

## Chapter 1

# Extractive Economies and Conflicts in the Global South: Re-Engaging Rentier Theory and Politics

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### **Contextualization and Historicity**

This book primarily explores the anatomy of rentier politics in extractive economies and how the phenomenon relates to conflict processes – conflict formation, aggravation, prosecution, and escalation, as well as opportunities for resolution or transformation – in the global South. The global South comprises the post-colonial and predominantly poor countries of Africa, Caribbean-Pacific, Latin America and Asia – countries that despite their abundant natural resource endowments are associated with the greatest political and developmental setbacks and challenges in modern history: dictatorships and instability, weak institutional structures, corruption and misgovernance, human rights deficits, hunger and starvation, environmental degradation, refugeism and forced migration, widespread disease including HIV/AIDS pandemic, as well as high and low intensity conflicts. It is noteworthy that the regions described in this volume as the global South is often depicted with such others terms as Third World, transitional societies, developing countries, less developed countries, underdeveloped countries, and so forth. Some of these terms, in particular, ‘Third World’ and ‘underdeveloped countries’, have a marked derogatory or pejorative slant. The concept of global South is often used in contradistinction with the *global North* or developed and industrialized countries, which is not strictly a geographical category but a political economy characterization.

Paradoxically, many extractive economies of the global South are amongst the world’s poorest and low-income countries, perennially beset with significant challenges in meeting their development objectives, including the United Nations General Assembly’s Millennium Development Goals (MDGs) and the Human Development Index (HDI). A number of recent studies have analyzed the paradox of poverty and wars amidst bountiful natural resource endowment – ‘the resource curse’ – that has blighted many developing countries (see Auty, 1993). Different theories, with varied explanatory powers and contextual relevance, have also tried

to explain the paradox and analyze the key drivers of conflict (see, for example, Terry, 1997; Collier and Hoeffler, 2000). Some influential structuralist discourses, such as the neo-Marxist dependency mode,<sup>1</sup> environmental scarcity theory,<sup>2</sup> and greed versus grievance theory,<sup>3</sup> have all tended to establish some degree of positive correlation between the structure of extractive economies dependent on primary commodity export, on the one hand, and patrimonial corruption, inter-group struggles for resources and dysfunctional conflicts, on the other. Another dimension of conflict amongst extractive economies is the conflict associated with the consequences of natural resource extraction for human livelihood, human settlement and the sustainability of the planetary ecosystem. Ecological conflict, as it is often branded does not, however, stand in isolation but is intrinsically related to structural conflict of groups and factional struggle for resources, including the mobilization of state power by privileged parties to advance the struggle. An apparent gap in most studies of note is a transhistorical multi-regional anatomy of rentier politics in extractive economies that rigorously explores the accumulation devices and tendencies of key stakeholders in their interplay with the structures of domestic and international political economy. It is this largely unexplored or overlooked aspect of politics in extractive economies that seems to have the most decisive implications for dysfunctional conflict (or lack of it) in different countries and regions of the global South.

Extractive economies are 'terminal economies' dependent on non-renewable and the seasonally renewing but exhaustible bounty of the planet's biosystems (see Berry, 1999). The globalization of production and trade in the late nineteenth century in the aftermath of the industrial revolution in Western Europe was the key factor in the emergence of dependent extractive economies in the global South. A great deal of historical studies exist on how European colonial rule and imperial governance created outposts of dependencies in the global South for the primary purpose of exploiting economic resources (mostly minerals and agricultural produce) as a means to provide the crucial raw materials necessary to advance capitalist production and industrialization in the metropolitan West. To consign a greater part of the global South to dependencies for extraction of vital natural resources during colonial rule, Western imperial powers supplanted the autonomy and sovereignty of the peoples, communities and states they colonized and instituted a regime of impunity conducive to unaccountable exploitation and primitive accumulation. Forced labour, compulsory cash crop production and delegation of sovereign power to transnational trading companies and individuals were all part of the regime of impunity widespread in the colonies. The colonizers equipped and supported many transnational companies with commercial and mining privileges and with the sovereign rights allowing them to raise taxes and maintain an armed force (Mbembe, 2001). Most of the colonial trading and mining companies recruited and maintained salaried armies for many years. The emergence of transnational business corporations that worked in tandem with the colonial state, oftentimes preceding the state as an agency of imperial governance, but at other times, backstopped and fronted by the state, was a crucial element in the historical transition of many economies of the global South from relatively self-sufficient 'organic economies' (Berry, 1999) to extractive economies.

Europe's commercial interests in extractive resources from externally subdued territories predated formal colonial rule by between 150 to 300 years in various regions of the global South. The pre-colonial phase of European exploitation of the global South comprised the extraction of natural resources like gold, ivory, tobacco, sugar, salt and pepper; and the exportation of able-bodied men, women and children (mostly from Africa) as slaves to the Americas and Europe. It is a well established historical fact that the wealth and capital accumulated by European merchants and institutions through precolonial and colonial exploitation of the global South accelerated technological innovation and development in the global North, and by converse, dialectically produced and spread underdevelopment in the South (cf. Eze, 1997, p. 5; Ankie, 1997). Sub-Saharan Africa was evidently the worst hit with respect to underdevelopment because of the unprecedented scale and devastating consequences of trans-Atlantic slave trade (Rodney, 1972).

Two significant features of the regime of impunity in the colonial era carried forward to the post-colonial period as features that contributed to fundamentally shaping the political economy of extraction were the preponderant corporatization of public law and the instrumental value of lawlessness at the top echelon of the state. In virtually all the colonial states, a montage of imperial edicts and laws informed by the corporate interests of the transnational mining and trading companies were systematically promulgated and ruthlessly enforced. These colonial laws, for instance, conceded on a platter a monopoly of exploration and mining rights over specific mineral resources in a colonial territory (e.g. gold, diamond, coal, oil, iron ore, bauxite, copper, etc.) to some privileged companies, mostly those founded or owned by powerful imperial families and networks of the colonizing states. Additional laws that, among other benefits, guaranteed unhindered access to land through compulsory expropriation, conscription of cheap labour, docility of exploited labour and generous tax incentives were put in place in various colonies to support the operation of the early transnational corporations. The full paraphernalia of the colonial state machinery was mobilized to extensively serve the interests of leading transnational companies. In fact, during the early stages of colonialism, there were convergence of interest and *modus operandi* between the lead transnational companies and the colonial state in many colonies of the global South: in other words, the transnational corporation was the state and the state was a mercantile company chartered by the metropolitan government. Some examples of the lead transnational companies more or less synonymous with the state in early colonial history include the Royal Niger Company and the Royal Dutch/Shell Group in Nigeria, the British East Indian Company in India, the Dutch East Indian Company in East Asia and the Indian Ocean Islands, the *Companhia de Moçambique* in the Portuguese colony of Mozambique, British South African Company in Northern and Southern Rhodesia (present day Zambia and Zimbabwe), French West India Company and Company of the American Islands in the French colonies in the West Indies and the Americas, British North Borneo Company in Malaysia, and the German East Africa Company in the pre-World War I German colonies of Tanganyika, Rwanda and Burundi.

It is imperative to note that the preponderant corporatization of public law to serve the interest of capitalist accumulation by big businesses and mercantile companies at the expense of the underprivileged social groups and classes in society was not originated in the Western colonies of the global South. It was a phenomenon that already existed in varied proportions within most metropolitan states in the aftermath of the capitalist revolution in Europe. However, in the case of Europe, the phenomenon was devoid of the grotesque conflation of corporate power and state power. Colonialism created the necessary opportunity to drive this mercantilist tendency to its most pernicious conclusion.

