor, acted as mentor, trainer, banker and weapons supplier for the motley collection of dissidents, bandits and mercenaries who called themselves the Revolutionary United Front. The rich alluvial diamond fields of Kono District and Tongo Field were among the RUF's earliest and most prized targets," (Richards, 2001: 42). The conflict between the RUF, and its leadership (including the influence of Charles Taylor of Liberia) and the state started largely over the control of the state's abundant diamond resources and the early control gained by the RUF over the diamond fields of Kono and Tongo gave the group some quick success in the fight with the state, and early success is important for any revolutionary entity.

Diamonds

The value of diamonds circa 1991, the cost/method of extraction, the cost of refining, and the cost of transportation are vital components to analyze the impact of resources over different players in the state's economic climate. At the time of the RUF war outbreak in 1991: "In 1991, the cost of a 1-carat flawless diamond was $15,500, a substantial rise from $14,250 in 1989, not much lower than $16,000 in 1992," (Leckey, 1992). The cost of raw diamonds was so high that there was great opportunity for individuals to make large amounts of money from their extraction and distribution. In 1991, not only was the value high, but it was at a large increase in value (just under 9%) from the previous year. The rapid increase heightens the

desirability of controlling the resources, but it also increases the number of players involved (most notably the state and the RUF, but some smaller militia and individuals come into the fray as well) in the struggle to gain control which can increase the degree of violent acts involved in gaining the control.

The distributive methods are just as important as the high value of the diamonds. As seen below, the illegal methods include the tendency towards smuggling diamonds through different nations such as Liberia. The legal methods would include sales to major international corporations directly from the state that they are mined from, and paying appropriate tariffs to the state. Additionally, in illegal mining operations, alternative methods become more fruitful. During the 1990's billions of dollars' worth of diamonds were smuggled to Belgium through Liberia, which becomes more obvious by the fact that relatively small numbers of diamonds are actually mined in Liberia (Richards, 2001: 42). In the early 1990s, nations like Liberia became trafficking points, where diamonds being mined in states like Sierra Leone under less than legal/optimal methods were smuggled and exported into the common diamond market. The distribution methodology in this situation is a precipitating factor, as it enables the RUF to be able to profit from its controlled diamond mining operations, which allows them the financial stability to continue its conflict within the state, from their higher income levels, rather than paying any appropriate taxes and fees to the state.

Outbreak of Conflict

Another factor that has enhanced the RUF's financial stability is the actual instability of Sierra Leone, which has been impacted by the presence of abundant diamond deposits: "Diamonds, in fact, have fueled Sierra Leone's conflict, destabilizing the country for the better part of three decades, stealing its patrimony and robbing an entire generation of children, putting the country dead last on the UNDP Human Development Index," (Smillie and Gberie, 2000: 3.) The instability in Sierra Leone has only been enhanced by the diamond abundance, as it gives groups like the RUF the financial incentive to revolt against the state, to dominate the resources, and to limit the ability for individuals to gain any degree of financial stability or independence themselves.

The lack of control over the state's resources encourages violent conflict in natural resource curse state, as it may lead to a belief by outside groups that they might be capable of taking charge of the state's resources through violent acts, where as a more stable/controlled state would reduce the groups' ability to think that they are capable of taking control.

The instability and climate conducive for violence led to an era of conflict spanning from 1991 to 2002 in Sierra Leone. The substantially higher value of the diamonds, when compared to the wealth of the citizenry played a major role in the conflict. Along with the decline in wealth, the increase in diamond values of the preceding years is a primary factor in the situation. This is especially the case when looking at the fact that early control of the diamond deposits enabled the RUF to ramp up the violence from a mild uprising to a true civil war.

Overview of the Conflict

In 1991, the RUF, along with their supporting entities from other states began initial militant activities against the Sierra Leonean government. This included, but was not limited to taking possession of the state's massive diamond deposits, taking prisoner common citizens, and limiting government opportunities to engage its citizenry for aid in combatting this front. At the same time, the corrupt government lacked support from its population. The increase in value of the diamonds only increased this disenfranchisement of the population. After the conflict began to receive greater amounts of publicity, international outcry called out for change. In 1999, the signing of the peace agreement between the state and the RUF, and ensuing seven year United Nation's occupation of Sierra Leone helped to end the conflict and increase stability in the region.

Ending of Conflict

One must next analyze the situation that led to the end of conflict between the state and the RUF in 2002, and what elements present in that situation altered the path from the eleven year long civil war. This produces a greater appreciation of the conflict as a whole: "Unable to resolve the conflict militarily, even with the support from ECOMOG, the Sierra Leone government eventually negotiated and signed a peace agreement with the RUF in Lomé, Togo in July 1999.... And the things that the state implemented at the end of the conflict to attempt and limit similar instances moving forward," (Rashid 2013, 3). After the involvement of the United Nations from 1999 to the change of regime, the state was able to regain control and eliminate the challenge from the RUF. The change in dynamics in the post-conflict Sierra

Leonean state shows the impact that resource curse can have on a state with limited economic stability, in particular in a post-colonial scenario.

