

# The Geopolitical Economy of 'Resource Wars'

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## Introduction

Natural resources have gained a new strategic importance in wars. With the withdrawal of Cold War foreign sponsorship in the late 1980s, local resources have become the mainstay of most war economies. Beyond financing war, natural resources have been depicted as an important motive of several wars in the 1990s, from the Iraqi invasion of Kuwaiti oilfields, to civil wars fuelled by diamonds in West Africa. While much attention had been previously devoted to the risk of armed conflicts resulting from the vulnerability of supply of 'strategic resources' for major powers or environmental scarcity in poor countries, most resource-related wars in the 1990s have opposed domestic or regional politico-military entrepreneurs over locally abundant and internationally valuable resources, such as oil, timber, or diamonds. In this light, some interventions by regional powers have been tainted by the 'lust' for valuable resources, as with the Ugandan or Zimbabwean military deployment in the Democratic Republic of Congo.<sup>1</sup> Speaking of the 'poisonous mix' of diamonds and greed fuelling the war in Sierra Leone, UN Secretary-General Kofi Annan even suggested that 'when a whole Guinean battalion [of peacekeepers] on its way to Sierra Leone – 900 men with Armoured Personal Carriers – said they were disarmed [by rebels], you wonder ... Did they sell them?''<sup>2</sup>

This introductory essay examines the geopolitical economy of so-called 'resource wars', that is, armed conflicts revolving 'to a significant degree, over the pursuit or possession of critical materials'.<sup>3</sup> The term 'resource war' itself emerged in the US in the early 1980s in reference to perceived Soviet threats over US access to Middle Eastern oil and African minerals.<sup>4</sup> Beyond this conventional geopolitical and strategic perspective on resource competition, this essay argues that the significance of resources in wars is largely rooted in the political and economic vulnerabilities of resource dependent states. This essay stresses the links between (mis)governance, conflicts, and the historical legacy of the social construction and exploitation of 'resources' by imperial powers, as well as the current multiscalar practices of the global political economy in which commodity and financial flows are

rarely matched with informational and 'ethical' ones. Resources have specific historic, geographic, and social qualities participating in shaping the patterns of conflicts and violences. The discursive construction and materiality of oil and diamonds, for example, entail distinct social practices, stakes, and potential conflicts associated with their territorial control, exploitation, commercialization, and consumption. Among these qualities, their territorialization as well as physical, economic and discursive characteristics come to define resources both materially and socially in dialectic relationships with institutions and practices. As pointed out by Kevin Dunn in the case of Central Africa, 'the material aspects of a war economy are intrinsically linked to its discursive production'; whereby perceptions of threats, sectarian identity politics and spaces of (in)security inform and reflect the so-called 'greedy' dimensions of (violent) resource extraction and trade.<sup>5</sup> The crucial interplay between specific institutions, spaces of governance and resources also needs to be stressed, as demonstrated by Rick Auty and Michael Watts in this volume. In this regard the understanding of so-called 'resource curse' and 'resource wars' needs to give consideration to both the forms of power exercised in the 'pre-resource' era, as well as the specific ways in which different resources define specific 'political idioms' and influence social and political outcomes.

This study focuses on the relative importance of the materiality of resources and their geography *vis-à-vis* the type and course of conflicts. The following section briefly reviews the evolution of geopolitical perspectives on resource competition. The third section examines the political economy of resource dependence in relation to the causes of conflict. The fourth section demonstrates the importance of different resources in financing armed conflicts, with the fifth section stressing the complicity and responsibilities of businesses in this regard. The sixth section outlines different geographies of 'resource wars' according to the characteristics of resources. In conclusion, the study briefly considers regulatory initiatives brought to bear on belligerents and businesses to prevent 'resource wars'.

### **The Geopolitics of Resource Competition**

Resources have provided some of the means and motive of global European power expansion, while also being the focus of inter-state rivalry and strategic denial of access. Western geopolitical thinking about resources has been dominated by the equation of trade, war, and power, at the core of which were overseas resources and maritime navigation. During the mercantilist period of the fifteenth century, trade and war became intimately linked to protect or interdict the accumulation of 'world riches', mostly in the form of bullion, enabled by progress in maritime transport and upon

which much of the balance of power was perceived to depend.<sup>6</sup> For example, the decision to pursue 'commerce warfare', in effect piracy, by French military engineer Vauban aimed, but failed, at precipitating the downfall of English and Dutch power by targeting their maritime trading.<sup>7</sup> Writing on the wake of the three consecutive wars between the English and the Dutch in the seventeenth century, John Evelyn commented that,

Whoever commands the ocean commands the trade of the world, and whoever commands the trade of the world commands the riches of the world, and whoever is master of that commands the world itself.<sup>8</sup>

Since sea power itself rested on access to timber, naval timber supply became a major preoccupation for major European powers from the seventeenth century onwards. Besides motivating overseas alliances, trade, or even imperialist rule, England in particular pursued a policy of open sea 'at all costs' that led to several armed interventions in the Baltic; a situation that would bear similarities with the case of oil in the twentieth century.<sup>9</sup> With growing industrialization and increasing dependence on imported materials during the nineteenth century, western powers intensified their control over raw materials, leading along with many other factors such as political ideologies to an imperialist 'scramble' over much of the rest of the world.<sup>10</sup> Late imperial initiatives also influenced the Prussian strategy of consolidating their economic self-sufficiency through a resource access provided by a 'vital space', or *Lebensraum*, while the potential role of railways to enable land-based transcontinental control of resources raised a threat to maritime-based power, giving way to the idea of 'Heartland' developed by Halford Mackinder. The significance of imported resources, and in particular oil, during the First World War reinforced the idea of resource vulnerability, which was again confirmed during the Second World War.<sup>11</sup>

Strategic thinking about resources during the Cold War continued to focus on the vulnerability of rising resource supply dependence, and to consider the potential for international conflicts resulting from competition over access to key resources.<sup>12</sup> In their search for resource security and strategic advantage, industrialized countries continued to take a diversity of initiatives (on the vulnerability of western energy supply, see Susanne Peters in this volume), including military deployment near exploitation sites and along shipping lanes, stockpiling of strategic resources, diplomatic support, 'gunboat' policies, proxy wars or *coup d'état* to maintain allied regimes in producing countries, as well as support to transnational corporations and favourable international trade agreements.

Geopolitical discourses and practices of resource competition were not only defined at an international scale but as well as at a sub-national one, especially in reference to the territorial legacy surviving the decolonization

process and its implications in terms of resource control (see the discussion of secessions, below). By the 1970s, concerns also came to encompass the potential threat of political instability resulting from population growth, environmental degradation, and social inequalities in poor countries, leading to a redefinition of national security.<sup>13</sup> The ensuing concept of 'environmental security' emerged to reflect ideas of global interdependence, illustrated through the debates on global warming, environmental 'limits to growth', or political instability associated with environmental scarcity in the South (for a critique, see Simon Dalby's *Environmental Security*).<sup>14</sup> Traditional western strategic thinking remained, however, mostly concerned with supply vulnerability within the framework of the two blocs, notably about Soviet threats over the western control of oil in the Persian Gulf or 'strategic minerals' in Southern and Central Africa.<sup>15</sup> The decolonization process, the 1956 Suez crisis, the 1973 Arab oil embargo, and the 1979 Iranian revolution also clearly focused western strategic concerns on the part of western governments as well as resource businesses, over domestic and regional political stability and alliances.<sup>16</sup> The end of the Cold War and disintegration of the Soviet empire, and the Iraqi invasion of Kuwait further reinforced this view. Although the security of supply continues to inform governmental and corporate decisions in the management of several minerals, in particular with regard to high-tech and radioactive materials, oil stands apart in terms of global strategic importance.<sup>17</sup>