Regarding the instrumental value of lawlessness at the top echelon of the state, it is noteworthy that colonial transnational companies acting independently as agents of the sovereign or sometimes in collusion with local colonial officers could at will usurp and exercise state law for corporate or personal aggrandizement. Colonialism was in fact characterized by a profusion of obnoxious laws and gross abuse of law by colonial officials and agencies, including the big mining and trading companies. The 'self-serving' tendencies in rule making and rule application, coupled with the apparent confusion between public and private spheres provided colonial officials and their corporate collaborators a vital opportunity for accumulation of spoils. From fiscal stewardship, legal justice and human rights perspectives, colonial agencies presided over a regime of lawlessness, hypocrisy and unaccountable rule. The tendency to usurp the powers of the state for 'prebendal' purposes, Mbembe (2001) observed, was miniaturized and ubiquitous; it tended to occur in various guises and everywhere. According to Mbembe, both the colonizers and their local aides (catechists, interpreters, court clerks, office clerks, uniformed guards, butlers, etc.) were culprits of this phenomenon. The regime of impunity widespread in the colonies was a departure from the common law, individual rights and principles of legal justice that were already emerging in the metropole (Mbembe, 2001). The miniaturization of impunity and abuse of public office for prebendal gain resonates with the patrimonial tradition of politics in many pre-colonial societies in which social relations is essentially patron-clientelistic with its characteristic blurring of the modernist distinction between the public and private, the secular and sacred (see Omeje, 2006; Joseph, 1987, 1996). Both prebendal<sup>4</sup> and (neo)patrimonial patterns of accumulation remain rife in many post-colonial states given their roots in traditional social structures and, more significantly, their institutionalization as acceptable modes of accumulation under the colonial state structures.

It is the foregoing political economy of extraction, with its anomalies of unaccountable political superstructure, perverted political culture and a strategic corporate mining sector, that has vestiges of state figure, personality and mentality that most post-colonial states inherited at independence. As a matter of fact, many of the lead transnational mining and trading corporations, some of which have metamorphosed into global business conglomerates under different operational names, continued to preponderantly retain their colonial privileges well into the post-independence dispensation and even in contemporary history. Under the prevailing circumstance, perpetuating the inherited culture of usurping state power for prebendal accumulation becomes a convenient political capital for

the hegemonic post-colonial elites while taming and regulating the all-powerful transnational mining corporations becomes, for many states, a strategic dilemma in which diverse options are contemplated, weighed and explored. Confrontation and collaboration, nationalization and liberalization, co-investment and production sharing partnership, displacement and replacement of firms, to mention a few, are some of the strategic options that have been historically explored with mixed results.

### **Rents, the Rentier State and Rentierism in Contemporary Extractive Economies**

'Rents' and 'the rentier state' are familiar concepts in International Political Economy (IPE). Rents are generally defined as exports earned or income derived from a gift of nature (Beblawi, 1990, p. 85). They are said to be external to the economy because they are not derived from the productive sectors of the domestic economy but thrive by courtesy of international capital. The rentier state, on the other hand, is one that, based on the nature of its political economy, is largely dependent on extractive resource rents, taxes and royalties paid by transnational companies (TNCs), and on profits from its equity stakes in TNCs' investments (cf. Forrest, 1993, p. 142; Karl, 1997). Rentier states are significantly shaped by a combination of colonial legacy in the state structure and the luxury of natural resource revenues otherwise called the 'rentier largesse' (Omeje, 2006, p. 11). These revenues are generated and controlled by the governing elites who mainly expend it to their benefit rather than the welfare of society in general. Because a great deal of the debate on the rentier state has hitherto focused on the Middle Eastern oil-rich states – thanks to the pathbreaking works of Beblawi et al. – commentators have often been categorized into two different but sometimes conflated viewpoints, namely: (a) those that suggest oil wealth makes states less democratic; and (b) those that suggest oil wealth causes governments to do a poorer job of promoting economic development (see Ross, 1999, p. 330). The debate on the implications of the rentier state for democracy and development has raged for over two decades. Significantly, this book aims to contribute to the debate by adopting a broader conception of rent and the rentier state to go beyond the canvas of oil. A rentier state generally lacks a productive outlook in the sense that revenues from natural resources contribute a significant proportion of the gross domestic products and dominate national income distribution, usually at the expense of the real productive sectors of the economy. Many pundits regard the rentier state as a subset of the rentier economy, but there are others that treat the rentier state as epiphenomenal of the rentier economy (cf. Beblawi and Lucianai, 1987; Beblawi, 1990; Yates, 1996, p. 13).

For obvious historical reasons of international dependency, 'rentierism' (i.e. the condition or syndrome of rent accumulation and rent dependency) is a phenomenon mostly associated with the extractive economies of the global South and one that severally precipitates a nexus of dysfunctional conflicts. A major feature of rentierism, and one that is often problematic, lies in its the tendency to develop a self-propelling energy capable of reconfiguring the structures of

the political economy of a state, peripheralizing and displacing non-rentier productive forces, and generating a convoluted culture of accumulation and politics that conforms to the imperatives of 'rents speak'. Beblawi (1990) called the latter 'rentier behaviour' (or mentality) which he argued was acquiring an inexorable transnational pan-regional current in the Persian Gulf and infecting both oil and (to a lesser extent) non-oil states alike because of the osmotic effects of oil rents.

Evidently, in many rentier states there is a marked disconnect between rentierism and the well established developmental function of the state, a disconnect essentially informed and aggravated by the predatory machinations of the hegemonic elites and their external collaborators. This tendency provokes substantial deprivation, peonage and disillusionment among the underprivileged populations. Being in most cases heterogeneous transitional societies, the situation is often compounded by perceptions, feelings and sometimes experiences of marginalization, exclusion and repression based on some primordial identities among certain ethno-cultural and/or religious communities. Mobilization of the disgruntled for violence against the state and any community perceived as dominating and manipulating the state for all the wrong reasons is not far-fetched at this point. It is this structure of counter-hegemonic violence prevalent in many rentier states that diminishes the capacity of the state to maintain the Weberian monopoly of coercive authority in all areas within its territorial jurisdiction and, conversely, further compelling the state to increasingly rely on the use of military force to reproduce its authority to govern. The structure of the counter hegemonic violence and the state's brutal response to it inadvertently leaves the political union to degeneratively crack and fragment into what Nikolas Rose (1999, p. 31) calls 'governable spaces' but which in reality are tinderbox outposts and fiefdoms of misgovernance, in which 'identity, territory and rule are in *contradictory* play' (Watts, 2005, p. 106 – my emphasis). Depending on the specific configuration and balance of power among the belligerent stakeholders, in some cases, generational forces (youth in particular) could be predominant; in others the clan, the kingdom (chieftainship), or the ethnic minority (indigenous peoples); subnational governments or radical (sometimes secessionist) insurgent movements can also provide the setting in which new political communities are incubated (Watts, 2005, p. 106). Based on a variety of contemporary specimens, conflicts associated with 'rentierism' have not only been complex and dysfunctional but also protracted and seemingly intractable – this is captured by the idiom of 'resource wars'. This observed tendency has ignited a great debate in IPE on the 'curse of extractive economies' and the 'tragedy of conflict goods' – oil, rubber, diamond, natural gas, and timber, to mention but a few notable conflict commodities. Nigeria, Congo DR, Colombia, Bolivia, Liberia, Sierra Leone, Angola, Turkmenistan and Sudan are some of the contemporary illustrations of the countries where abundant natural resource endowments have not enhanced sustainable development, security and peace, but instead aggravated the frontiers and scale of dysfunctional conflicts. Why is this the case?