The United Nations intervened in a situation such as this one to mitigate the conflict and in order to create some stability. In the 1990s there was much more global awareness than before. Thanks to the available media, the international awareness of this conflict led to an international outcry for action against the violence which only encouraged UN to contribute forces to the cause.

A seven year deployment of 17,000 United Nations coalition troops played the greatest impact in reducing the conflict within Sierra Leone. The numbers of troops enabled the state to excise the influence of the RUF, but also created a presence there in the post-conflict era, which ensured there was not a secondary conflict after the withdrawal of troops from the state. The international coalition was essential for the stabilization of the state. This coalition was also important in the establishment of governmental control over the long-term stability of the state and preservation/protection of the state's abundant natural resources.

Findings and Implications

In evaluating this case, one must discuss potential implications of this situation, and how other states with similar resource scenario can limit resource-based-conflict. Unfortunately, the inability of the Sierra Leone government to control resource access, whether through individuals or corporations, can lead to a scenario where the state's resources, and in turn security, are left open to assault or other influences by outside groups or individuals operating under less-than-ethical practices.

In analyzing how diamonds in particular play a distinctive role in this situation, one must look at three characteristics about diamonds in Sierra Leone as presented in the above parts of this chapter:

1) **Portability**: Diamonds are easy to transport, and as listed above, can be smuggled through states with limited diamond production and not easily be tracked to where they were actually mined, which encourages less-than-ethical groups or individuals to illegally mine and smuggle the resource.
2) **Extractability**: Diamonds can be removed from the earth by a variety of methods. Most methods require little to no investment or equipment, enabling individuals or low-budget groups to be involved.
3) **Value**: As listed before, diamonds can have a great value, and in a state such as Sierra Leone in 1991, it could lead to large financial incentive for individuals to want to gain control of the natural diamond deposits for their own gains.

Diamonds are quite subject, based on this analysis, to conflict because they do not require sophisticated groups and equipment, large investment, or high specific skills to extract, distribute, and transport the resource to the open market.

An important thing to acknowledge about diamonds, is that the mining process, while achieved with relative ease in Sierra Leone, can at times be difficult. When this is the reality, it is not so simple to mine diamonds, and it would alter whether or not conflict occurs, and if it does, who become the major players. This is the case in South Africa, though resource-based financial disparity exists, violent conflict over their control has not (Elbra, 2013: 549-551). It is important to remember that the assessments made about diamonds or any other resources in

this text are relative to that case, and though some generalizations will be attempted, they cannot be fully extracted across other cases.

It is also important to remember that diamonds are easy to smuggle in the respect that it is hard to tell where a particular diamond comes from, decreasing the accountability of where the particular diamonds are being mined from before being send to the open market, or to major distributors or purchasers. This particular characteristic of diamonds is a major reason it has been so easy to smuggle them to the open market. The inability to track the origin of diamonds has led to the various international methods of tracking them or certifying the origins. Some of the efforts that have been made to reduce the number of "conflict diamonds" into the open market seek to certify their origin and regulate the means by which these diamonds enter the market. One of these, the Kimberley Process, is an industry-based certification concept that requires member states to pass legislation requiring the certification in order to keep conflict diamonds out of circulation (Haufler 2009, 404). After the conflicts of Sierra Leone and other African nations in the 1990's, the world became much more aware of these activities. This was based on work by the United Nation's peacekeeping efforts by a group called Global Witness, a London based NGO (Haufler 2009, 407). Global Witness created this concept after the UN peacekeeping missions and has since developed a large membership of nations with the greater aim of keeping conflict diamonds out of market. Global witness also wants to keep states control how their diamond deposits are mined and brought to market. This particular attempt is a direct result of the civil war in Sierra Leone, and others of its kind, and the international attention that Sierra Leone has drawn both during the war and in the post-conflict era.

Multinational endeavors such as this require the individual states to uphold the set of standards themselves. That is because other member states have to assume the certificates put on the diamonds themselves are valid without having excessive international oversight. If states begin to let slip the regulations on their own exports then the system and certification process loses its validity. However, systems such as these can create greater international consistency of what hits the general market if the member states ensure that the systemic norms are upheld or that violations are reported to eliminate those diamonds from hitting the open market. This concept also requires that major corporations limit their buying practices to only those diamonds that have arrived in the marketplace with proper, unforged documentation.

The case of Sierra Leone is an important case of resource curse, and in particular, diamonds as a resource of interest. The "Blood Diamond" conflict between the state and the Revolutionary United Front (RUF) has been assessed by multiple scholars and political entities, both during the events and in the post-conflict era. This case here can provide information about the effects of resource curse on the state with diamonds as the resource, showing how their ease in portability and extractability as well as their high value can yield more significant effects for the given state.

