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'RESOURCE MISERY' AND THE POLITICS OF RESOURCE GOVERNANCE IN THE PETRO-STATES OF AFRICA

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ABSTRACT

The discovery and exploitation of petroleum resources in a number of African countries has thrown into prominence the 'resource curse' thesis which suggests that resource wealth causes problems for a country. This article argues that petroleum resources, like all natural resources, are not a curse; instead, it is the actions and decisions of various actors involved in the struggle for such resources that lead to misery, particularly for the victims. The inappropriateness of the concept 'resource curse' in the context of Africa has moved this writer to propose an alternative concept – 'resource misery' – to reflect the actual condition that tends to befall a country and the victims owing to the often irresponsible actions and decisions of powerful actors involved in the abuse of natural resources. The article expands on seven maxims that, if embraced and implemented, should enable the new petro-states of Africa to escape resource misery.

Keywords: oil and gas, petroleum resources, resource curse, resource misery, transnational corporations, World Bank

INTRODUCTION

Recent discoveries of commercially viable petroleum resources in countries such as Uganda, Tanzania, Ghana, Liberia, Mozambique and Kenya have simultaneously brought both hope and fear to the inhabitants of those countries. Although people in these countries generally see the discovery of both the liquid (crude oil) and vapour

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(natural gas) forms of petroleum resources as a source of hope for those grappling with poverty, what should be seen as a new era of prosperity is often accompanied in Africa by apprehension at the 'misery' such resources might cause. On the one hand, the experiences of countries such as Norway, the Netherlands, Trinidad and Tobago, Thailand, Saudi Arabia and Iran, which have successfully harnessed petroleum resources to prosper economically, represent 'petroleum blessings' that bring development to their countries. On the other hand, the experience in African countries such as Sudan, South Sudan, Libya, Egypt, the Democratic Republic of the Congo (DRC), Equatorial Guinea, Nigeria, Tunisia, Algeria and Angola illustrate the ugly side of petroleum wealth – that the new petro-states might descend into misery. This misery is often linked to the poor utilisation of petroleum resources, which then manifests itself in various forms of suffering, deprivation, poverty, violent conflict, corruption, environmental pollution and state repression of the population of a resource-rich country.

This article is a critical appraisal of the viability of the 'resource curse' thesis in explaining the negative effects on a country of the wealth derived from natural resources. A review of pertinent premises of the 'resource curse' thesis is used to generate insights that lead to an alternative thesis. The article argues that, although the availability of commercially viable oil and gas resources in poor African countries potentially offers both an opportunity to bring about a good life for all in the country and the risk of plunging a country into misery, the latter scenario is avoidable. Therefore the article proposes the use of the concept 'resource misery' as an alternative conceptual framework to 'resource curse', since the problems which befall African societies are related to the bad actions and decisions of various actors in the management and use of natural resources. Whereas 'resource misery' seeks to identify and make accountable the perpetrators of the gross mismanagement of such resources, 'resource curse' presupposes an irrevocable bad omen and outcomes regardless of what state actors do. The article suggests seven maxims for escaping resource misery in new African petro-states and concludes by insisting that there is nothing like a resource curse – the only 'cursed' are the actions relating to and the decisions about the management and utilisation of natural resources which condemn the citizenry to a life of misery amid bountiful resources. After all, natural resources in all their forms constitute natural assets.

RESOURCE CURSE OR RESOURCE MISERY?

Recent literature has linked natural resource abundance to social evils such as violent conflicts, corruption and poverty. This phenomenon has been termed a 'resource curse'. Auty (1995), one of the original proponents of the 'resource curse' thesis, suggests that the presence of abundant natural wealth has negative effects on developments within a country. Ross (2002), another proponent of the thesis, proposes that natural resources such as oil, gold and gemstones play a significant role in causing and sustaining conflicts and poverty in resource-rich countries. Kronenberg (2004), who is also one of the original exponents of the thesis, holds that natural resources tend to lead to slow economic growth, corruption and the neglect of social services. The 'resource curse' thesis therefore suggests that resource wealth is evil and amounts to a 'curse' on the country.