On the other hand, there are rentier economies where the patterns of conflict have been comparatively less virulent and more manageable, essentially because

by courtesy of the huge rentier revenues, the state responsively undertakes extensive distributive and developmental functions for the benefits of the citizenry (Vandewalle, 1998). Libya, United Arab Emirates, Oman, Qatar, Kuwait, and increasingly Venezuela are some of the apparent examples. In other words, the governing rentier elites makes conscientious efforts to bridge the disconnect between rentierism and developmentalism with the object of improving the well-being of the underprivileged classes. While this neo-Gramscian tendency may not permanently obliterate the structures of dysfunctional conflicts, it apparently helps to ensure a broad measure of consensus necessary to reproduce the legitimizing ideology and hegemony of the governing elites. Why has rentierism proved more humane and manageable in some extractive developing economies relative to others? What best practices (if any) are to be learned from the states where 'rentierism' has not degenerated into or is able to transcend disruptive conflicts and how can such states be prevented from gravitating into the ruins of states marked by virulent conflicts?

But beyond the conflicts associated with internal structures and contradictions in domestic political economies, rentierism is further linked to some wider geopolitical conflicts that have profound regional and international resonance. This category of conflicts is mostly connected with the interventionist roles of powerful external players in the global North that define or perceive certain extractive resources in the global South as part of their strategic national interests, and as such are determined to enforce their unimpeded access to, or control of these resources using all possible means. Dating from the early years of post-colonial history through the (post-)Cold War period, external interests in extractive rentier resources in the global South have led to involvement of different external actors or patrons in the politics of many rentier states through mechanisms such as:

- a) propping up of unpopular, repressive and corrupt clientelist regimes;
- b) complicity in reactionary *coups d'état* and assassination of key anti-imperialist or nationalist leaders;
- c) strategic defence partnership and provision of military aid to strengthen the coercive capacity of clientelist regimes;
- d) mobilization of diplomatic support for clientelist regimes facing justifiable international opprobrium for wrongdoing and, conversely, international sanctions against defiant rentier regimes;
- e) outright military invasion, occupation and regime change to pave way for uninterrupted access to strategic resources.

The US and Belgian-led intervention in the Congo in the early 1960s, and the US/UK-led invasion of Iraq in the second Gulf War are amongst the most striking examples of how external intervention in rentier economies could exacerbate internal state fissure and jeopardise regional and international security. Whereas the intervention in Congo in the early 1960s complicated the emerging ideological division of the newly independent African states along the cold war trajectories, the invasion of Iraq has certainly aggravated intra-civilizational discord between

the moderates and theocratic conservatives in the Arab World, and intercivilizational friction between the Islamic world and the West – a confirmation of Huntington's (1993) thesis (see also O'Hagan, 1995).

Similarly, the increasing volatility of the Gulf region, aggravated by the post-9/11 US-led wars in Afghanistan and Iraq, has compelled the international oil economy to intensify the search for alternative sources of energy supply to the major oil and gas importing economies. For obvious reasons, the US is in the lead of this search, which has culminated in intensified exploration activities and expanded oil and natural gas discoveries and production in many parts of the world, especially in the Gulf of Guinea in the West-Central Africa region and the Gulf of Mexico in the Central American region. Oil and gas exploration and production activities in these two regions have doubled in the past decade (see Romero, 2004; Omeje, 2006, p. 179). This has far-reaching economic and political implications for many of the oil and gas producing rentier economies of the regions, in particular countries like Equatorial Guinea, São Tomé, Cameroun, Gabon, Chad, Mexico, Bolivia and Venezuela. One of such implications is the changing dynamics of natural resource mining and ecological management, resource struggles and conflicts within the various states. Specifically, how could conflicts associated with new or expanded oil and gas rents be managed and also prevented from feeding into, and complicating, old conflicts about identity, citizenship, leadership and governance in some of these countries?

Most extant influential discourses of why many rentier economies of the global South have a marked proclivity to dysfunctional conflicts tend to anchor their explanations on the predatory nature of the rentier state, in particular, the 'prebendal' machinations of the local hegemonic elites (top state officials and private middlemen) believed to be in collusion with exploitative agents of international capital (cf. Turner, 1978; Beblawi, 1987, 1990; Yates, 1996). Most rentier states are dominated by self-serving hegemonic elites, whose interests in rent-seeking and prebendal accumulation determine a range of state policies, statutes and institutional practices.

The disposition and inclination of the state towards neo-patrimonial, rent-seeking or rent maximizing behaviour play into the hands of TNCs and other international stakeholders in the rentier economies in different ways. For instance, the phenomenon leaves little room for investment in strengthening the institutional capacity of the state to regulate the activities of TNCs with regard to such crucial issues as environmental practices and degradation, corporate social responsibility, and payment of compensation with respect to land alienation for extraction of natural resources and environmental damage. Consequently, the phenomenon encourages collaboration in corrupt dealings (kickbacks, over-invoicing, inflation of contracts, imports and supplies; under-reporting of export commodities and revenues, etc.) between the local state officials and agents of international capital. Overall, the interests of the 'rentier elites' (a generic name for the above predatory social classes) run counter to the survivalist needs, demands and aspirations of the subject classes, in particular, subalterns, proletariat, civil and 'uncivil' societies, and the imperatives of human and sustainable development. In this circumstance,

argue most protagonists, counter-hegemonic discourses, agitations, protests and violent conflicts become inevitable.

### **The ‘State’ versus ‘Space’ in Explanation of Rentier Politics**

In spite of the merits in the foregoing ‘state-centric’ explanations, there are indications from some recent studies and empirical developments that nascent metanarratives focused on the nature and character of the rentier elites do not sufficiently explain the nuances and dynamics of dysfunctional rent-related conflicts in many extractive economies of the global South. It is apparent that in diverse ways and for various reasons (counter-hegemonism, insurgency, international pressures for devolution of power and resources, romance with populist ideologies), the rentier state in the global South has inadvertently stretched into unlevelled playing fields with a motley of contending social forces and stakeholders. Epistemically, the concept of the ‘rentier state’ seems inadequate to capture and analytically explain these long evolving realities. Most explanations centred on the rentier state and rentier elites pay insufficient attention to the role of non-state actors like local civil society organizations and insurgents and militia movements in engaging the state, in rent-seeking and accumulation, as well as in fomenting and prosecuting rent-related conflicts. It is the expansive unlevelled playing fields underpinned by specific rentier economies, and which subsumes the state and other rentier actors that more or less define the ‘rentier space.’ Even though the state is probably in majority of cases the most decisive and powerful player within the rentier space, it is significant that in trying to engage, combat or out-manoeuvre other contending stakeholders the state sometimes creates illusions of detachment from the ‘refractory space’ (from the state’s perspective) and contestation against it. But in reality, the rentier state is subsumed in the rentier space and essentially contends against other identifiably actors and stakeholders within the coveted space. However, there are circumstances in which the state could become extraordinarily powerful and totalitarian (e.g. in the pre-Gulf War Saddam Hussein’s Iraq) that it virtually captures the rentier space and takes it hostage to the consternation of other players, especially local stakeholders. The reverse is the case in a failed rentier state (e.g. post-Saddam Hussein’s war-torn Iraq) where the rentier space is free for grab, leading to a proliferation of contending forces, including forces struggling to capture the most decisive machinery of operation in the space – the rentier state. Under normal circumstances, the state exercises regulatory function in the coveted space, a role it often uses in many countries to create illusions of harmony, participation and inclusion, while in some others, to mask prebendalism, fragmentation, coercion and disorder.