Chapter 4: Case Study 2

The Democratic Republic of the Congo and Copper

The Democratic Republic of the Congo (DRC), its rich ore production (primarily copper) and the internal conflict that has arisen is an important case to study. While there are many efforts to try to reduce the amount of conflict, the civil wars continue. There is a movement to bring larger numbers of international mining corporations to the region of Katanga to mitigate holds placed on the area by warlords and legions under their control, but that has not yet materialized. Though technically, the Second Congo war ended in 2002, conflict still continues, and as much of it is attributed to the trade of conflict minerals, the case shows the consequences of resource curse in the 21st century.

The State Prior to Conflict

Prior to the outbreak of conflict, the DRC was: "Early in his presidency, Kabila showed signs of moving towards one-man rule. His control over state resources was highly personalized, and public enterprises were not managed in any long-term sense of the word but rather used to rapidly generate finances through indiscriminate concession granting (United Nations, 2001b). Corruption, patronage, and lack of accountability came to characterize Kabila's presidency, rather than the hoped for democracy and national development," (Olsson, Ola, and Fors 2004, 325). A state situation with leadership such as this is susceptible to conflict for a two reasons. The first of these is that the citizenry of the state lacks faith or loyalty in the leadership at the helm. The second reason is that a small number of citizens maintain the

majority of the wealth thanks to the leadership, though they often continue to try and gain a greater share of the limitedly distributed wealth. The situation under Kabila's presidency shows that a form of state, where the average does not have a good standard of living, while a small number of close confidants maintain all of the wealth and power.

Kabila did not operate the access to the state's resources in a way that best served all people, rather in a manner that best served him and his cronies. This can lead to conflict when militant groups want to take control of the government because then they can control who gains access to the resources and how they are distributed.

Copper in the DRC

However, just as important is the state's mineral situation around the time of conflict outbreak. The mineral situation in the DRC just prior to outbreak of conflict, includes, but not limited to the abundance of copper, the key players, international involvement and the legislation involved. During the decrease in market value of copper, the state worked to increase the volume extracted in order to maintain revenue. During the Mobutu period the government even limited infrastructure developments to those that would benefit copper production (Matti, 2010: 404). Though the Second Congo War began in 1999, the state was so close to the end of the First Congo Civil War that the state's economic policies prior to that time are just as important. In order to counter declining prices per metric ton of copper, the state increased productivity/extraction. What this can create in the eyes of individuals or groups looking to revolt against the state by violent means is an opportunity to take control of large

mineral deposits. Though the price per metric ton is decreased, the excess availability increases the likelihood of the copper not being properly secured and there being more available targets.

Next, the value of the present ores prior to major conflict as well as cost/methods of extraction and transportation needs to be assessed in order to interpret if those particular resources are likely to have played a part in the conflict. For this case, I will analyze the value of copper, per metric ton in 1999 as well as its significance based on historical data trends of copper values. In 1999 the value of copper was in decline. The value per metric ton was $1,432, down to almost 50 percent of the value it held in January 1995 (indexmundi.com). It is interesting that this conflict occurred at a time of a decline in value for copper per metric ton, though as listed above, the rate of copper production had been increased over the previous decade, which could be a part of the declining value as the supply increased.

However, the rise in supply could also be a factor in the desire to control the resources, and in turn, the outbreak of conflict. In interpreting this trend, other factors must be considered such as the GDP per capita of the state, the distribution of the resources at the time of conflict, and the ability for groups to take a controlling stake of the already present resources. Much of this has been discussed in the above analysis, but the GDP per capita can show the dichotomy between the state's prosperity and the mineral values, and helps to interpret how much the minerals can affect an individual's or group's economic situation.

Also, in analyzing the financial situation of the copper deposits in the Democratic Republic of the Congo (DRC), the GDP per capita of the DRC in 1999 demonstrates the financial implications of the copper for citizens of the DRC. In 1999, the GDP per capita was $102, compared to the United States $34,620 at the same point in time ("World Development

Indicators"). The GDP per capita shows one just how truly impoverished the DRC population was in 1999. In looking at those statistics, it is obvious that even though the cost of copper was in decline, it could greatly benefit any individuals, or groups of individuals, who could gain control of the state's massive copper deposits.

All of these factors related to copper, the per metric ton value, state GDP, and the state political climate, all connected to the outbreak of conflict in the DRC. President Kabila and his leadership apportioned the influx of revenue as he worked to maximize both his political and financial gain. At the same time, he attempted to marginalize the Tutsi and Banyamulenge members of his government, primarily it would seem as an attempt to control revenue flows in his own favor, not simply because of ethnic strife between groups (Olsson, Ola, and Fors 2004, 325). Under Kabila's administration, the leadership attempted to control the state's resource deposits so that Kabila could keep the financial gain for himself. These issues created a conflictual dynamic within the state's leadership.