As more attention was again devoted to the internal mechanisms of wars in the early 1990s, a view emerged that a new and violent scramble for resources amongst local warlords as well as regional and international powers was becoming 'the most distinctive feature of the global security environment'.<sup>18</sup> Noting the growth of mass consumerism and the 'economization' of international affairs in the 1990s, political scientist Michael Klare associates 'resource wars' with a combination of population and economic growth leading to a relentless expansion in the demand for raw materials, expected resource shortages, and contested resource ownership.<sup>19</sup> Asia's growing mass consumerism and energy demand, for example, are of specific concern for the militarized control of the South China Sea and Spratly islands. The control of the oil and pipelines in the Caspian region is another, as illustrated by Shannon O'Lear and Sarah O'Hara in this volume. If market forces and technological progress can mitigate some of these problems, Klare remains essentially pessimistic given the readiness of countries claiming resources or importing them, especially the US, to secure their access to resources through military force, and given the political instability of many producing regions. Indeed, the strategic military posturing of the US in the Arabian Peninsula, the maritime

deployment of the US-led Multinational Interception Force enforcing UN sanctions on Iraq, as well as the US military occupation of Iraq and the deployment in Central Asia give to the geopolitics of oil in this region a strong military tone.

While the Persian Gulf area has received most attention as a prominent terrain for 'resource wars' due to foreign oil supply interests, tensions and civil unrest in the region also testify in part to the problems of the historical trajectories as well as political economy and governance of resource-dependent countries.

### **The Political Economy of Resource Dependence**

In the aftermath of the Second World War and decolonization, much hope was placed in the promise that extractive sectors would assist poor countries in developing economically and politically.<sup>20</sup> The successful development path of countries benefiting from rich natural endowments, such as Australia, Canada and the US frequently served to justify these views; even though development largely preceded and enabled the relatively positive role of mineral resources, for example, and most poor countries have been facing vastly different domestic and international contexts in which resources may contribute to their development.<sup>21</sup> Since the oil shocks of the 1970s, resource wealth appears to have left large numbers of people in developing countries worse off than otherwise. Resource-dependent countries tend to have lower social indicators and their states tend to be more corrupt, ineffective and authoritarian and, to prioritize military expenditures.<sup>22</sup> They also appear to be amongst the most conflict-ridden countries.<sup>23</sup> Although some argue that these problems characterize all poor countries and that resource dependence is simply a symptom of economic underdevelopment, others believe that a rich resource endowment is more a curse than a blessing.<sup>24</sup>

Well-managed resources can prove a valuable development asset, but resources can also prove a source of vulnerabilities and 'excesses' negatively influencing the domestic politics and economy of exporting countries, as well as foreign relations.<sup>25</sup> Of 'strategic' importance to domestic or foreign economic and political concerns, resource access and exploitation can become highly contested issues. Because of their territorialization, resources generate more territorial stakes than many other economic sectors, centred on the definition of political boundaries and local representation or alliances with foreign powers. Exportable on the international market, resources give rise to stakes over access and control of *filières* or commodity networks, trading routes, and markets. Generating large financial rents, the control of resources often provides a crucial link

between the economy and politics, in particular through relations of co-optation or patronage that often come to replace the taxation/representation nexus, while the impact of resources on development is itself highly sensitive to the institutional context in which they are exploited.

Through patronage or coercion, large resource revenues can ‘pay for stability’ and maintain a generally autocratic, stable political order. Yet political transition imposed by ageing leaders, domestic or international pressure for democratization, and economic downturns affecting key resource sectors, can all represent major challenges to such regimes, which are generally characterized by the low accountability of élite groups. Arguably, political development comes in large part through the taxation of society by authorities. As noted by Mick Moore, many poor and conflict-affected states,

live to a high degree on ‘unearned income’ – mainly mineral resources and development aid – and correspondingly face limited incentives to bargain with their own citizens over resources or to institute or respect democratic processes around public revenue and expenditure.<sup>26</sup>

Respectively, people and informal business groups lightly or not taxed by a government relying on resource rents, would be less concerned by a government’s lack of accountability and legitimacy than heavily taxed ones; thereby being less motivated to promote political changes. Rulers can play on this by ignoring corruption and leaving most of the economy to become informal. Mobutu did precisely that when urging citizens to ‘fend for yourselves’ and to ‘steal a little in a nice way’, without aiming to become rich overnight or to transfer funds overseas; a ‘policy’ that became popularly known as ‘Article 15’ of the Zairian constitution and served as a justification for all forms of trafficking.<sup>27</sup> These policies reflected as much Mobutu’s pragmatism in the face of an economic meltdown, as the instrumentalization of disorder by local political and economic actors.<sup>28</sup> Smuggling and the unofficial economy did provide the marginalized population in general and the political opposition with an alternative political economy that delayed political polarization, but they also further weakened the fiscal base of the state apparatus, and promoted corruption or demobilization among officials.<sup>29</sup>

A resource-rich economy thus facilitates the formation and viability of politically underdeveloped rule; although resource wealth may neither be necessary nor sufficient. Dangerously remaining at the core of political institutions while being eroded by reserve depletion, corruption, mismanagement or falling prices, resource rents ultimately risk leading to political instability and conflicts.

In a worst case scenario, resource revenues monopolized by a corrupt élite or squandered by mismanagement justifiably feed grievances amongst

marginalized groups, while resentment may also easily grow out of other resource-related issues, such as pollution, labour conditions, or the social inequity frequently accompanying resource exploitation.<sup>30</sup> Competing businesses convinced of their own powerlessness assert their neutrality and continue to serve as intermediaries between local actors and global consumers; leaving a wide gap of accountability that an economically disempowered population cannot easily fill. Importing countries too often accommodate or even support predatory states, as long as access to cheap or strategic resources is secure. As resources become depleted, prices collapse, or corruption-weary businesses leave, and the legitimacy and capacity of local rulers are further eroded. Disavowed by their population, rulers face the challenge of political change and the temptation of their own radicalization. At this juncture, violence and exclusionary identity politics become seductive means of empowerment and survival for most parties.

As natural resources gain in importance for belligerents, so the focus of military activities becomes centred on areas of economic significance. This has a critical effect on the location of military deployment, type of conflict, and intensity of confrontations.<sup>31</sup> Complementing guerrilla strategies of high mobility, concentration of forces, and location along international borders, rebel groups seek to establish permanent strongholds or areas of 'insecurity' wherever resources and transport routes are located. Government troops generally attempt to prevent this by extending counter-insurgency to these areas, occasionally displacing and 'villagising' populations. In many cases, however, government troops join in the plunder. Distinctions between soldiers and rebels then often become blurred, as both groups entertain the same economic agendas, occasionally co-operating to keep trading routes open and to maximize gains while minimizing their costs. As demonstrated by the coalition formed by many elements of the Sierra Leone Army and the rebel Revolutionary United Front in 1997, both groups can also have similar social backgrounds, similar grievances towards the traditional ruling élite and a shared goal of empowerment through force. Beyond politico-military entrepreneurs turning into warlords and building their power in part out of the (violent) control of valuable resources, many ordinary people may also use violence as a deliberate means of accessing resources, thereby increasing the spatial and social diffusion of a conflict.<sup>32</sup>

History as well as political culture, institutions, the individual personality of leaders and the availability of weapons intervene at least as much as the political economy of natural resources *per se* in these conflicts and their violent escalation, but the exploitation of nature represents a source of power and conflicts that should not be ignored. Just as important, different resources present to belligerents different opportunities of financing or profiteering from war.