In the view of this writer, the central premises of this thesis are both incorrect and misleading because natural resources in any form can never be the cause of social evils such as conflicts, corruption or neglect of social services. Such evils can be caused and prolonged only by the actions and decisions of governments, rebel groups, transnational corporations (TNCs) and foreign states. The resource curse contention can also be used to mask the real perpetrators of the conflicts, corruption, poverty and other socio-economic problems occurring in a country. History has shown that natural resources have been tapped to good effect in countries such as the United States, Thailand, Trinidad and Tobago, Canada, Russia, Botswana and Norway, particularly to spur economic growth and to foster the wellbeing of the populace. History also shows that it is the actions and decisions of actors – states, militant groups, TNCs, foreign states and others – that are the curse which brings misery to the people. Civil wars and corruption in the struggle for resources in countries such as Nigeria, the DRC, Sudan and South Sudan cannot be blamed on resources in themselves but on the actors behind such wars and shoddy or corrupt dealings. Furthermore, the 'resource curse' thesis treats the consequence of the abuse of resources by various actors as the cause. Indeed, the evils usually referred to as a 'resource curse' are the consequences of the actions and reactions of various actors involved in the exploitation of resources.

For this reason, an alternative explanatory framework should instead depict what befalls the people owing to inappropriate actions and decisions. It is against this backdrop that this article suggests that the appropriate concept to be applied is 'resource misery', since the negative consequences associated with the exploitation of such resources are human-made and a result of poor governance, a lack of accountability and even a lack of checks and balances to ensure that the common good prevails. These social evils generally cause hardship and misery occasioned by irresponsible actors, not by the resources themselves: the misery of the people is a product of policy decisions of the state which provide a 'lion's share' of benefits to a few interested groups at the expense of the common good. The notion of common good is used here to mean 'a good proper to, and attainable only by, the community, yet individually shared by its members' (Dupré 1993: 687). In this regard, the common good is both the good of the whole society and of its component parts, including individuals and various social groups as opposed to the good of some favoured groups at the expense of society as a whole. The deprivation of the people of the desirable benefits of natural resources may lead to the destruction of the social fabric, which in turn may lead to civil strife, corruption and other forms of social evil.

A WAY TOWARDS RESOURCE-LED DEVELOPMENT: SEVEN MAXIMS

The new petro-states of Africa are at a crossroads: how do they escape resource misery and instead realise the desire of their people for resource-led development? Seven maxims need to be taken into account if the new African petro-states are to escape sinking into the abyss of resource misery. These maxims include recognition of natural resources as national assets, living by the grand national dream, having a grand strategy in place and realising that the state can only marginalise its people in the exploitation of resources at its peril. Other maxims include realising that 'there is no such a thing as free lunch', putting in place effective structures of accountability and, finally, extracting resources at a moderate pace. Each of these maxims is discussed below.

Recognise natural resources as national assets

Petroleum resources, like all other natural resources, ought to be recognised as assets that belong to the people of the country and ought to be used for the benefit of the entire citizenry and not just a few vested interests. The right of the people to enjoy the benefits accruing from the resources within their country has been sanctioned by UN Resolutions 626 (VII) of 1952 and 1803 (XVII) of 1962, which provide for the permanent sovereignty of the people to enjoy benefits of the natural resources found in their country (Gess 1964). The doctrine of permanent sovereignty entails indigenous people having power and authority over the use of the natural resources in their localities. It also stipulates the inviolability of their interests in natural resources to appease TNCs. In this regard, African countries need to use natural resources as capital assets in contract negotiations with the TNCs, a fact usually ignored in favour of attracting financial capital at any cost.

Recognising natural resources as capital assets in negotiating production-sharing agreements (PSAs) will enable a country to negotiate a fair deal with the providers of financial capital. After all, a state is entitled to such shares by virtue of being the owner of largely non-renewable resources to be extracted from its land. Naturally, other partners possess shares due to their contributing equity capital. In other words, the fallacy that unexploited resources cannot constitute a capital share in a viable investment needs to be dispelled. Moreover, the people whose land on which the resources under exploitation are located ought to be regarded as equity holders in investments in their lands. In fact, the recognition that resources are assets even before extraction is a common phenomenon in the extractive industry, where it is common practice for companies in the sector to sell their stakes even before extraction. For example, Asenga (2013) has reported that Ophir Energy sold 20 per cent of its shares in the gas blocks to Pavilion Energy for about US$1.3 billion even before it started extraction activities.