Given the state's large copper deposits and low GDP per capita with the marginalization of groups, and the desire to control resource profits by the administration, an environment emerged that was conducive to intrastate conflict. Then with the large ramp up in copper production, there was much more copper available for some of the marginalized ethnic groups listed above who were desiring to take control of the state. Taking control of the mineral deposits can give a revolutionary group the financial leg up (as well as the limiting of the state's financial resources) to be able to perpetuate their struggle, and have a greater chance of creating a drawn out fight with the reigning government. Also, controlling the mineral deposits can limit the strength of the state as their economic situation becomes more and more limited.

It can also impact any relationships that the state's leadership has with international groups or corporations involved in the mining and exporting of the copper from the DRC. These various components all contributed to the desire to control both the state's resources and government by certain entities.

Mitigating and Ending Conflict

In attempting to end the Second Congo War, there were numerous peace accords that took place. Each had an impact on the copper situation in the DRC. The first part of this effort is the peace accord that created a cease fire in the DRC in 2002. That initial effort at mitigating conflict in the DRC was written and executed at Sun City (Kobia, 2002: 435). The Sun City peace agreement of 2002 put the DRC into a situation of trying to maintain peace in the state by ceasing the active conflict and setting up democratic elections for the leadership of the state.

The Sun City peace signing was between militant groups backed by leadership of Rwanda and Uganda, and was overseen by the heads of South Africa, Namibia, Zambia, Botswana, and Zimbabwe. This was the resolution of deliberation of the Inter-Congolese Delegation (Kobia, 2002: 438). The agreement ended the conflict and while it kept Kabila in leadership, it placed vice-presidents representing the various groups into power to safeguard against any illicit behavior by Kabila. The conflict, and all of its elements, including the desire to control access to the state's copper deposits contributed to which groups gained representation in the revised governmental structure.

At the end of the war, the state still had many goals to accomplish, and part of that is the removal of foreign troops and aid. However, in the immediate aftermath, that outside aid

may often be what is needed to gain stability. However, that is not something that can be achieved overnight, nor is there a simple right to achieving this peace.

Overview of the Conflict

The conflict in the DRC known as the Second Congo War began in 1999 in the Congo region of Katanga between the leadership of the state and home-grown militant entities that were backed by other nations in the region. President Kabila had marginalized Tutsi and Banyamulenge members of the government, leading to disenfranchisement of these ethnic groups. The conflict continued until 2002 when the signing of the Sun City Peace Agreement occurred as a result of the Inter-Congolese Delegation. While this increased prospects for peace, conflict has still continued in parts of the state, though the influx of monetary aid has assisted in the improvement of the situation. The state received aid from internal monetary entities, who had a vested interest in the stability of the region with the high copper production and exportation.

Post-Conflict Era

The post-conflict era of a state is an important part of interpreting the final events of the conflict. One must look at what some of those outside influences are, and how they impacted the state not only in the immediate aftermath, but as part of the long-term growth of the nation: "In the post-conflict period, from 2002 to the present, the DRC has experienced economic growth facilitated by high levels of foreign aid. The government has been technically, financially and militarily bolstered by, predominantly, Western countries, international

organisations and International Financial Institutions (IFIs). Conservative estimates put the amount of foreign assistance between 2002 and 2006 at $10 billion," (Matti, 2010: 405). The large amounts of western financial assistance allowed the state to maintain positive economic growth in the early post-war years. Much of the foreign financial aid came largely from international financial institutions. Besides altruistic reasons for wanting the DRC to be more stable, financial institutions want to see continued flow of the copper commodity to the open market. Financial entities have a vested interest in ensuring that large-used commodities enter the marketplace, rather than remaining unexploited by the events of civil war.

As the state becomes more financially independent, and the GDP per capita rises to $257, its ability to resist conflict increased. Even though those levels may still be low compared to a more developed state, they are more than double the value in 1999 and have continued to rise to $484 in 2013 ("World Development Indicators"). Their value continued to stay lower than developed nations such as the United States, whose value in 2006 was $46,437 and was $53,041 in 2013 ("World Development Indicators"). All of these numbers show that percentage increase in value of the GRP per capita, (though the dollars are lower) was higher than the United States over this time period (1999-2013). This increase indicates the possibility of positive long term economic potential, though it is starting at such a low point.

Though the economic state of the DRC still has much to be desired in the post-war years, it has drastically improved from where it was at the beginning and even the end of the Second Congo War. The situation, while showing positive growth and potential long-term development, also continues to shine a light on the low level or economic development today compared to western states.