## Resource Opportunities and War

During wars, economically motivated violence among rebels will be more likely when the potential rewards are great and when 'natural resources can be exploited with minimal technology and without the need to control the capital or machinery of the state'.<sup>33</sup> As Rick Auty demonstrates in this volume, some resources, in other words, are more accessible than others to rebels, offering the ability to scale-up and profit from their military operations. The geographical location, concentration, and the mode of exploitation influence the lootability of a resource. In terms of location, a resource close to the capital is less likely to be captured by rebels than a resource close to a border inhabited by a group lacking official political representation. Accordingly, resources are close or distant from the centre of power, in both geographical and political terms. Resources are also more likely to be looted if they are spread over a larger territory than a small area that can be more easily defended. *Point resources* are spatially concentrated in small areas and include mainly resources that can be exploited by capital-intensive extractive industries, such as deep-shaft mining or oil exploitation, and which generally employ a small workforce.<sup>34</sup> *Diffuse resources* are spatially spread over vast areas and often exploited by less capital-intensive industries. These include alluvial gems and minerals, timber, agricultural products, and fish. This concentration is determined both in terms of spatial spread, and mode of exploitation and control. In short, the risk of looting is higher when resources are located at the periphery of domestic control and in proximity to foreign markets.

Highly valuable and easily mined through artisanal means, alluvial diamonds are particularly accessible to rebel groups. The control of the most prolific diamond areas of Sierra Leone generated tens of millions of dollars for the RUF in the 1990s. In eastern Democratic Republic of Congo (DRC), several rebel factions operate as intermediaries for the control of the diamonds by Ugandan interests, while the government has granted the Zimbabwean military some of the best diamonds concessions in return for its support.<sup>35</sup> In Angola, diamonds exploitation provided several hundred million dollars in net revenue to the UNITA rebel movement of Jonas Savimbi during the 1990s.<sup>36</sup> If the Angolan government wanted to control diamonds, it had to secure a monopoly of access over a vast territory in remote regions. Even though the major mines are concentrated in the north-east, alluvial diamonds can be found in many river-beds over a huge territory covered by bush, facilitating guerrilla activities, and are accessible to a large number of firms and even small groups of *garimpeiros* – freelance diggers.<sup>37</sup> Although diffuse by geography and mode of production, the tight control exercised by UNITA over *garimpeiros* and mines in some regions is



such that diamonds can also be considered as a point resource with regard to the concentration of profits. If diamonds had been found only in Kimberlite pipes, as in Botswana, access to diamonds by UNITA would have been complicated, not to say impossible. In Namibia, many diamonds are found on vast beaches, thereby constituting lootable diffuse resources. Recognizing the problem, colonial authorities defined the area as *Sperrgebiet* or 'Forbidden Zone' and drastically enforced access rules to prevent theft. Yet the open terrain of the deserted coast offered no cover to a guerrilla force. As stated by a former SWAPO fighter, now Director of Mines, 'We could not have operated there, the South Africans would have simply bombed us.'<sup>38</sup>

The lootable character of diamonds does not only concern rebels. Ruling élites have also developed modes of appropriation detached from the legal and institutional apparatus of the state, often by creating parallel mechanisms of involvement and control in the private or informal diamonds sector. In Sierra Leone – a case examined by Marilyn Silberfein in this volume – the RUF rebel movement referred in its propaganda to former Presidents Siaka Stevens and Valentine Strasser, arguing that 'when a valuable gemstone is found [Presidents] jump into a plane and shoot off to Europe to sell the diamonds trusting no one but themselves'.<sup>39</sup> While also motivated by private gains, such a mode of appropriation nevertheless retains important political dimensions.<sup>40</sup> As such, diamonds have long influenced both the militarization of diamond-producing regions and half of the main producing countries of alluvial diamonds have been embroiled in diamonds-related wars. Furthermore, the high value, durability, transportability, and anonymity of diamonds have made it a convenient financial instrument for terrorist groups such as Al Qaeda.<sup>41</sup>

Besides diamonds, many other 'small' strategic or valuable metals, such as gems, cobalt, coltan, gold, and silver have similar lootable characteristics. Sapphires and rubies have provided the Khmer Rouge in Cambodia and the Karen in Burma with significant revenues during the early 1990s. In Afghanistan, the late Massoud's United Front commander earned annually around \$50 million from the control of emeralds and lapis lazuli.<sup>42</sup> Gold is also mined with minimal investments and easily transported and traded. In Zaire/DRC, diamonds and other valuable minerals such as gold are located in alluvial deposits covering thousands of square kilometres and open to illegal exploitation and clandestine trading. The great distance from Kinshasa, the proximity of 'smuggling markets', for example in Burundi, and the possibility of artisanal mining have long provided a favourable context for the illegal exploitation and trafficking of gold in the eastern part of the country. The mining and trafficking of alluvial gold in the hilly terrain of south-eastern Kivu sustained Laurent Kabila's

rebel movement, the *Parti Révolutionnaire du Peuple*, between the late 1960s and the creation of the AFDL in 1996.<sup>43</sup> Gold continues to sustain the numerous armed groups operating in this region, from Rwandan troops to local 'Mayi-Mayi' self-defence units. New minerals have also appeared on the balance sheet of 'war economies' as new demand increased their value, as with coltan (columbite-tantalite) a metal ore from which tantalum is extracted for use in mobile phones. Coltan allowed armed groups such as the Mayi-Mayi to prosper and, along with predation upon the general population, to transform themselves from self-defence militias into self-interested criminal bands.<sup>44</sup> While supposedly allied with the government in Kinshasa, most of the trade was directed towards rebel-controlled areas and Rwanda and Uganda, thereby requiring collusion between opposing sides.

Not all minerals are as lootable as diamonds or coltan. Others, like copper and oil, require large-scale infrastructures and involve a minimum of approval or accounting by recognized authorities for international trading. While this means that these resources are less lootable by rebel groups, highly centralized control by the ruling élite enables state looting on a grand scale. Furthermore, revenues can still be generated by rebels groups through extortion: oil and gas, for example, can remain 'extortable' by even lightly-armed rebel units due to vulnerability of their onshore installations, such as pipelines, or staff – giving way to a militarization of production and transport. Thad Dunning and Leslie Wirpsa discuss in this volume the case of Colombia, where most of the oil is inland and shipped through pipelines. In that country, the oil sector is alleged to pay annually, mostly through their subcontractors and local officials, a total of \$100 million per year in protection rent to guerrilla groups, while major oil companies pay \$250 million to the government through a 'war tax' set up in 1992.<sup>45</sup> When located offshore, this sector is largely insulated from threats of violence by insurgent movements, unless the armed opposition holds airborne weapons or at least marine commandos – as was the case when the South African Defence Force supported UNITA. Rather than the inaccessible production sites, the sites of state power – such as the capital and presidential palace – become the target of rebel control. In Nigeria, however, protests and kidnapping – which are part of the 'petrovioleence' discussed by Michael Watts in this volume – have been staged on oil platforms demonstrating the local agendas at work. In 1998, about 100 youths occupied a Chevron platform to protest against environmental and distributional issues and demand monetary compensation and jobs, leading to a joint police and navy operation which resulted in the death of two protesters. In 1999, a small commando of the 'Enough is Enough in the Niger River' group kidnapped three staff and hijacked an helicopter on a Shell platform, later releasing them for a ransom. In some instances of kidnapping, companies had

reportedly not paid protection fees in advance to the 'right people'.<sup>46</sup>