There are some intellectual precursors to the foregoing conception. Focusing on some of the oil-rich rentier economies, scholars like Terry Lynn Karl (1997), Michael Watts (1999, 2000) and Georg Frynas (2000) have demonstrated the centrality of oil and oil rents in shaping national political discourses and the broad rhythms of accumulation and social conflicts. Beyond the activities of the

rentier elites, other scholars like Collier and Hoeffler (2000) and Jenny Pearce (2002) in their studies on oil conflicts in a number of volatile rentier countries (e.g. Colombia, Angola), and on non-oil resource conflicts elsewhere, have argued that 'greed and opportunities' rather than 'genuine grievances', can account for the proliferation of predatory and militant groups, and that oil as a [largely] non-lootable but obstructable commodity is likely to increase the duration and intensity of conflicts. Writing in this volume and elsewhere, however, Michael Watts has convincingly debunked the argument of predation theorists that oil is a non-lootable commodity using the example of 'oil theft through hot tapping of pipelines' (otherwise called 'oil bunkering' in Nigeria) by ethnic militias and their syndicate networks in the Niger Delta, Nigeria. Based on a recent study of the Niger Delta oil conflict in Nigeria, Omeje (2006) has demonstrated how the activities of the subaltern classes that thrive and prosper on high stake petro-violence – real, orchestrated and amplified – contribute to fomenting conflict. The orchestrated and amplified dimensions of the 'petro-conflict' partly underlie what Ikelegbe (2005, p. 208) has aptly described as the 'conflict economy in the Niger Delta, comprising an intensive and violent struggle for resource opportunities, inter and intra communal/ethnic conflicts over resources and the theft and trading in refined and crude oil, which has blossomed since the 1990s'. Many low intensity resource conflicts in the global South are driven and sustained not only by real grievances but by a convoluted culture of accumulation – i.e. entrenched patterns of predation and opportunism from 'above' (i.e. by the rentier elites) and 'below' (the subaltern classes).

It is apparent that the observed convoluted culture of predation and opportunism in accumulation characteristic of rentierism is not limited to extractive resources and the rentier state. Expounding this thesis, for instance, many scholars focusing on the Arabian Gulf oil-rich and oil-poor states have expanded the concept of rent to include diverse forms of foreign aid and external development assistance otherwise conceptualized as 'strategic rent' for the simple reason that once secured most rentier states treat these non-rentier resources in the same prebendal way they treat natural resource rents (see Schwarz, 2004). Omeje (2006) has further demonstrated how the rentier culture informs patterns of accumulation within and beyond the 'rentier space'.

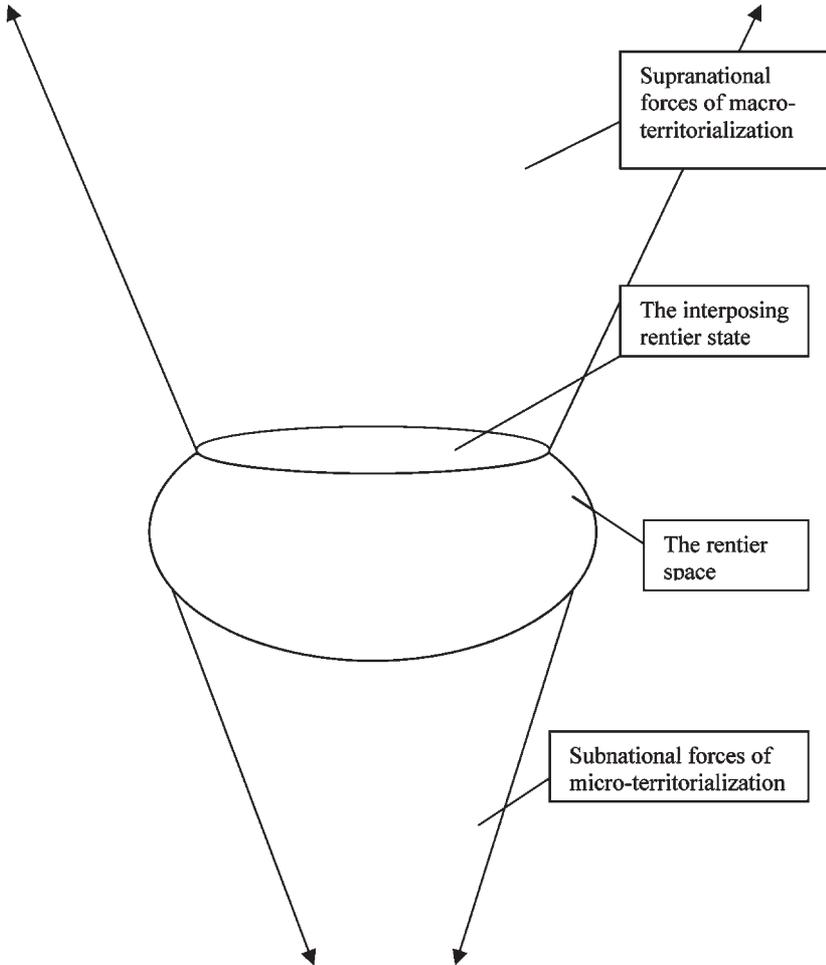
### **The Rentier Space**

For the purpose of a more scholarly conceptualization, the 'rentier space' discursively subsumes and upholds activities related to the acquisition and control of rentier resources in a state, including the disposition, appropriation and utilization of any accruable funds, perquisites, dividends and opportunities. At the epicentre of the coveted space is the rentier state controlled by the rentier elites. The ruling and governing elites are a core part of the latter and broadly represent their interests. In addition to the rentier elites who dominate the rentier space, there are counter-hegemonic forces drawn from (un)civil and political societies who contest and compete for accumulation within the rentier space.

There are usually different international stakeholders such as multinational corporations, governments of key foreign investors and some multilateral agencies that might have vested interests in the rentier space of a particular extractive economy. The interests of the rentier elites and the counter-hegemonic forces are in most cases in contradiction, likewise the interests of the latter and those of many external stakeholders. The interests of stakeholders in the rentier space are largely informed by issues of accumulation, welfare, development, resource distribution, land rights, environmentalism, etc. (be it in isolation or combination). Writing in Chapter 4 of this volume Ukoha Ukiwo delineates how the interests of the hegemonic rentier elites in Nigeria in ‘nationalizing’ the rentier space to centralize accumulation run into collision with the aspiration of the minority oil-bearing communities of the Delta region whose main agitation is to ‘indigenize’ or ‘localize’ the rentier space for the exclusive benefits of the indigenes of the oil region. In highly malleable micro-rentier states like São Tomé and Príncipe where the governing elites hardly face any serious contestation and resistance from any domestic quarters over stakes in the rentier space, the space could be literally hostaged, privatized, bewitched or parcelled out by the governing elites. This is not far from the plight of the rentier space in totalitarian states save that the latter has greater propensity of rupture than the former. As part of the crisis of post-coloniality, a nexus of unsavoury devices, such as traditional witchcraft and voodooism often attend to accumulation in many rentier states. Similarly, the logic of predation and obstructibility of rentier resources often creates a robust ‘shadow economy’ that sustains intense dodgy and ‘black market’ accumulation alongside the formal state economy. A considerable degree of fluidity in most cases exists between the shadow and formal economies. Because of the huge stakes in extractive resources, the rentier space in many extractive economies is characterized by horizontal and vertical fragmentation often corresponding to the structure and canvas of politically relevant identities in the polity. Violent and disruptive conflicts in the rentier space often resonate with the subsumed structural contradictions. Most far-reaching conflicts are hatched in the womb of the rentier space but the delivery, prosecution and effects of the conflicts could encompass or affect the wider territorial state and regional and international systems.

Depending on the specific configuration and interplay of interests, stakes and stakeholders within the ‘rentier space’, and how the latter triggers accumulation tendencies within the surrounding environment, the general orientation of social actors to structural issues and discourses may correspondingly reflect a perfusion of rentier mentality, calculations and manoeuvres. In this way, rentierism contributes to the (de-)structuring and vulgarization of a country’s political and national accumulation culture. Given its strategic intersections with the state, economy and society with respect to accumulation, the rentier space becomes a highly coveted political chessboard in which the positions, connections, roles and manoeuvrability of various actors and stakeholders at any given conjuncture principally determine or influence the amount of resources and patronage they could secure and dispose for a variety of ends, including ends that are completely prebendal and banal.