Also, one must observe the potential implications of this situation, and how other states with similar resource profile can limit similar conflicts stemming from resource curse. In doing so, there are three major components to remember. The first factor is how rapid of production had grown in the preceding years, increasing the abundance of copper deposits that the state held, making a situation where groups might see benefit in gaining control by whatever means. The second component fact that the average cost per metric ton of copper was so much higher than the GDP per capita illustrates the concept that the citizens are in such a poor economic state. However, they could easily change their standing by forcibly seizing control of the state's resources. The third piece is that the political climate in the Kabila era was one disenfranchised specific ethnic groups and favor of those close to Kabila created a situation that did not encourage allegiance to the leadership. This also showed that the leadership did not have the best interest of the general population in mind when making decisions, rather only its own best interests.

The situation had many elements that could lead to political, economic, or military conflict. This case escalated in 1992 to active conflict and the development of the Second Congo Civil War (also known as the Great African War) because of the eventual involvement of more African nations, to include Zimbabwe, Angola, Namibia, Uganda, Rwanda, along with smaller participants Chad, Burundi and the Sudan (Baker, 2000: 263). The escalation of a single state's civil war to include so many nations drastically escalated the overall conflict to a multinational effort to control the copper deposits in the Democratic Republic of the Congo. This element remains unique to the Second Congo War, compared to the other cases being analyzed, because it did have this multi-national escalation and involvement.

Having outside nations involved alters this conflict in two primary ways. The first is that it makes for more properly trained and well equipped military, compared to individual militant groups that are less organized. This creates more involved and designed combat elements. The second manner is that it changes the methods required to end conflict, since rather than just controlling combatants, peace accords need be reached between nations involved.

Finally, the correlation between resources and conflict in this situation boils down to the notion of high abundance, elevated value, moderate extractability ease, and temperate transportation ease. This makes for desirable situation for groups to look to gain control of the state's resources. Compared to diamonds, the extractability and transportation are more difficult, but the value and abundance are still at a high. This type of conflict, while in some ways is predictable, has many variables involved, and as with the other cases, has intermediary effects of corruption and wealth inequality that occurs between the resource existence and the outbreak of violent conflict. The conflict in this case remains somewhat unique to the political and economic situation, as well as the unique format of copper production within the DRC.

The DRC Compared to Sierra Leone

This particular scenario differs from that of Sierra Leone by two major factors. The first is the involvement of multiple nations, which elevated the conflict from a civil war to an international conflict. This can both prolong a conflict and increase the degree of violent activity that is occurring. The second difference was economical; copper requires significantly more investment and infrastructure than for diamonds. This difference in extraction methods means that the leadership's behaviors are of great importance, since the leadership has the ability to

grant groups or companies access to the deposits to mine and produce. However, if the leadership does not have the nation's best interest at heart, and only its own, this access can be obtained by less than legitimate means. In much of these scenarios, this can disenfranchise parts of the population, increase wealth inequality, stifle overall financial growth, and in certain situations lead to conflicts such as this one that occurred within the DRC.

Chapter 5: Case Study 3

Nigeria and Oil

An often discussed resource in looking at resource curse is that of oil. A situation that reflects the current conflict with high oil production in the state is that of Nigeria. The ongoing conflict in the Niger Delta since 2004 will be analyzed. This case differs greatly with oil than with other natural resources, because the process is far different to extract, refine, and transport than for other resources of great value.

Situation Prior to Conflict

The first point is the state's situation prior to the outbreak of conflict, including how one must examine the relationship between people of the Niger Delta and their government, their resources, and their economic system. The people of the Niger Delta had little control over their own destiny, largely because of a lack of political influence. Which led to poverty, illiteracy, and social instability (Idemudia and Ite 2006, 394). When a people lack influence over their political system, the resources and their distribution, or the financial system as whole, conflict can arise from the frustration of the population over their limited control and stability.

As previously discussed, social instability, poverty, and illiteracy by the people seem to be what has drawn most from this situation. Limiting the intellectual or monetary resources for the citizenry to influence groups that come in, quite the contrary, they can easily be influenced by others that come in and try to take charge, as militant groups that come in often promise prosperity for the general population under the proposed new regime.

However, this state must be looked at from the resource perspective and in particular the oil deposits. How this resource and its abundance impact the situation in the Niger Delta are crucial factors for this case, especially the political, economic, and military situations prior to the outbreak of conflict. These elements combined create the state scenario that led to the initial outbreak of conflict.

The conflict in Nigeria started in 2004 and is still occurring today, although conflict relating the oil in Nigeria can be dated back to the 1990's. However the players in particular assessed became involved in 2004.