Forest products, mostly in the form of timber, are probably the most common resource fuelling wars. The first reason, besides the relatively widespread world-wide distribution of forests, is that insurgents have repeatedly used forests as refuge from government armies. Many rebel groups have thus taken advantage of this location to engage in racketeering or set up logging businesses. Although the difficult control of forests increases the lootability of this sector, the bulkiness of logs and the need for roads or river rafts provide a greater opportunity for the control of transport and trading. Participation in logging operations requires extremely 'porous borders' or the complicity of neighbouring authorities. As a Thai general commented about the conspicuous nature of imports into Thailand from Khmer Rouge areas in Cambodia: 'We are talking about logs, not toothpicks'.<sup>47</sup> Under-funded or financially self-interested army units deployed for counterinsurgency purposes, but also high-ranking government officials frequently join in the business or authorize loggers to operate in rebel-controlled areas in exchange for bribes.<sup>48</sup> The lootability of timber thus often rests on a high degree of collusion between rebels, governments, and businesses. Finally, the logging industry also tends to be risk-prone in order to access increasingly rare and valuable old growth 'timber', as demonstrated by the presence of international companies in the disputed areas of Liberia, West Papua in Indonesia, or the Cabinda enclave in Angola.

Agricultural commodities can also be the objects of mass-scale looting and sustained extortion. Following the resumption of the war in DRC in 1998, coffee and cattle were among the main commodities 'systematically drained' from areas controlled by Burundian, Rwandan, and Ugandan forces and their local ally the Rally for Congolese Democracy.<sup>49</sup> These forces not only conducted organized large-scale confiscation of the stockpiles of local companies, but also looted banks and dismantled some factories, while individual soldiers stole savings from Congolese citizens. In Colombia, a prominent form of 'mafia violence' focusing on extortion of coffee producers and cattle-rustling took place alongside politically motivated violence.<sup>50</sup> Even marine resources by foreign fishing fleets can be looted. Thai fishing vessels plundered Cambodian territorial waters during the transition period that followed the withdrawal of Vietnamese troops in 1989, often with the authorization of local strongmen and military units also controlling the smuggling of consumer goods and timber. Similarly in Somalia, fishing vessels from neighbouring countries, Europe, Pakistan, Korea, and Japan operated in Somali territorial waters under licence from Mogadishu warlords or Somaliland authorities.<sup>51</sup>

Beyond the political economy of resource-dependence and its commercial or strategic value for foreign interests, the specific

characteristics of a resource as well as its location thus come to define its accessibility by belligerents, rebels and government officials alike, and thereby its contribution to prolonging wars. War commodities may prolong wars by providing a financial support to the weaker side enabling it, and possibly motivating it, to fight longer militarily. Resource revenues can also create a financial incentive for opposing armed groups to settle into a 'comfortable conflict stalemate' that is mutually beneficial and relatively non-threatening in order to control, produce or market resources. By providing political networks of support, including 'private resource diplomacy', resources can also prolong conflicts. UNITA's diamonds not only allowed the rebel movement to buy arms, but also secured diplomatic and logistical support from regional political leaders, while the hope of securing oil reserves in case of an electoral or military victory by UNITA pushed some western companies to support the rebel movement until the early 1990s. In this regard, bilateral actors may be inclined to accommodate commercial interests benefiting their corporations, and commodity revenues may also decrease the potential leverage of donors to exercise pressure on the warring parties in favour of a negotiated settlement. Finally, access to commodity revenues can act as a divisive factor among domestic and international players. Resource wealth can prolong conflict by weakening the application of a cease-fire or peace agreement by local commanders who stand to lose financially from resources under their control, hence potentially leading to a factionalization of movements along lines of commercial interests. Examining the differential impact of specific commodities on the duration of 15 conflicts according to their lootability and obstructability, Michael Ross finds support for the hypothesis that lootable commodities and, to a lesser extent, obstructable (or extortable) commodities, prolong war by financing the weaker side of a conflict, and creating discipline problems.<sup>52</sup>

Although resource wealth tends to prolong wars, it can also shorten them in several ways. First, it can produce an overwhelming concentration of revenues in the hands of one party, as oil did for the Angolan government. The government's consequent ability to rearm and reorganize allowed it to mount a decisive military campaign between 1999 and 2002 against UNITA, while the rebel movement could not easily sell its diamond stock or trade it for weapons in part due to a more effective UN sanction regime.<sup>53</sup> Second, a government's greater access to resources can motivate rebel groups to defect to the government and provide an incentive in peace negotiations, or even lure rebel leaders to the capital to allow their capture. Local commanders or movements eager to protect their commercial interests may strike a peace agreement with the government, as occurred within several armed groups in Burma. Economic sanctions and the co-

operation of neighbouring countries in closing their borders to rebel trade, as well as trust-building mechanisms around wealth-sharing agreements can be essential in this regard (see below). Finally, the control of commodity revenues can create problems of trust and discipline within movements, with fragmentation often affecting rebel movements as a result of the 'bottom up' direction of resource flows (i.e., from local units to headquarters).<sup>54</sup>

It does not follow, however, that a war would be less violent in the absence of resources. On the contrary, belligerents lacking access to resources may intensify predation and abuses on populations, while large-scale revenues can allow belligerents to shift from a war of terror on civilians to a conventional type of conflict. Yet, as the extreme violence and widespread abuses by the RUF and UNITA against populations exemplifies, violence towards civilians has many other motives than purely economic ones. It remains the case that resources will tend to prolong and intensify conflicts and if, in this regard, a resource-rich environment is generally propitious to financing rebellion, opportunities for armed groups will also depend on the practices and complicity of businesses.

### **The Responsibility and Complicity of Resource Businesses**

Belligerents generally require business intermediaries to access commodity, financial, or arms markets. A wide variety of commercial operators intervene in resource-based war economies, from 'barefoot local entrepreneurs' to international brokers, and from international contraband networks to major transnational corporations – resources thus often come to participate in the growing 'contraband capitalism' characterizing the 'wild zones' of the world.<sup>55</sup> Some businesses simply attempt to cope with a degrading political and security context, others see in such a context the possibility of a competitive advantage. This role varies from simple economic intermediaries to complex forms of influence, including political and military support. Antagonisms between private and public foreign interests can emerge. In the late 1970s and 1980s, for example, US oil companies defended by Cuban troops fiscally supported the Angolan communist regime condemned and fought by the US administration.<sup>56</sup>

Businesses, from petty gems traders to oil majors, often refrain from having a direct role in resource-fuelled wars, limiting involvement to the collateral impact of operations in 'intrinsically unstable areas'.<sup>57</sup> Oilman and now US Vice-President Dick Cheney even argued that 'the problem is that the good Lord didn't see fit to put oil and gas reserves where there are democratic governments', brushing aside the role of oil in dampening democracy, and the role of companies in sustaining this pattern.<sup>58</sup> As oil

expert Thomas Waelde observes from the history of the oil industry, ‘at the beginning of most corporate or individual successes ... was usually some bold, rarely very ethical, exploitation of commercial opportunities blocked to competitors by politics’.<sup>59</sup> Oil businesses engaging with ‘pariah states’ can access markets denied to other companies eager to protect their good name, or legally barred by unilateral sanctions. The presence of British company, Premier Oil, in Burma supported a democratically illegitimate and coercive regime through both financial and private diplomatic means, even if its Chief Executive Officer (CEO) justifies the company’s engagement by declaring that, ‘If Burma is ever to rejoin the human race, our nationalization programme for staff will have prepared the country.’<sup>60</sup> Similarly, Unocal, a US energy company also present in Burma, long courted the Taliban in Afghanistan until its pipeline project was terminated in 1998 by US military retaliation against Al Qaeda bases in the country for the terrorist attack on the US embassy in Kenya.<sup>61</sup>