Even though the rentier space is predominantly contextualized within the domestic political economy, there is a sense in which the push and pull of international politics impinges on its territorial configuration. In fact, rentier politics (both national and international) is the cauldron that transforms and converts the figuratives of rentier space into the realisms of concrete territorial space. Figure 1.1 is illustrative of the dynamics.



**Figure 1.1 The rentier space in international political economy**

Whereas the subnational forces of micro-territorialization contend to pull the rentier space downward towards provincialization and localization, the

supranational forces of macro-territorialization contend to disfigure and pull the rentier space upward towards supervised regionalization, internationalization and globalization. The rentier state is interposed between the two opposing forces with its own contentious agenda, usually to centralize, corner and control the rentier space for a variety of reasons ranging from prebendal advantages to regime security and measurable welfare developmentalism. Hence, beyond the state system and national sphere, it is significant that the combined forces of globalization and imperial governance increasingly exert ‘negative pressure’ (defined from the perspective of the weak rentier state) on the national rentier spaces of many weak states within regions that produce extractive resources considered strategic by the strong state actors. The observed negative pressure tends to disfigure and in some ways reconfigure the rentier space in two forms. At the domestic level, it tries to rupture and emasculate the rentier space by encouraging the weakening and extraversion of its principal structures and local stakeholders in a paradigm akin to the old ‘divide and rule’ tactics of classical colonialism. Externally, it tries to construct weak regionalized and internationalized rentier space in which the converging regional players are linked to the ‘globalizers’ within a mega-patron-clientelist framework. This is a form of ‘combine and rule’ – a reversal of the ‘divide and rule’ promoted in the domestic setting. From the perspective of the globalizers, regionalizing and internationalizing the rentier space – or simply globalizing the space – facilitates their governance of the strategic extractive resources they desperately seek. By implication, it also enables the globalizers to effectively monitor and supervise the security situation and policies of the clientelist rentier states, especially in this age of international terrorism scares from ‘below’ (the South). No where has the evolving regionalization and internationalization of the rentier space been so actively crafted and played out as in the Arabian Gulf, where as Dauda Abubakar aptly argues in this volume, some [Western] patrons motivated by their strategic interest in oil actively promote close economic and military alliances with the Gulf states. The alliances are structured in such a clientelistic and lopsided manner that they ultimately compromise the sovereignty and identity of the various rentier Islamic autocracies of the Persian Gulf. Internally, the process exacerbates the discord between the subservient pro-Western autocratic regimes and the more radical and often marginalized Islamist opposition groups, thereby provoking more contestational violence over the domestic political economy and rentier space. The fallout of the 9/11 2001 terrorist attacks, especially the US-led wars in Afghanistan and Iraq practically compounds the internal weakening of the rentier spaces of many Middle Eastern and Sahel-North African oil-producing states by intensifying the conflict between the pro-US rentier regimes and the anti-Western Islamist groups. Similarly, the war on terror accentuates the regionalization and internationalization of the rentier space in the Middle East and Sahel-North Africa by making the beleaguered pro-American regimes increasingly dependent on the US and the West for defence, military, economic and technological aid in return for greater surrendering of oil sovereignty. The brutal securitization of Middle Eastern and African energy resources by the US administration since the 2000s culminating in the creation and expansion

of multiple security alliances for countries within these regions under the direct supervision of three of Pentagon's Unified Combatant Commands – European Command (EUCOM), Pacific Command and Central Command (which also runs the wars in Iraq and Afghanistan)<sup>5</sup> – is sufficiently strategic, from the standpoint of gaining greater supra-national control over the aligning rentier regimes and their energy resources. A new US Africa Command (AFRICOM) was recently created by the Bush administration in 2007 and consultations are under way with African leaders to establish a permanent military base for AFRICOM in one of the Gulf of Guinea states.

Finally, the preceding discourse of the rentier space is by no means an attempt to enunciate a universal theory. There are a considerable number of rentier states that for reasons of context peculiarities may not fit into the schema depicted in the above diagram in the sense that they could have less contentious or more content subnational forces, more developmentalist and less prebendal hegemonic elites, less globalist and more responsible international stakeholders, etc. What is apparent from the foregoing analysis is that a rigorous appreciation of the configuration, operation and dynamics of the rentier space and rentier politics in general is important for deepening the understanding of the nature and nuances of disruptive conflict (or lack of it) in various extractive economies and regions in the global South.

### **Rentier Politics and Conflicts in Extractive Economies: Contending Perspectives and Empirical Trends across the Global South**

A large number of recent research publications by highly regarded scholars and leading multilateral institutions such as the World Bank clearly suggest that developing economies with high rate of dependence on extraction and export of natural resources have a correspondingly high propensity to corruption, poor governance, mass poverty, societal fragmentation and violent conflicts (including civil wars). Natural resources, in particular, oil and hard-rock minerals like coltan, diamonds, gold and other gemstones, are said to play a key role in instigating, prolonging and financing these conflicts (Ross, 2003, p. 17). Other non-mineral resources like timber and coca (hard drug) have also been linked to major conflicts. There are different ways in which natural resources contribute to conflicts. These include:

- Struggle over ownership and control of specific natural resources or 'extractive spaces' by various stakeholders (the state inclusive) and groups within a state or between states, often compounded by external intervention or support for one of the conflict parties.
- Struggle over distribution and use of public revenues derived from natural resources by various local stakeholders and groups.
- Inability of weak state institutions to cope with large rents from natural resources coupled with prebendal looting, misappropriation and exclusion of significant sections of the society, leading to violent protests and resistance.

- Use of official and unofficial revenues from natural resources by the state and its governing elites to build-up and finance strong repressive security machinery as a means to keep the hegemonic elites in power against opposition from counter-hegemonic forces.
- Use of legal and illegal rents from natural resources by splinter groups, disgruntled factions of the governing elites and opposition forces to sponsor anti-government insurgencies, secession movements and insurrection.
- Organized predation and extortion of big business (extraction and mining companies) by aggrieved militia groups protesting against issues of resource-related misgovernance, exclusion, biodiversity destruction and ecological damage.
- The blatant politicization and mismanagement of conflict-issues and legitimate grievances related to natural resources and the rentier economy.
- Interests and intervention of external parties and stakeholders, forces of imperial governance, predatory networks and militarist regimes on the extractive economy of a relatively vulnerable state.

As demonstrated in many contemporary civil wars and low intensity conflicts in rentier economies, the above factors are not mutually exclusive. As the various chapters in this study demonstrate, conflict instigating and aggravating factors in most affected countries are multiplex and context-specific just as the conflict stakeholders and protagonists are diverse and variable. Hence, a rigorous contextual analysis and multiregional comparison of the conflicts, a number of which can actually be classified as ‘complex political emergencies’ (CPEs) is essential. CPEs is a concept enunciated by the UN in the 1990s to describe the proliferation of major crises in transitional societies, the majority of which were intra-state conflicts, characterized by multicausality, and requiring multidimensional international responses, including a combination of military intervention, peace support operations, humanitarian relief programmes, high level political intervention and diplomacy.<sup>6</sup>

### *Theoretical Perspectives*

In addition to this introductory chapter that engages the question of theorizing rentier politics in the global South, Usman A. Tar in Chapter 2 ‘critically explores the frontiers of theories on rentier politics, extractive economies and conflict in the global South’, as a means to ‘advancing alternative perspectives.’ Based on a systematic critique of what the author describes as ‘the first generation theory’ (i.e. the Rentier State Model of ‘mainstream’ pioneer theorists like Mahdavy, Beblawi and Luciani) and ‘the new generation theories’ (i.e. ‘resource curse’ versus ‘paradox of plenty’, ‘greed and grievance’, and the political ecology paradigm) the author underscores the relative under-theorizing of causal relationships between extractive economies and structures/outbreak of violent conflicts. He attributes the under-theorizing tendency to acute methodological shortcomings associated with the dominance of *limited factor approaches* (LFAs) and *limited context approaches* (LCAs) in the study of rentierism in the global South. Tar delved into a review

of diverse scholarly works to establish the main discursive features and flaws of LFAs and LCAs. He finally argues that ‘to comprehend the dynamic terrains of, and correlations between rentierism, natural resources and conflict’ there is need for an *integrated holistic approach* (IHA) that takes into account the broad range of factors (multi-factor) and contexts (multi-context and cross-cultural), as well as underlying causalities and correlations in rent-related conflicts.