The Niger Delta conflict, as with many resource-based conflicts, involves the influence of militia groups. Militia groups became active beginning in 1994, beginning with the Oduduwa Peoples Congress (OPC) and grew in number to 1999 to the outbreak of conflict in 2004 (Ikelegbe, 2005: 494). These groups led to much of the initial conflict in this case. Militia groups can impact intrastate conflict by developing a large enough group or groups of citizens and outsiders that have the coordination to create and initial conflict with the state. At times, the militant atmosphere upended the political leadership and have implemented a new regime that favors the leadership and viewpoints of the militia group and the initial issues that they first revolted on behalf of, or in favor of economic prosperity for the leadership of the militia.

Overview of the Conflict

The conflict in Nigeria, specifically the Niger Delta came to its current format in 2004, and continues on to this day without end. The caveat to this case is that conflict has existed since the later 1990's, but the primary data is based upon conflict existing since 2004. This war

began between the Nigerian government and militia groups such as the Oduduwa Peoples Congress, the Niger Delta Vigilante and the Niger Delta People's Volunteer Force. The first events occurred around oil installations, and have continued to include tapping of oil pipelines, and other military activities against the government in an effort to gain control over the government, and in turn, its control over access to the state's oil deposits. Many efforts have existed to try and create opportunities for peace, including the Ministry of the Niger Delta, the Independent Corrupt Practices and Other Related Offences Commission, and the Financial Crime Commission.

Oil in Nigeria

Oil as a resource influencing conflict is a multi-faceted scenario, including, but not limited to the abundance, the key players, international involvement, and legislation pertaining to the state's oil deposits: "Furthermore, as oil rent flowed directly to the state coffers, those who controlled state power and occupied strategic positions not only used their office as an instrument to control oil, but also as a means of amassing wealth," (Idemudia and Ite, 2006: 395). The fact that Nigeria is considered a rentier state also plays a role. In states that depend on oil rents to financially prosper, they tend to be less responsible to the citizens as they are not as dependent upon taxation for financial stability (Idemudia and Ite, 2006: 393). One must recognize what a rentier state is, in essence, it is a state that produces a substantial level of its revenue through resource production (in this particular case, oil). Also, the fact that the leadership utilized the oil rents for individual prosperity, rather than for common benefit, increases the disparity between the leadership and the citizenry. This occurs both financially

and in terms of beliefs of mutual interest, decreasing the loyalty of the average citizen to those in political power.

However, to infer what impact oil can have on a state with limited revenue sources, one must first assess the value of the particular commodity as well as the financial situation of the state at the time of conflict outbreak. This includes interpretation of the GDP per capita of Nigeria, and the value of oil per barrel. In 2004 was $37.66/barrel, which would constitute an adjusted value high since 1985, and a 32% growth from 2003 ("Historical Crude Oil Prices (Table)"). At the same time, GDP per capita of Nigeria was $645.93, which was a high since 1982 and an increase in value from 2003 ("World Development Indicators"). This is all to say, that over the preceding years, the value of oil has increased along with the GDP per capita of the state, which has two implications. The first is that value of oil had increased, which increased incentives to control over the commodity. While the second is that though the wealth of the average citizen had increased, it was still drastically lower than that of a more developed state. The increased value and desirability of oil and limited economic standing of the average citizen can certainly lead to attempts to gain control over the resource.

Outbreak of Conflict

Just as important as what role they played in initiating conflict, is whether militias still participate in the ongoing conflict, and if so, why. Unfortunately, much of the situation that made the state desirable to militia groups has remained unchanged in the current day which helps to explain why the conflict continues. (Ikelegbe 2005, 507).

The consistency in the state's overall situation influences much of the ongoing conflict. If the state's political and economic climate is conducive to others coming in and taking resources or governmental power by force, then the only way to reverse the impact of the militia groups is to change the desirability to gain said control.

Though conflict had existed prior to 2004, another wave broke in April 2004 around oil installations of Nigeria including the two main militant groups involved in the conflict; the first was the Niger Delta Vigilante (NDV) while the second was the Niger Delta People's Volunteer Force (NDPVF) (Watts, 2007: 647). By the involvement of these new militant groups, the state's conflictual climate changed. This new conflict was over trying to control both the state's resource deposits and the income they produced.

The active conflict over the state's oil deposits cost international energy corporations and the Nigerian government over a billion dollars by 2005, and over 61 million dollars per day in losses in 2006 (Watts 2007, 647-649). This damages both the state's security and its relationship with the energy corporations. The way in which this benefits the militia groups is by severing the bonds between the state's leadership and the multinational oil companies involved. For any group wanting to gain control over the state's executive, severing the ties between the current leadership and any international players involved is an important step. This will then allow the groups attempting to seize governmental control the potential to extort the state's oil deposits for their own gain.

Efforts to End Conflict

Though this current conflict in the Niger Delta has not ended, there have been efforts to try to mitigate or end the violence.