Countries in conflict also constitute a valuable ‘niche market’ for businesses whose competitive advantage lies in their risk-taking mentality, political acumen, or connections with security services. At best, these ‘pioneers’ of the international economy help to provide local jobs, humanitarian assistance, and tax revenue much needed for social services. At worst, opportunistic ‘bottom-feeders’ directly support war criminals in their financial and arms dealings. Often, the margin is small between these two categories as the operational environment is an invitation to much compromise. Junior companies in particular seek out markets characterized by high political risks or legal barriers, creaming off easily accessible resource reserves or preparing the ground for investment by larger businesses. Referring to mining deals in the DRC, a Swiss-based mining entrepreneur argued: ‘if you want big finds, you should go to countries that are not popular.’<sup>62</sup> The company’s strategy is also ‘going to places where Americans cannot go’, namely, for oil operations in Sudan.<sup>63</sup> But to access and secure resources in these ‘unpopular places’, businesses often associate themselves with dubious brokers or private military corporations. In other cases, resource businesses directly deal with arms dealers paid by belligerents through natural resource concessions or mortgaged resource production. In Liberia, several logging companies exported from the port of Buchanan controlled by Charles Taylor in the early 1990s and were reportedly ‘responsible for the logistical aspects of many of [Taylor’s] arms deals’, including ‘onward shipment of weapons to Sierra Leone’.<sup>64</sup>

Business interests also ‘invest’ in rebel factions in the perspective that they could control resource areas in the near future, even if they also pay the government to keep options open. Discreet relations or support to armed opposition movements also provide companies with ‘insurance’ against

political changes. During the Algerian war of independence, the Italian oil company ENI reportedly supplied money and arms to FLN in return for future 'considerations'.<sup>65</sup> Western businessmen did the same with Savimbi in Angola during the 1980s.<sup>66</sup> From late 1996, many foreign companies supported the Rwandan and Ugandan-backed *Alliance des Forces Démocratiques pour la Libération du Congo* (AFDL) as it gained control of eastern and southern Zaïre, including key mining sites.<sup>67</sup> In Liberia, Charles Taylor rapidly gained the recognition and payment of 'taxes' by major businesses, including a subsidiary of Firestone owning a major rubber plantation, not only as a protection racket, but also to restart production.<sup>68</sup> Some companies may even appear rather progressive as a result. Shell, for example, has long sought contacts with separatist groups in West Papua, currently under contested Indonesian rule; and such a move may have enticed the government in Jakarta to consider further political and fiscal devolution for the province.<sup>69</sup>

### **Geographies of 'Resource Wars'**

The conjunction of the geopolitics of resource competition, the history and political economy of resource exploitation, as well as the financial opportunities afforded in part by businesses to belligerents, is critical to the analysis of the geographies of 'resources wars'. This section outlines the comparative geographies of warlordism, *coup d'état*, secession, and foreign intervention in relation to the characteristics of resources. Four broad categories of resources are distinguished, according to their relative concentration of access, expressed in terms of 'point' or 'diffuse' resources (as presented above), and to their relative location *vis-à-vis* the government, expressed in terms of 'proximity' or 'distance'. *Proximate resources* are close to the centre of power (i.e., firmly under the control of the government) and less likely to be captured by rebels than those close to a border region inhabited by a group lacking official political representation. *Distant resources* are located in remote territories along porous borders, or within the territory of social groups politically marginalized or in opposition to the extant regime (i.e., under tenuous or controversial control of the government).

Based on these categories, specific resources are more likely to be associated with specific types of conflicts (see Table 1). The argument is not that oil will systematically be associated with conflicts taking the form of secession or *coup d'état*, for example, but that resources provide a context for political mobilization as well as the motivations, strategies, and capabilities of belligerents. If the characteristics of a commodity influence the motives of conflicts and balance of opportunities between opposing parties, complicity between members of supposedly opposing groups,

TABLE I  
RELATION BETWEEN THE CHARACTERISTICS OF RESOURCES  
AND TYPES OF CONFLICTS

Characteristics	Point	Diffuse
Proximate	<i>Coup d'état</i> /foreign intervention	Peasant/mass rebellion
Distant	Secession	Warlordism

corruption, and involvement of government officials or agencies in the illegal economy, frequently blur the boundaries of these neat categories.

While rebel movements generally attempt to overthrow the incumbent regime, the existence of lootable resources, such as diffuse resources distant from the centre of power, can provide an economically viable fallback position in case of failure. Since these resources, such as timber or alluvial diamonds in border or remote regions, can be more easily exploited and marketable by illegal groups, they are more likely to be associated with economically viable forms of warlordism. This relationship is further consolidated if the resource is 'illegal' either at a national level (such as with illegal logging or mining) or global level (such as with narcotics). Rebel groups thereby create areas of *de facto* sovereignty imposed through violence and shaped in part by criminal and commercial opportunities such as mining areas, forests, or smuggling networks. However, diffuse and proximate resources involving large numbers of producers – such as cash crops near the provincial or national capital – are more likely to be associated with rioting and support or participation in mass rebellions. Again, the issue is not that coffee, for example, is never associated with secession or with coercive forms of warlordism, but that the geopolitical economy of a natural resource can inform both the possibilities of political mobilization and the war economy of the armed movement.

Highly coercive forms of warlordism are less likely to be economically viable with diffuse but labour-intensive resources, such as cash crops and drugs. Rather, participatory forms of rebellions are more likely to be sustained because of the need for a large volume of labour input and the difficulty of controlling workers over vast areas. Conditions of slavery and control of labour through hostage-taking can be imposed over short periods but like most predatory war economies, they can rarely be sustained over the long term. As such, the armed faction is likely to act as a 'protector' towards local populations, even if more in the sense of a Mafia group than a welfare state. This is the case of FARC guerrilla units in Colombia that provide protection to peasants on land holding and on minimum prices for both agricultural products and coca, against the *latifundistas*, paramilitary,



and army.<sup>70</sup> While there has been more recently a drift towards more criminal activities, maintaining a balance of threats and economic incentives motivating peasant production was key to the viability of the revolutionary movement since its inception in the 1950s during the period of '*Violencia*' that opposed conservative and liberals. Similarly, the expansion of the New People's Army (NPA) in the Philippines in the 1970–80s largely came from a 'symbiotic' relation with a peasant population whose subsistence agriculture was threatened by agribusinesses, logging companies, or hydropower projects.<sup>71</sup> Like the FARC, the NPA provided in many respects an alternative to the regime of Ferdinand Marcos that had lost all legitimacy and even presence among rural communities.<sup>72</sup> Yet both movements obtained the majority of their support and funding from taxation and extortion schemes over drug trafficking and cattle ranches for the FARC, and plantations, logging, and mining for the NPA.