### *Country-Specific Studies*

In Chapter 3 Michael Watts ‘explores the relations between the political economy of oil – and the ancillary question of the Nigerian rentier petro-state ... – and the rise of ... militant movements (insurgency) in the oil-producing states of the Niger Delta over the last fifteen years’. Based on a critical analysis of the complexity of rentier politics and petro-violence in Nigeria against the backdrop of dominant theoretical explanations and discourses, the author repudiates the ‘foundational claims of predation theorists (state-insurgent, greed and grievance): namely, that greed is opposed to grievance, that peaceful protest stands in opposition to rebellion, that government opposes rebellion, and that rebellion equals organized crime’. He argues that ‘the simple binaries deployed by the predation theorists and the proposed political trajectories (from grievance to greed) are much too blunt and as a consequence fail to grasp the complexities of local political dynamics’. The local political dynamics at the root of petro-violence in the Niger Delta, according to Watts, include ‘the detonative impact of state violence, the constitutive role of corporate practice, the intersection of formal (especially the electoral cycle and enhanced powers of governors) and insurgent politics and the shifting force field of inter-generational struggles driven by the contradictions between chiefly powers and massive youth unemployment and alienation against an ideological backdrop of “oil wealth” and “our oil”’. Local claims and narratives about the indigenous ownership of, and right to, oil wealth is taken up by Ukoha Ukiwo in a latter chapter of this volume. These underlying local dynamics tie in with the cross-cutting interests of international development agencies and contemporary energy ‘scramblers’, as well as the interests of protagonist of the strong oil-related black economy to create what the author calls the ‘oil complex’, which he argues to be at the root of oil insurgency in Nigeria. The operations of the oil complex, as Watts submits, is a ‘zone of political and economic calculations’ that inter alia creates violent and unstable governable spaces marked by unbridled primitive accumulation and ‘a form of parcellized sovereignty’.

In Chapter 4, Ukoha Ukiwo examines why and how oil generates conflicts in Nigeria, as well as the strategies deployed by the various socio-economic (classes) and socio-political (ethno-regional) groupings to gain access to or control over the strategic rentier space. He explores how the federal state and the hegemonic elites have systematically pursued and adopted policies aimed at ‘nationalizing’ the rentier space, especially since the end of the Biafra civil war. Had Biafra succeeded in its secessionist campaign, Nigeria would have lost a greater part of its oil wealth located in the former Eastern region of Nigeria that fought

for a separate sovereign state in the civil war of 1967–1970. The architects and proponents of rentier space nationalization who form the most powerful segment of the hegemonic federal elites have their ethnic origins in the non-oil-producing states. Among the reasons advanced by the rentier space ‘nationalizers’ to back their case is the defeat of Biafra by the federal side, an episode that helped to preserve the oil wealth as a ‘federal good’. This argument irritates the bulk of the Niger Delta people (notably, youths and local elites) who, by reason of their increasingly violent anti-oil campaign, seek to de-nationalize and localize the rentier space ‘for the greater good of their indigenes’. The discourses on both sides of the rentier divide are couched in populist rhetorics that help to conceal the self-seeking and prebendal interests of protagonists. The federal side maintains a defensive lead of the discursive agenda, but not without the constant mobilization of the state’s material (oil wealth disbursement) and military resources to simultaneously placate and repress protagonists of rentier space ‘indigenization’ from the oil-rich Niger Delta. The oil industry, dominated by foreign transnational firms, seems to be at the crossroads of this political debacle. With huge deficits in corporate social and environmental responsibility over the nearly fifty years of oil extraction in the Niger Delta, the transnational oil companies are compelled by the disruptive violence of anti-oil protesters to become more responsive to the developmental needs of their host communities. They increasingly substitute for the development-provisioning obligations of what Ukiwo calls ‘the absentee state’ in the oil region (that is, the state that is supportive of foreign companies but is ‘not there for its citizens). However, the developmental contributions of the oil companies, on the aggregate, remain very insignificant relative to the social and infrastructural requirements of the impoverished oil region. The greatest challenge for the future, concludes the author, is how to ‘bring the state back in’ and ‘transform it to serve as a catalyst for sustainable development’.

John Kabia’s analysis of the Sierra Leone civil war in Chapter 5 is an attempt to re-study the greed versus grievance theory advanced by Paul Collier and his colleagues. ‘Political economy analysts like Collier’, argues Kabia, ‘link the outbreak of civil conflicts in many transitional societies to greed and economic opportunism – in the case of Sierra Leone, a conflict over diamonds– rather than structural inequalities and deep-rooted grievances’. Kabia argues that Collier’s resource-based, reductionist theory widely embraced by large sections of the academia, international media, as well as policy and donor community is a ‘simplistic and inadequate explanation’ because it essentially ignores or underplays the key role played by the state in sowing the seeds of conflict. ‘It is therefore not surprising that Collier’s interpretation of civil war is embraced by most government officials who find it as a convenient way of deflecting attention on their own misdeeds and accusing rebels as greedy people lacking any political agenda.’ Kabia argues that such faulty diagnosis of this nature, has often ‘led to a lack of understanding of the fundamental causes of conflict and hampered the process of negotiating civil war peace settlements, implementing peacebuilding programmes and initiating feasible conflict prevention programme’. Based on a chronological analysis of the background to Revolutionary United Front (RUF) rebellion, Kabia argues that ‘the primary factors of the Sierra Leone civil war

must be located in the grievances that were generated by the patrimonial and clientelistic politics that characterized post-colonial Sierra Leone; greed and economic opportunism can only be regarded as fuelling and aggravating factors'. Further, Kabia debunks the 'rebel-centric' explanation of conflict diamonds, and goes on to unveil the complexity of the war economy and how various actors in the civil war (rebels, officers of the Sierra Leone Army, the government, private military corporations and mercenary fighters, Charles Taylor's National Patriotic Front of Liberia and individual combatants of the regional peacekeeping force ECOMOG) did at different times exploit and profiteer on conflict diamonds. This convoluted interest in rent-seeking was a dimension that clearly contributed to an aggravation and prolongation of the civil war.

In Chapter 6, Peter Woodward looks at the historical context of economic and political developments in Sudan and how it has generated conflicts over issues of 'marginalization' of minority groups and control of natural resources, including the more contemporary dimension of oil resources. He argues that 'the grievances of Sudan's people, especially those in the "marginalized" areas of south, west and east, pre-date the development of the oil sector, but oil has exacerbated political mobilization on all sides'. In addition, since coming on stream in 1999, oil has also significantly affected the rhythm of Sudan's national and international politics, a phenomenon that has even become more apparent since the outbreak of hostilities in Darfur in 2003. The struggle over control of oil resources between the central government in Khartoum and the Sudanese People's Liberation Army/Movement (SPLA/M) in the oil-rich war-torn South, according to Woodward, 'has increasingly resembled the prebendal and predatory state model'. Oil rents provided enormous wealth for arms purchases (mostly from Asia and Russia) to prosecute internal conflicts. Consequently, the major Asian countries involved in oil exploitation (China, India and Malaysia), as well as some Western countries (such as France) tended to condone 'the widespread human rights violations associated with the development of the oil sector' and allowed the Sudanese government 'the use of their local oil infrastructure for military purposes, thereby effectively contributing to state violence'. Woodward underscores the ambivalence of certain Western governments in Sudan, noting that it was partly their interests in 'pursuing commercial opportunities in the burgeoning oil sector' and 'concern over the humanitarian situation, that encouraged them to take a lead in international pressure towards peacemaking between north and south.' However, the signing of the Machakos Protocol in 2002 that ended the SPLA war seems to have deepened and consolidated the interests of the rentier elites in Sudan's north and south regions at the expense of other regional elites, the generality of the underprivileged populations and the popular aspiration for balanced economic development. This rentier tendency is a major threat to the survival of Sudan as a coherent state and the peace settlement between the north and south.