Some attempts have already occurred and failed, and there might be other options that may be plausible, and could be implemented. In Nigeria, most of the efforts to mitigate resource conflict have been in one of three primary forms that while connected, have unique primary items that they try to tackle as a means of changing situations.

This is by creating developmental agencies aimed at addressing individual grievances of the people of the Niger Delta, supported by oil money in the region, notably the Ministry of the Niger Delta in 2008. Also this is accomplished by implementing new laws to fight the corruption in the state, such as the Independent Corrupt Practices and Other Related Offences Commission (ICPC) in 2000 and the Financial Crime Commission (EFCCC) in 2002. Finally these are achieved by dealing with the resource curse in Nigeria via attempts to increase accountability and transparency, using the Nigerian Extractive Industry Transparency Initiative (NEITI) in 2004 (Idemudia, 2012: 185). While each method offers a unique format by which to mitigate conflict, they all revolve in some way around the ideas of increasing citizen involvement, influence, or understanding over the state's activities while also trying to decrease the levels of corruption within the leadership of the state.

The work shows that most leaders and/or scholars involved in setting forth these efforts see the primary issues in the Niger Delta conflict beginning with the state's lack of transparency and abundance of corruption wherein the citizens lack the ability to gain substantive influence

or relative levels of financial prosperity compared to what the state's top leadership gains from the resources.

Findings

The study of the Niger Delta Conflict reveals how the relationship between oil and the international corporations involves the manner by which militias attempt to gain control over the state. This is primarily by way of trying to sever ties between the corporations and the leadership. The violence occurring between the militia groups and the state around the oil deposits decreases the profits for the corporations, and makes them lose faith in the current leadership's ability to protect the deposits and ensure optimal profits for the companies.

This particular case study reveals interesting information about conflict in the twenty-first century. Though not yet resolved, the methods of conflict mitigation attempted provide some of the strongest information about the causes of this situation. Scholars accept that militia groups played a large role in the conflict in the Niger Delta, beginning with the establishment of the OPC in 1994 and the continued development of militia groups throughout the 1990s. At the time, the state's leadership was known for corruption and limited economic distribution of the proceeds from the state controlled oil deposits. The nation also gained much of its proceeds through the oil rents, rather than taxation, which limited the amount of accountability that the leadership has to the general population of the state.

Economics also played a role, not only in the distribution of wealth but also in the GDP and the value of the resources, in creating a disparity between the groups. In Nigeria, the low GDP per capita and rapidly growing value of oil per barrel aggravates resource curse. This trend

creates destitute domestic groups (either ethnically based or otherwise) in the region looking to grow both their economic standing and political influence at the time, leading to much of the militia activity and the eventual conflict.

Compassion to the DRC and Sierra Leone

The cases of Nigeria and the Niger Delta Conflict and their links to the oil deposits in the state are effective for analyzing oil as an example of resource curse. Oil makes it easier for groups trying to control the resources (in this case, the militias) compared to individuals. The main trends one observes in oil is that it is difficult to extract, not easily transported in small quantities. Though it can be transported through a variety of means, including pipelines and freighters, most require large capital investments to be achieved. One also sees that it is financially involved to extract, however, it can be siphoned off of transportation systems by militias after it has been drilled and the transportation efforts have begun.

Both of these properties require significant investment and infrastructure. Groups can make a difference in this scenario either by binding together financial resources to try to create the infrastructure to extract and distribute crude oil, or groups can work together to be able to try and forcibly take control over the infrastructure already in place by the state leadership. Oil requires greater investment than the other resources analyzed in this paper, and it not as easy to work with by comparison. While oil and copper are similar in that they are labor and capital intensive, they both vary from diamonds in Sierra Leone since diamonds require much less capital. This variance in capital requirement alters the players from individuals to groups.

Chapter 6: Conclusion

This work has addressed resource curse and the varying impact that natural resources have on a nation-state with lower economic standing. While valuable resources can contribute to national prosperity and a state's citizens that is not always the case. In many situations, those abundant resources, especially those with great welfare value, can have negative consequences for the state, and leave it worse off than if the resources had never been available.

Cases

In the first case (Sierra Leone) and the "blood diamond" situation, I reviewed the Sierra Leonean civil war, spanning from 1991 to 2002, between the Sierra Leonean government and the United Revolutionary Front (URF). In this situation, the relationship between the resource and conflict was affected by timing, (heightened values prior to outbreak) and the drastic disparity between the value of the resources and wealth of the citizen. There were also possibilities for individuals or groups to be able sell the commodity via other nations to conceal the illegality of their retrieval.

The second case study analyzed the Democratic Republic of the Congo and the Second Congo Civil War. This conflict situation began in the region of Katanga, which eventually grew to become the Great African War. The resource in question is the state's large copper deposits. In this scenario, after initial conflict within the state, other nations became involved, then escalated to the Great African War. This situation served as an example of how ore can be

involved in a state undergoing great conflict. This study also is representative of a more difficult commodity in terms of extracting, refining, or transporting.