Point resources that are either close to the centre of control, such as offshore oil, or located in areas with historic claims for political autonomy, are likely to result, respectively, in coup attempts and secessionist wars. Point resources, such as oil or deep-shaft minerals, are generally less lootable than diffuse resources, such as cash crops and alluvial minerals, and often depend on international political recognition for mobilizing investors and accessing markets. As such, they are much more accessible to governments than to rebel movements. In the case of high-investment energy and minerals, rebels can at best disrupt government revenues or racket-exploiting companies if the infrastructures are vulnerable to attacks, such as pipelines or railways, or staff can be threatened or kidnapped. In the absence of alternative sources of finance and political basis for secession, the best option left to an armed opposition movement is to rapidly capture the state through a *coup d'état* in the capital city. This is particularly the case when resources are largely beyond the reach of a poorly armed rebel movement, such as with offshore oil.

The wars in the Republic of Congo (Brazzaville) in 1993–4 and 1997 between the main competing politicians – Sassou Nguesso, Lissouba, and Kolelas – were clearly a struggle for state power exacerbated by the control of an offshore oil sector representing 85 per cent of export earnings. The fact that these wars took the shape of a coup attempt in the capital city was in this respect characteristic. Yet Lissouba's government should have rapidly won the war through its control of the oil rent and associated military power. In fact, the war in 1997 dragged on for five months before being brought to a conclusion in favour of Nguesso by the military intervention of the Angolan government, an ally of the former President eager to protect its claims over the oil-rich enclave of Cabinda and prevent the use of Congo as a platform for UNITA diamonds-for-arms deals.

Destroying a large part of the capital and leaving thousands dead, this stalemate resulted from several factors. Firstly, a large part of the army did not engage in the conflict, while others supported Nguesso, their former patron and ethnic affiliate. Secondly, both contenders benefited from access to the oil rent as Nguesso was allegedly favoured over Lissouba by the French oil company dominating the sector and parallel channels supported Nguesso's arms purchase.<sup>73</sup> Finally, at street level, the conflict rapidly changed nature as the different militias supporting politicians benefited from the looting of the capital city. Urban youths on all sides instrumentalized and even appropriated the political conflict to contest the legitimacy of a corrupt political élite that had dominated and plundered the country for more than 30 years.<sup>74</sup> Looting became known as 'killing the pig' or 'Nkossa [oilfield], everyone his share'.<sup>75</sup> This form of justification echoed the devastating looting of the Liberian capital Monrovia in 1996, when NPFL fighters hijacked their leaders' military offensive, renaming it 'Operation Pay Yourself' and seeing it as form of compensation for years of fighting 'without compensation from their leaders'.<sup>76</sup>

Finally, point resources distant from the centre of power, for geographic or political reasons, are more likely to be associated with armed secession. The relationship is, of course, not exclusive: secessionist groups also tax logging activities if given the opportunity, and oil deposits will not automatically transform local people into armed secessionists. Yet because point resources often necessitate sovereign rights to be accessed by opposition groups, these are more likely to lead to secession than warlordism. Unable or unwilling to gain control over the existing centre of power, secessionist movements have an interest in asserting sovereign claims over the lucrative periphery they claim as theirs. Furthermore, while diffuse resources often provide local economic opportunities, including through illegal practices, point resources tend to have a low local employment rate with little scope to set in motion the type of class-based mass rebellion or 'peasant wars' examined above. In the 1990s, no less than ten secessionist movements were active in regions with large resource endowments (see Table 2). Most secession or decolonization attempts have a pre-existing historical basis, yet these movements have often been at least reinforced by the socio-economic and political transformations affecting resource-rich regions and by the resource stake, not to mention immediate financial opportunities.

The economic and social changes associated with the development of Western Sahara's important phosphate industry, for example, laid 'the basis for the rise of a modern nationalist movement, setting its sights on the creation of an independent nation-state'.<sup>77</sup> As Saharawis recognized in this economic bonanza the prospect of an economically viable or even

TABLE 2  
SECESSIONIST/NATIONALIST MOVEMENTS AND MAJOR RESOURCES  
IN THE 1990s

Movement	Country	Major resources
BRA	Bougainville (Papua New Guinea)	Copper
FLEC	Cabinda enclave (Angola)	Oil
FLNKS	New Caledonia (France)	Nickel
FRETILIN	East Timor (Indonesia)	Oil
GAM	Aceh (Indonesia)	Gas
OPM	West Papua (Indonesia)	Copper, gold, gas
PDK, PUK	Kirkuk region (Iraq)	Oil
POLISARIO	Western Sahara (Morocco)	Phosphates
SPLA	South Sudan (Sudan)	Oil
Uyгур (various)	Xinjiang (P.R. China)	Oil and gas

prosperous country, the simplistic assumption that Morocco was after their new-found mineral wealth served to mobilize armed resistance. Secessionist armed movements can also (re)emerge around the socio-environmental impacts or wealth redistribution associated with the commercial development of resources. In Sudan, political manoeuvres by the northern-dominated government in Khartoum to control oil resources located in the south participated in re-igniting the war in 1983. These manoeuvres included toponymic and administrative reshuffling in favour of the north, but also the exclusion of southerners from decision-making and technical training, the replacement of southern army units by northern ones in the main oilfield area, and the relocation of the oil refinery to the north.<sup>78</sup> As commented by a Nuer fighter about the renewed conflict after the first phase of the war for self-determination of southern Sudan between 1955 and 1972, 'We fought for seventeen years without even knowing of the true wealth of our lands. Now that we know the oil is there, we will fight much longer, if necessary!'<sup>79</sup> The Sudanese People's Liberation Army now prioritizes the destruction of government-controlled oil installations in the south of the country to assert their rights over this territory, improve their bargaining with the northern government, and racket oil businesses.<sup>80</sup> Secessionism in Aceh was historically rooted in the existence of an independent sultanate until the Dutch militarily defeated it in the late nineteenth century. Yet the formation of the Aceh Freedom Movement (GAM) coincided with the exploitation of major gas reserves in the early 1970s and GAM's 'Declaration of Independence' in 1976 specifically claimed that \$15 billion in annual revenue was exclusively used for the benefit of 'Javanese neo-colonialists'.<sup>81</sup> Land expropriation and exploitation of other resources, such as timber, by businesses dominated by Javanese ownership and labour forces further exacerbated the conflict.<sup>82</sup>

Similarly, as with some other parts of Papua New Guinea, the island of Bougainville has a history of separatism based on geographical and identity distinctiveness. Yet local politicians' demands for, and obtaining of, 'special status', including favourable funding allocations during the period of transition to independence, clearly related to the economic significance of the island's gold and copper mine in Panguna.<sup>83</sup> The secessionist agenda set again in 1989 by Francis Ona, was clearly related to the impacts of copper mining, compensation and closure of the mine, as well as a 'Government of PNG [that] is not run to safeguard our lives but rather to safeguard the few rich leaders and white men'.<sup>84</sup> Ona, a former mine surveyor, is a local dweller but not title-holder of the mining lease area. As such he had little say in the allocation of a new trust fund set up in 1980 by the mine to compensate local communities. Although Ona's agenda 'is most reasonably understood as part of his conflict with his own relatives in the kind of land dispute ... characteristic of [local] Nasioi culture', his analysis nevertheless resonated throughout the local Nasioi community, especially as repression by PNG forces started. The war lasted until 1998 when the Bougainville Revolutionary Army signed a peace declaration, shortly after the 'scandal' of hiring Sandline mercenaries had brought down the Prime Minister of PNG in 1997 and following a conflict resolution bid by Australia and New Zealand.<sup>85</sup>