Gerhard Seibert discusses the new frontier of rentier politics presented by oil in one of Africa's smallest and poorest countries, São Tomé and Príncipe (see Chapter 7). The island-nation of São Tomé and Príncipe located in the highly coveted oil-rich Gulf of Guinea is a largely 'aid-dependent micro-state' of about

155,000 people. Siebert argues that recent external interest in the country's offshore oil resources is not the root of rentierism in the national political economy as 'a rentier culture based on foreign aid and other external resources had already been firmly established'. The chapter analyses: (i) the complexity of negotiation of maritime boundaries for oil mining purposes between São Tomé and its offshore neighbours (Equatorial Guinea, Gabon and, especially Nigeria); (ii) international interest in bidding for acquisition of offshore oil mining spaces; (iii) the convergence of interest in oil rent between the Santomean governing elites and sections of the external stakeholders (mostly Western investors and Nigerian companies suspected to be fronts and speculators because of their insufficient technical capacity and experience in offshore exploration); and (iv) how the Santomean government's lack of expertise in international negotiation and oil legislation adversely affects the outcome of their involvement in oil matters. The author finally explores the unique opportunities São Tomé and Príncipe has as a 'newly emerging oil producing country to avoid the "resource curse" and negative consequences of oil wealth experienced by many other oil producing countries'. Already, there is considerable goodwill, support and pressure from the international community to help the government of São Tomé and Príncipe mitigate existing rent-seeking practices and aim at equitable national development.

In another country case study in Chapter 8, Germain Tshibambe Ngoie and Kenneth Omeje explore the political economy of mineral resources in the Democratic Republic of the Congo (DRC) and the structure of conflicts it generates in the leading mining provinces of Kasai and Katanga. The chapter attributes the phenomenon of conflict goods in the DRC to the 'deep-rooted patterns of patrimonialism and corruption' in the postcolonial state 'that disposes state functionaries to use their public offices and positions to accumulate both official and unofficial 'revenues' that are basically appropriated for personal and prebendal purposes'. 'The recourse to, and exploitation of, primordial identity and cleavages such as ethnicity and provincialism as basis for conflict mobilization by rent-seeking elites serves as an aggravating factor.'

The DRC's strategic mining sector and provinces have been historically conflict-ridden. The intensity of the conflicts has varied from time to time, but for a greater part of the post-independence history, the leading mining provinces have been characterized by low intensity conflicts (LICs).

Writing in Chapter 9, T. Debey Sayndee examines how Liberia was plunged into a long-drawn-out vicious civil war, the operations and stakeholders of the war economy, as well as the key obstacles to peacebuilding in the post-war dispensation. Even though Liberia is the oldest self-governing democracy in Africa, the conditions for political instability and civil strife have been prevalent in the country for since the 1847 independence proclamation by the more privileged minority settlers (America-Liberians—emancipated black slaves from the Americas), who subsequently embarked on a regime of ethno-political segregation against the indigenous majority. Consequently, neo-patrimonial corruption and decline were systematically driven to a crescendo from independence through to the Samuel Doe era in the 1980s. Sayndee argues that it was against this historical

background that Charles Taylor's NPFL (National Patriotic Front of Liberia) was launched in 1989 and originally welcomed by many Liberians as a war of national liberation. But the so-called liberators not only despoiled and liquidated the country, but also plunged the entire West African subregion into a 'Zone of Terror', criminality, anarchy and war. The formal economies of the war-affected subregion were for the most part displaced by clandestine rent-seeking economies predicated on the massive exploitation of conflict goods (notably diamond and timber) by warlords, insurgents, mercenaries and a host of international business collaborators. Sayndee argues that although the war formally ended in 2003, peacebuilding efforts in the post-war dispensation is blighted by a host of structural factors, not least a collapsed economy, the continued illegal exploitation of natural resources, the lack of economic opportunities for the teeming number of militarized youth populations, as well as the complex nature of ethnic tension linked to struggle for scarce public and environmental resources. Consequently, international civil society organizations and the donor community have turned post-war Liberia into a theatre for experimenting assorted kinds of peacebuilding programmes that have marginal relevance to the needs and aspirations of the people.

### *Cross-Cultural and Regional Studies*

Jeremy Keenan analyzes the evolution and contemporary dynamics of the rentier state in the Sahara-Sahel states of Algeria, Niger and Chad and how their rent-seeking escapades in resource exploitation under various guises trigger grassroots resistance and conflicts (see Chapter 10). He argues that the destabilizing conflicts and wars in these countries, especially during the 1990s and 2000s would not have occurred, or if they did would have most likely been less severe and quickly resolved, had vital natural resources like oil (and in the peculiar case of Niger – oil and uranium) not been at stake. The heightened interests of major powers like the US, France and increasingly, China, in the Sahara-Sahel regions is chiefly because of the vital natural resources in the regions. On the part of the Bush Administration in the US, this energy interest, as Keenan argues, overlaps with and is expediently disguised as part of the global war on terror. Old internal political conflicts are exacerbated and new ones orchestrated in many countries of the Sahara and Sahel as a result of the interplay of imperialist interests in the exploitation of the rentier economies, regardless of how these interests are disguised. Within the two regions, Algeria is the largest and most audacious rentier state, with the hydrocarbon sector being the mainstay of its economy and pivot of accumulation and politics since independence. Keenan argues that regional powers like Algeria, and to a lesser extent, Libya, have long nurtured and pursued sub-imperialist interests across countries of the Sahel, 'sometimes in partnership with and sometimes in competition to "western" companies' and 'global interests', but impacting disastrously on existing structures of political and resource conflicts. Given the rentier nature of the states, the abundant natural resources revenues accruing to the Sahara-Sahel states, have practically benefited the governing elites who not only expand accumulation through corruption,

but also increase military expenditure to ensure regime survival and continued suppression of all opposition forces (real or imagined). As all these are happening, the 'global oil and mining companies are buying up exploration concessions by the dozen' and 'busily exploring and exploiting almost every corner of this vast but little known zone of Africa'. Hence, the regions remain sorely enmeshed in violent conflicts.

In Chapter 11 Anna Zalik uses the examples of Nigerian Niger Delta and Mexican Gulf to demonstrate how two divergent constitutional frameworks for oil extraction have emerged historically to shape popular struggles for greater equity in revenue distribution and environmental protection. Whereas the Nigerian oil conflict has a strong ethno-regional base and is championed by a motley of ethnic minority groups of the oil-rich Niger Delta region, the push for the Mexican struggle has mostly emanated from organised labour and agrarian producers championing grassroots, working-class-oriented, anti-imperialist interests. However, both movements employ the rhetoric of resource sovereignty, by which they demand greater control of oil resources and revenues by local populations inhabiting the region of extraction for their overall socio-economic and ecological advantages. But the outcomes of the two resource sovereignty struggles are markedly different. In the case of the Niger Delta, the host communities' anti-oil struggles (agitation for – greater oil revenues against the federal state; rapid developmental transformation of the impoverished oil region, etc.) are characterized by communal conflict (inter/intra-ethnic) and social fragmentation that resonate with the history and administrative structures of colonial and post-colonial rule and serve as a direct claim on the Nigerian state. With regard to Mexico in the revolutionary period, grassroots struggles partially unified organized labour and smallscale agrarian producers against forces of global capital and for a redistributionist state. In this respect, the Mexican nationalization of foreign companies' policy of 1938 that prohibited oil exports for over three decades and employed the commodity for developmentalist ends was at least a partial victory for Mexican oil workers – whose ranks expanded to incorporate some under-privileged agrarian classes. Furthermore whereas resort to disruptive anti-oil violence by ethnic militias in the Niger Delta aims to demand benefits from both the state and operating oil multinationals, in Mexico, popular struggles for ecological and resource sovereignty in the present conjuncture seek to protect certain hard-earned privileges of the developmental state from neoliberal assault.