Moreover, the states in new petroleum frontiers should treat natural resources – whether renewable or non-renewable – as public assets that need to be harnessed in order to serve the interests of both present and future generations. Therefore, petroleum resources must be utilised in a sustainable manner by balancing the interests of the present against those of future generations. This is important because natural resources are depletable assets. Drafting clear and fair rules of the game and creating strong institutions to manage natural resources and the revenues accrued from them is crucial. In this regard, the new petro-states in Africa can learn from Norway, which introduced a 'Sovereign Wealth Fund' as a 'fiscal policy tool to support a long-term management of the petroleum resource revenues' (Shields & Villafuerte, 2010: 47). Here, the surplus revenue from petroleum is ploughed back into domestic investments, particularly in fulfilling the pension obligations of the state towards its people. The global part of the revenue is directed towards investment in foreign assets (Backer 2010: 451). The fund had a net value of US$560 billion at the end of 2010 (Mercer 2012: 13). It was established on the understanding that mineral resources are non-renewable. Consequently, there is an ethical obligation to ensure that both the current and future generations benefit from such resources (Backer 2010: 451).

Within Africa, Botswana may have its own vulnerabilities and governance limitations, but it is another beacon from which new African petro-states can take a leaf. This African country's strategic engagement with TNCs enabled the state to jointly own Debswana, the world's leading producer of diamonds, with De Beers, in a 50–50 joint venture. The state as joint owner of the Diamond Trading Company Botswana (DTCB) entered into an agreement with the De Beers Group for 'sorting, valuing and sales of Debswana's diamond production'. As a result, De Beers transferred its diamond trading hub from London to Gaborone (Republic of Botswana & De Beers 2011). It is evident that state participation in the economies of Norway and Botswana has played a decisive role in promoting economic growth and the welfare of the people through exploiting national natural resources. On the other hand, countries that withdraw the state from the economy generally fail to reap maximum dividends from the exploitation of their natural resources.

Indeed, countries such as Zambia, which complied with World Bank policy prescriptions of withdrawing the state from the economy, privatised the erstwhile giant state mining company, Zambia Consolidated Copper Mines (ZCCM), to make room for the TNCs to take over copper and cobalt production in Zambia. The company, which was one of the five biggest copper mining companies in the world, was privatised to become Anglo-American Plc (Craig 2002). The World Bank also acquired shares in Anglo-American, and acquired the lucrative Konkola Copper Mines Plc (KCM) through its subsidiary International Financing Corporation (IFC). KCM was one of the seven units which were created and then sold after the break-up of ZCCM (Fraser & Lungu 2007). The privatisation of ZCCM increased copper production in Zambia in tandem with the rising prices in the world market. And yet, despite the resultant increased production and prices, ZCCM's contribution to the economy of the country has been dismal (Haglund 2011: 92).

Living by a grand national dream

Oil and gas are strategic resources at the centre of a global power struggle. The petroleum industry brings into play the struggle between national and international forces – TNCs, foreign states and international financial institutions such as the World Bank and the International Monetary Fund (IMF). The discovery of substantial oil and gas resources has made Africa the centre of strategic geopolitical rivalry between established global powers such as the United States, Canada, France, China, Australia, Japan, Russia, Germany and the United Kingdom as well as emerging powers such as India, Australia, Brazil, South Africa, Thailand and Malaysia. The growing diplomatic outreach to African countries by the leaders of the powerful states in the past decade has largely been influenced by the appetite to gobble up African resources, mostly petroleum. Klare and Volman (2006) noted that the fierce rivalry between the global powers has been fanned by Africa's being the last frontier of energy sources globally. These powers and their TNCs use a mixture of hard and soft power to arm-twist the host states into embracing decisions that favour them at the expense of the common good. Such a situation puts the host state in a precarious position, since power rivalries tend to involve spy games which could destabilise and destroy the country. On the other hand, such a situation also offers a unique opportunity for the host states to strike beneficial deals for the country. In any case, a wrong step can be fatal and can easily condemn the state and its people to a state of misery; an appropriate course of action, on the other hand, can easily bring with it a better life for everybody as a result of the benefits generated from the petroleum resources.

The host state can engage with international actors and bring about development only if the country's leaders have a 'grand dream' about where to take their country. In this respect, the new African petro-states ought to have a grand dream about how best to utilise the resources for the development of their countries amid existing opportunities and challenges. A grand national dream for national development is vital to the state because it paves the way towards prosperity whereas its absence leaves the country at the mercy of forces at play in the environment.

Indeed, without any desired end (a dream), any path is acceptable and therefore one can never realise that one is lost even when one is heading towards destruction. The existence of a grand national dream for development, which is free from external interests and machinations, can enable the leadership to develop a rule book based on well worked-out initiatives according to which to engage with other actors to secure favourable deals. In this regard, the national leaders ought to realise that all actors, including states and TNCs, generally operate to promote and safeguard their own selfish interests. As such, they should never be deluded by the 'common interests' fallacy. A state that appreciates the core interests of its people needs to use its mandate from the people to promote and safeguard their interests. Such a state should find a way of negotiating and utilising the available resources to secure better deals for its people. The words of QKJ Masire, a former president of Botswana, are instructive:

> A purposeful government [leadership] that acquires the expertise to deal foreign companies on its own terms need not have a fear of domination by foreign companies, however large they may be. The important word is purposeful – and I believe our government has been able to put together strong negotiation teams, has backed them up with well-worked out negotiation mandates, and has then overseen the implementation of our major agreements with detailed care as well (Criscuolo 2007: 3).