Most recently, the presence of large oil reserves around Kirkuk in northern Iraq significantly heightened the stakes around the creation of an autonomous Kurdish state in that region during the invasion of Iraq by US-led forces. It was clear for the Turkish government that large oil revenues falling under Kurdish control would constitute a threat to the territorial and political integrity of Turkey.<sup>86</sup>

Because of the current reluctance of the international community to reshape international borders, nationalist claims need to be backed by historical sovereign rights. Such rights afforded East Timor to regain its independence from Indonesia in 1999. Ironically, this was made possible by Australia's military intervention, one of the few countries that had officially recognized Indonesia's illegal sovereignty, in part to settle territorial claims over petroleum resources in the Timor Sea.<sup>87</sup> A similar problem of sovereignty continues to prevail over the exploitation of phosphate and exploration of oil in Western Sahara by foreign companies. Authorized by the Moroccan government, these ventures are deemed illegal by the UN Legal Affairs Office in recognition of the claims for sovereignty supported by the Front POLISARIO.<sup>88</sup>

Finally, foreign interventions, through a support of local insurrections, *coup d'état*, or annexation by military force, have been frequently associated with resource-linked 'geopolitical economic' interests. External

actors have intervened in secessionist attempts by manipulating local political identities to access resources. In the late nineteenth century, the discovery of gold and diamonds in the newly created Boer republics in South Africa led to both stronger resistance to annexation by Britain and a massive influx of British prospectors. The refusal of Boer authorities to grant political rights to these British 'uitlanders' (outlanders) led British entrepreneurs such as De Beers founder, Cecil Rhodes, to arm British settlers' militias taking part in the Boer War.<sup>89</sup> The French government, seeing its resource interests threatened by the war of independence in Algeria, organized in 1957 the institutional secession of resource-rich Sahara in the south, placing it along with parts of Mauritania and Mali under the direct control of Paris through the '*Organisation Commune des Régions Sahariennes*'. In response, the FLN placed the territorial integrity of the country on top of its cease-fire negotiation agenda with the French to ensure its control of the Saharan resources.<sup>90</sup> Despite its political character, the Biafran secession in Nigeria and its repression by the government, were largely motivated by local oil reserves. French oil interests supported the Biafra secession attempt and the Nigerian army started fighting in July 1967, 'more than a month after the declaration of independence but only days after Shell ... agreed to pay its royalties to Biafra rather than Nigeria'.<sup>91</sup> Within the turmoil of Belgian Congo's independence, Anglo-Saxon and Belgian commercial interests, eager to secure their hold on copper mines in the province of Katanga, supported a secession led by Moïse Tshombe, leading to military clashes between corporate-funded foreign mercenaries and UN troops supporting the unity of the country.<sup>92</sup> Noting the growth of mass consumerism and the 'economization' of international affairs in the 1990s, political scientist Michael Klare fears that such resource-driven interventions will increase in the coming decades.<sup>93</sup>

The resource dimension of foreign military intervention can also be associated with dilemmas between economic interests and strategic objectives. US dependence on oil, including major imports from Iraq, clearly demonstrate this. Asked about Weapons of Mass Destruction and the 'double-standard' of US intervention between Iraq and North Korea, US Deputy Secretary of Defense, Paul Wolfowitz, argued in reference to the lack of US and international economic leverage on Iraq that, 'The most important difference between North Korea and Iraq is that economically, we just had no choice in Iraq. The country swims on a sea of oil'.<sup>94</sup> The (tacit) US support for a coup by business leaders and military officers against democratically-elected President Chavez on 12 April 2002, also demonstrated tensions between US dependence on Venezuelan oil and its distrust for Chavez.<sup>95</sup>

Yet, as the Russian military campaigns in Chechnya or US military

deployment and interventions in the Persian Gulf or assistance to the Colombian military to protect oil pipelines demonstrate, the resource dimensions of foreign interventions are often integrated into broader geopolitical discourses and practices of hegemony and resistance. The war in Iraq in 2003 is again a major case in point, with pro-war advocates stressing that the US-led 'liberation' was about freeing Iraqi people so that they can finally enjoy the benefits of their oil wealth, while anti-war advocates stress the economic and strategic motives of this 'invasion' and the bias held by the Bush administration in favour of American oil interests (see Le Billon and El Khatib in this volume). Similarly, the Rwandan, Ugandan and Zimbabwean military and associated commercial activities in the DRC not only represented vested financial interests, but a mix of domestic security interests (including that of the intervening governments) and pursuit of regional hegemony. Such pursuit was not only carried out through the association of force and commerce, but also the redefinition of (local) identities, with the debate over a definition of Congolese nationality excluding or including 'Rwandans' and 'their' access to land and mineral resources.<sup>96</sup>

## **Conclusion**

The geopolitics of natural resources has long been a strategic concern for both exporting and importing states. Western powers' concerns over 'resource wars' have been largely put at ease with the end of the Cold War and greater flexibility of international trade, even if their continued supply dependence, rising demand for raw materials, and recent armed confrontations and instability in key areas such as the Persian Gulf, continue to place this item on their geopolitical agenda. But this apparent progress has not resolved and may even have aggravated several other strategic issues about resources, this time mostly of concern to exporting countries.

The first issue relates to the political economy and governance of resource-dependent countries, many of which face a similar pattern of growth collapse, corruption, and delegitimated state authority. Given the importance of natural resources in the economy or the economic potential of many developing countries, the issue of translating resource exploitation into political stability and economic development will remain central in the years to come, often for entire regions.

The second issue relates to the scale and number of economic, environmental or socio-cultural conflicts related to resource exploitation that increasingly oppose local populations, business interests, the state, and global environmental and human rights networks.<sup>97</sup> While most conflicts are either peacefully negotiated or limited to social protest movements and

small-scale skirmishes, in other cases customs of violence and a radicalization of ideologies turned them into full-scale civil wars. Organized opposition to processes of globalization unaccountable to local interests and growing demand for raw materials could increase such adversarial politics and the need for more effective dialogue.

The third, and often related strategic issue is that natural resource revenues have become the economic mainstay of most wars in the post-Cold War context. Accessible and internationally marketable resources such as diamonds and timber, not to mention drugs, have played a significant role in conflicts in at least 20 countries during the 1990s. This is not to argue that those wars are only financed or motivated by the control of resources, but that resources figure prominently in their agendas, at least economically. Given the concentration of wars in poor countries with few foreign-earning sources, resources are likely to remain the economic focus of most belligerents in years to come. Even if 'conflict resources' come under greater regulatory pressure, there is a likelihood that criminal networks and unscrupulous businesses will pursue trading, especially those already involved in arms trafficking.

This introductory essay has examined some of the causes and processes relating to these three issues. The cases examined here suggest that the vulnerability of populations and need for political and economic accountability in resource management should be taken seriously at both local and international levels. There is no simple and comprehensive measure that can reduce the prevalence of conflicts in resource-dependent countries, but several factors can assist in this regard. The specificities of resources and licit character of their trade demand a new type of engagement and set of regulations on the part of businesses and policy-makers to tackle their contribution to war economies. The Security Council, governments, business associations, and advocacy non-governmental organizations (NGOs) have been developing an array of rules, investigations, sanctions, and implementation measures targeted at specific commodities over the past few years, and these initiatives need support and encouragement.<sup>98</sup> Most noticeably, diamonds have been the targets of unprecedented regulatory measures that, however, in the absence of sustained monitoring efforts will most probably remain plagued by difficulties inherent to the physical and market specificities of this commodity. In other cases, vested commercial and geopolitical interests, constrained as well as by the potential humanitarian impact on the targeted 'conflict resource', have continued to refrain from the use of sanctions, with mixed effect.