The final case study focused on Nigeria and the conflict in the Niger Delta. This state's resource in question consisted of large oil deposits. In this scenario, one sees the lack of accountability between the state's leadership and its citizenry when the government operates as a rentier state. The fact that the government produces the majority of its revenue via oil rents limits the need for taxes which otherwise would serve as a device that can create more accountability. The case of Nigeria also is the single example of an ongoing conflict with no foreseeable solution unlike the previous two cases.

Findings

From the analysis of each of the three cases, it emerges that each of the three resource types has a few primary characteristics that define how that resource can be a factor of a resource curse state:

1) Diamonds are easily extractable, require little investment, and are simple (in terms of size and weight) to transport and take to market.
2) With copper (or any other ore), it is moderately difficult to extract, refine, and transport. Also, the resource requires some financial investment or manpower to handle an operation of this kind.
3) Oil is more difficult to extract, refine, and transport (especially in terms of size and weight), and requires substantial capital investment and manpower to run this operation.

The differences are visible in the case studies themselves and show how these disparities affect the types of players that play dominant roles in each conflict. With smaller resources such as diamonds, individuals can make a greater impact than they do with more sophisticated situations. That being said, groups are still more likely to become involved in the conflict than would individuals.

This could be misleading to the reader without the recognition that the relationship between resource curse and conflict is largely correlated with corruption and wealth inequality being necessary intermediary variables for this model to follow. Those intermediary variables are a large part of what completes this scenario.

Comparing to Initial Thesis

These findings fall in line with my initial thesis. The only caveat to that proposal is the fact that larger militant groups assume roles in each conflict analyzed. Despite the expectations about what types of political players would be involved should reflect the type of resource, it seems that each conflict lent itself to involvement by militant groups or warlord-led entities.

The idea that individuals would form the smallest and least involved groups as a necessity was a belief based on an incomplete knowledge of the situations prior to deeper assessment. Though in the cases of resources attainable by individuals, individuals can become involved in the conflict scenario. Overall, larger groups still have a greater ability to make a substantial impact on the situation within the state. Because of this, groups are always likely to become role players in the conflicts of states affected by resource curse.

Significance and Validity

The significance of this argument relates to the greater discipline's use of the work. These case studies are grounded in resource curse research and civil war studies. From these cases, one can assess the types of players likely to be involved in a developing state's slide into a civil war state. From a policy-making perspective, these findings could serve to help create public policy in states susceptible to resource curse that attempt to limit influence by militant groups or more equitably allocating the funds derived from the state's resources.

Along with significance, determining the validity is an important part of any academic work. As with any case study analysis, external validity is hard to establish since the generalizations afforded by limited case studies are hard to apply more widely. Though it is difficult to extrapolate results over larger scenarios, this work still offers some inferences. While these inferences are not exact tools for all cases, they can hope to help and create some concepts about resource curse and conflict as a whole. Internal validity, while difficult to define as accurate, because of the lack of direct order without experimental control, this study has a decent temporal order and limitation of spuriousness where able. Though these limitations exist by nature of the research methodologies utilized, this study does point to further research in the area of resource curse and conflict.

It is important to reiterate that the inferences made, while useful tools in studying resource curse as a whole, are made based upon the parameters of the case that within it is located. The limitations of that particular case and its conditions affect the way in which the resources behave for that situation and limits the inferences made about resource curse.

Future Research and Summary

If given the opportunity to research this further, I would take this topic in a couple of different directions. The first subject would be to take the same topic yet try to analyze how varied states manage their respective resources, and I could study what way that influences the development of conflict or lack of conflict, as it may be in that case. The other approach is to take similar cases as above except for them existing over a greater period of time to try to interpret whether the technology of modern times (and the access to information it provides individuals) aggravates or mitigates conflict. In the latter case, I could see the access to information from today's technology leading to conflict, primarily as a result of individuals being more aware of the specific values of resources compared to their actual personal income, and thus desiring an opportunity to control the resources themselves. This varied level of information could also have the reverse effect and mitigate conflict because of international knowledge about the situation, just as discussed in the international involvements in the previous cases. When people in developed states are more aware of the conflicts, international support in its various forms is more likely to be offered.

This work, while with limitations and future work to be done, offers some insight to the greater situation of resource curse in Africa. Conflict arising from resource curse, as has been seen in the preceding chapters, can include a variety of actors, but there is a common link between the existence of high value natural resources and the eventual development of conflict within the state. The primary item to learn from this work is the types of players that become involved with natural resource based conflict and how the varying characteristics of the resources are factors in determining those players. Though in doing so, the reader and

future researchers must account for the uniqueness of other cases that they may be analyzing, as the individual features of each case influence how resource curse will play out.

Chapter 7: References

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