In Chapter 12, Julia Buxton analyzes how the rentier space and rent-related conflicts have historically evolved in the different extractive economies of the South American region. She advances two critical arguments, namely – that with a couple of key exceptions: (i) 'access to and opportunity for rent accumulation has traditionally generated intense competition for control of the state' but 'these antagonisms have historically been channelled on class, not ethnic lines (as in many African countries) and articulated through the ideological and conceptual lens of socialism, populism, anti-imperialism, military authoritarianism or neoliberalism'; (ii) 'contending forces have typically argued that their motivation for power and resource control is 'inclusivist' ..., hence, the South American

discourse has always been framed (or disguised) as a positive sum game and legitimized through reference to the *national interest*'. Buxton analyses the various factors that have historically accounted for the low proclivity toward virulent resource-based civil wars in the South American region, much of which have to do with the relatively stable institutionality and settled territoriality of the state. This has systematically and increasingly helped to establish formal politics (as opposed to rebel insurgency) as the pivot of political competition and regime succession in most countries of South America. Buxton finally examines how the ascendancy of neoliberalism and revival of economic nationalism, especially since the 1980s and 1990s have directly and indirectly contributed to 'a reconfiguring of the rentier space' in Latin America at both the national and regional spheres. Capitalizing on huge oil boom in the 2000s, for instance, the President Hugo Chavez administration in Venezuela, in particular, has provided significant transformative and exemplary leadership at the regional level (to the utter irritation of the US administration) through ideological mobilization for regional integration and development cooperation and at the national level where the government 'has fundamentally restructured the rentier space in Venezuela by displacing traditionally privileged elite sectors and foreign interests as the main beneficiaries of rent access and accumulation', and uplifting diverse previously excluded underprivileged groups using well crafted social development policies and programmes. But problem of sustainability of social welfare-oriented programmes persists. This, as Buxton concludes, creates significant 'potential for intensified conflict' given 'the possible inability of resource nationalist states (e.g. Venezuela, Bolivia, Ecuador, etc.) to meet the immense popular expectations that government and the commodity boom have generated', coupled with the virtual 'absence of institutions capable of mediating conflict and monitoring economic policymaking'.

Rolf Schwarz in Chapter 13 analyses the history and dynamics of state-formation and state-building in the Middle East and argues that 'oil rentier states' defy the 'war makes states' theory of Charles Tilly et al. He presents a comparative analysis of two contrasting oil-rich Middle Eastern rentier states, Iraq and the United Arab Emirates (UAE). Schwarz argues that the massive influx of oil revenues during the 1970s enabled the bellicose regime of Saddam Hussein in Iraq to pursue a policy of 'guns and butter' – defined as, 'extravagant spending on expanding its military-security machinery and on welfare benefits (social development)'. At the domestic front, the expanded military-security profile of the Saddam Hussein's government in Iraq was designed to consolidate the dictatorship of the ruling Ba'thist party. On the external front, the bloated military-security complex was used to engage in aggressive foreign policies, which led to the outbreak of war with Iran (1980–1988). Most disastrously, it also culminated in Iraq's abortive annexation of oil-rich Kuwait in Saddam Hussein's bid to shore up Iraq's rentier revenues as way out of the country's fiscal crisis. The devastating Gulf Wars and UN sanctions provoked by Iraq's bellicosity have seen the country decline from a boisterous rentier state to a failed state. On the other hand, argues Schwarz, 'the UAE have tried to combine the positive attributes of a rentier state (huge oil investment and revenues) with those of a

production-oriented welfare state'. As opposed to building a grandiose military infrastructure, the UAE have channelled their huge oil revenues to pursue an active policy of economic diversification to backstop the social welfare programmes the state has progressively taken on board since the oil boom period of the early 1970s. Consequently, 'the UAE have managed to ... develop a regional hub for foreign investment in the areas of construction, tourism, waste water treatment, desalination, natural energy exploration, and in the transportation sector and through the use of free trade zones'. Schwarz argues that whereas Iraq followed more or less the 'war makes states' Tillian model, and has gravitated from a boisterous rentier state to a failed state, the UAE, on the other hand, have not followed the Tillian model but tried to break away from both the resource curse paradigm of most rentier states by embracing perspective development planning have made a significant transition from a rentier state to a production-oriented welfare state. Schwarz finally identified and analyzed the major challenges facing developmentalist and production-oriented rentier economies such as the UAE.

In Chapter 14, Dauda Abubakar introduces a fascinating regional dimension to the theoretical conceptualization and politics of rentierism based a searching critique of the orthodox intellectual paradigms. His focus of analysis is the oil-rich countries of the Arabian Gulf. At the conceptual level, Abubakar argues that although the theory of the rentier state helps to elucidate the diverse impediments to the development of oil-dependent countries in the global South, the explanatory structures and discourses of the theory scarcely incorporate the critical trajectories of geopolitical conflicts, often aggravated by external interventionism and militarization. He therefore proceeds on the basis of a political ecology approach to resource conflicts and rentier politics to present a critical 'interrogation of the interface between oil, state power and external militarization, and their implications for socio-political stability within the Arab Gulf states, as well as regional and international security'. Drawing extensive empirical illustrations from the oil-exporting states of the Persian Gulf – namely, Saudi Arabia, Kuwait, Iran, Iraq, Oman, Qatar, Yemen, United Arab Emirates and Bahrain – Abubakar argues that close economic and military alliances with external [Western] patrons, largely motivated by their greed for oil resources, perceptibly compromises the sovereignty and identity of the predominantly theocratic and Monarchical-Sultanic rentier plutocracies of the Persian Gulf. Consequently, this tendency precipitates and accentuates societal fragmentation, thereby deepening violent responses from marginalized youths and fundamentalist groups opposed to western ideologies of modernity and politics of interventionism. The resultant effects are the growing security problems that are now common-knowledge: escalation of military expenditures among the Gulf states, slash of social development budget and benefits, exacerbation of national and regional instability; intense anti-Americanism, counter-hegemonism and Islamist terrorism against western targets in the Islamic world and beyond, as well as unending militarization and globalist intervention in the name of the war on terror.

**Notes**

- 1 For a detailed discussion of neo-Marxist dependency theory, see Hoogvelt (1997), Chapter 2.
- 2 For a detailed discussion, see Homer-Dixon (1994).
- 3 For a detailed discussion, see Collier and Hoeffler (2000).
- 4 Prebendalism is a political tradition in which state offices are regarded as prebends that can be appropriated by office holders, who use them to generate material benefits for themselves and their kith and kins (Joseph, 1987; 1996). In the post-colonial setting, the entrenched politics of neo-patrimonialism is a reinvention of the traditional patrimonial forms of governance in which the differentiation of public and private spheres is institutionally obscured by the primordial considerations, interests and loyalties of public office holders. By and large, the conduct of politics and public administration in a neo-patrimonial state follows such primordial clientelistic patterns as family networks, clannism, cronyism and ethnic solidarity, without the necessary rational-legal institutional restraints against corrupt enrichment and abuse of office (see Erdmann, 2002).
- 5 See Thompson (2007) for a more detailed discussion on the US growing securitization of energy resources in Africa and the Middle East.
- 6 For a detailed discussion, see Francis (2005), pp. 14–15.

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