Beyond targeting the access of belligerents to resource revenues, three areas are particularly important: fair and more stable prices for resources; tighter domestic and international regulation of resource-derived revenues

focusing on transparency; and a change in the culture of impunity in international resource trade. In the first case, producing countries and the international community should consider how revitalized commodity agreements and complementary mechanisms such as insurances might improve revenue flows to producing countries and contribute to positive economic and political improvements. Accordingly, revisiting pricing mechanisms should take place in tandem with an international framework for the regulation of resource revenues, which would seek not only greater stability in revenues, but also greater transparency, and increased accountability to local populations. Finally, international instruments used to prevent or terminate conflicts financed by natural resource exploitation would move from ‘shaming’ international actors to formalizing sanctions, against individuals as well as corporations. These measures will take time to develop. In the interim, confronted with the likelihood of continued resource-fuelled wars, the international community should seek to develop and apply frameworks through which the ‘economic demobilization’ of combatants could break the current pernicious relationships between natural resources, underdevelopment, and armed conflict.

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  41. Global Witness, *For a Few Dollars More: How Al Qaeda Moved into the Diamond Trade* (London: Global Witness, April 2003).
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  43. Elizabeth Heath, 'Kabila, Laurent-Désiré', available through <<http://www.africana.com>>.
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  45. 'Petroleum Companies Hire Army to Curb Terrorism', *Crime and Justice: The Americas* 9/5 (1996).
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  47. Global Witness, *Corruption, War and Forest Policy. The Unsustainable Exploitation of Cambodia's Forests* (London: Global Witness 1996).
  48. On the case of Cambodia, see Philippe Le Billon, 'The Political Ecology of Transition in Cambodia 1989–1999: War, Peace and Forest Exploitation', *Development and Change*, Vol.31, No.4 (2000), pp.785–805.
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  50. Frank Safford and Marco Palacios, *Colombia: Fragmented Land, Divided Society* (Oxford: Oxford University Press 2002).
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  53. After disengaging in late 1997 from the richest mines due to a combination of political compromise, loss of regional allies, and military pressure, UNITA also faced many difficulties to exchange its diamonds for arms and logistical support due to an increasingly effective sanction regime. Ironically, UNITA's diamonds wealth in the early to mid-1990s may have encouraged its leadership to pursue a bold but ultimately self-defeating conventional warfare strategy that the rebel movement was not able to sustain (see Assis Malaquias, 'Diamonds Are a Guerilla's Best Friend: the Impact of Illicit Wealth on Insurgency Strategy', *Third World Quarterly*, Vol.22, No.3 (2001), pp.311–25).
  54. In contrast, when resources follow a top-bottom flow within the movement – which tended

- to occur during the Cold War through foreign sponsorship – leaders can maintain a greater degree of control over their allies and subordinates, see Keen (note 32).
55. Timothy W. Luke and Gerard Toal, 'The Fraying Modern Map: Failed States and Contraband Capitalism', *Geopolitics and International Boundaries*, Volume 3, No.3 (Winter 1998), pp.14–33.
  56. Kenneth A. Rodman, *Sanctions Beyond Borders. Multinationals Corporations and U.S. Economic Statecraft* (Lanham, MA: Rowman and Littlefield 2001) pp.137–42.
  57. Interview, Thai and Belgium gems traders, 2001 and 2002; Shell (2000), *Operating in Politically Sensitive Regions*, <<http://www.shell.com/royal-en/content/0,5028,25547-51060,00.html>>.
  58. Dick Cheney was Chairman of oil company Halliburton, cited in *Petroleum Finance Week*, 1 April 1996. Ironically, this would include the US and the state of Texas in particular.
  59. Thomas Waelde, 'Legal Boundaries for Extraterritorial Ambitions', in John V. Mitchell (ed.), *Companies in a World of Conflict: NGOs, Sanctions and Corporate Responsibility* (London: Royal Institute of International Affairs and Earthscan, 1998), p.178. For a story of the oil industry, see Daniel Yergin, *The Prize: The Epic Quest for Oil, Money and Power* (New York: Simon and Schuster, 1991).
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  61. Ahmed Rashid, *Taliban. Islam, Oil and the New Great Game in Central Asia* (London: Tauris 2000) pp.174–5.
  62. Cited in Pierre Baracetyse, 'L'Enjeu Géopolitique des Sociétés Minières Internationales en République Démocratique du Congo (ex-Zaire)', Dec. 1999, <<http://www2.minorisa.es/inshuti/minieres.htm>>.
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  64. Report of the UN Panel of Experts concerning Sierra Leone, S/2000/1195 (New York: United Nations Security Council 2001), para.215.
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  66. Fred Bridgland, *Jonas Savimbi: A Key to Africa* (Hodder and Stoughton, London 1988).
  67. Jean-Marie Balancie and Arnaud de La Grange, *Mondes Rebelles. Guerres Civiles et Violences Politiques* (Paris: Michalon 1999) p.420.
  68. Marc-Antoine de Montclos, 'Libéria: des Prédateurs aux "Ramasseurs de Miettes"', in François Jean and Jean-François Rufin (eds), *Economies des Guerres Civiles* (Paris: Hachette, 1996), p.281.
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  70. Alain Labrousse, 'Colombie-Pérou: Violence Politique et Logique Criminelle', in François Jean and Jean-Christophe Rufin (eds), *Economie des Guerres Civiles* (Paris: Hachette, 1996), p.386.
  71. Maj. Rodney Azama, 'The Huks and the New People's Army: Comparing Two Postwar Filipino Insurgencies', <<http://www.globalsecurity.org/military/library/report/1985/ARS.htm>>.
  72. Carl H. Lande, 'The Political Crisis', in John Bresnan (ed.), *Crisis in the Philippines. The Marcos Era and Beyond* (Princeton, NJ: Princeton University Press, 1986), p.133.
  73. Roland Pourtier, '1997: Les Raisons d'une Guerre "Incivile"', *Afrique Contemporaine*, No.186 (1998), pp.7–32; interview with Pascal Lissouba, London, Jan. 2002. Controlling the north of the country, Nguesso could also have benefited from logging revenues of timber exports via Gabon and Cameroon (*La lettre du Continent*, 13 Jan. 2000).
  74. Pourtier (note 73) p.7.
  75. Nkossa was the name of an oilfield recently awarded to French oil company Elf Aquitaine. Rémy Bazenguissa-Ganga, 'Les Milices Politiques dans les Affrontements' *Afrique Contemporaine*, No.186 (1998), p.52.
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  77. Tony Hodges, *Western Sahara: The Roots of a Desert War* (Westport, CN: Lawrence Hill 1983) p.vii.
  78. Peter Nyot Kok, 'Adding Fuel to the Conflict: Oil, War and Peace in the Sudan', in Martin Doornbos et al. (eds), *Beyond Conflict in the Horn* (London: James Currey, 1992),

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  81. Nazaruddin Sjamsuddin, 'Issues and Politics of Regionalism in Indonesia: Evaluating the Acehese Experience', in Lim Joo-Jock and Vani (eds), *Armed Separatism in Southeast Asia* (Singapore: Institute of Southeast Asian Studies, 1984).
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