Having a clear grand dream means that the country can dispense with the small-picture syndrome and a short-termism mentality, a common occurrence in African countries when dealing with foreign actors. Alert and responsible African leaders will strike deals which will ensure that the entire citizenry benefits from petroleum resources.

Klepsvik (2011) reveals that in the 1960s and 1970s, at the beginning of the petroleum industry in Norway, the country had no knowledge of the petroleum industry but it crafted a grand dream and a 'playbook' entitled 'The 10 Oil Commandments of 1971', which ensured that petroleum resources were tapped for the benefit of the entire nation. Norway has maintained its playbook, which emphasises the importance of the state in playing a heavy role in the petroleum industry. In Norway, the state owns 67 per cent of the shares of Statoil, a company that controls 80 per cent of the oil and gas industry in the country. The company is also the second largest exporter of natural gas in Europe. In addition, Norway acquires equities in any leases it deems fit through another state-owned company, Petoro (Persily 2011). Through active state participation in the economy, Norway managed to generate a lot of excess wealth from petroleum resources that it put towards fostering development.

Have in place a grand strategy

This is a multilayered logical blueprint of the state 'playbook' for the deployment of all available national assets, including military, diplomatic, moral, intellectual, material resources and civil society actors, to achieve the long-term desired ends of the country. David Pratt (2008: 63) defines it as 'a state's (and a people's) long-term plan to survive and thrive in what can be an often chaotic, dangerous and unpredictable world'. An increasingly globalising world does not allow the state to survive and thrive without a strategy that will enable it to cope with and benefit from the currents and realities of the time. Brzezinski (1997) notes that grand strategies are like a chess game and strategists *must consider*:

> 'Several moves ahead, anticipating possible countermoves.' Taking into account 'short-run perspective (the next five or so years), the middle term (up to twenty or so years), and the long run (beyond twenty years). These phases must be viewed not as watertight compartments but as part of a continuum. The first phase must gradually and consistently lead into the second—indeed, be deliberately pointed toward it—and the second must then lead subsequently into the third' (1997: 100).

In a globalised environment where there are multiple powers with diverse interests and power, states with a deficit of grand strategies are unable to foresee the future and are bound to experience difficulties in realising the desired development end of the country. But, with a grand strategy a state will be in a position to deploy its natural resources effectively in order to realise the grand national development dream. Moreover, the national development playbook must be informed by prevailing national and geopolitical trends with the view to crafting an appropriate strategy to cope with, benefit from and mitigate potential dangers.

Any deficit in a grand strategy to engage with other actors means that fundamental decisions are likely to be made without serious scrutiny. Unfortunately, some of these decisions may lead to long-term detrimental effects on the life of the country. The lack of a grand strategy also means that TNCs, IFIs and other states tend to take African states for an easy ride during negotiations due to their comparative advantage by having in place a negotiation strategy of their own. For this reason, Mailey (2015) has observed, contracts in the extractive industry between TNCs and African governments tend to be predatory in nature at the expense of African states. It is due to bad contracts in the first place that the majority of people in resource-rich countries continue to live in abject poverty and misery despite the abundance of resource wealth.

Marginalise the people at your peril

It is in the interests of the leaders of states to realise that what appears as insignificant voices from the populace could destabilise the state and put their leadership positions in precarious situations when the people push for their plight to be recognised. In fact, history has shown that leaders who squander their legitimacy and disregard popular concerns over the distribution of the benefits of resources place their countries on a ‘powder keg’. In a situation of widespread resource misery and a sense of injustice among the masses, it needs only a ‘spark’ in the form of a social action against the regime in power to ignite the masses to rise up against the state. The wave of revolutions and protests in the Arab World referred to as the ‘Arab Spring’ swept regimes from power from Tunisia in 2011 to Egypt and Libya (Al-Saleh 2015). Furthermore, the contagion of the Arab Spring sparked unprecedented violent conflicts in Syria and Yemen. The wave of revolutions, protests and rebellions against governments in the Arab Spring was built on popular frustrations and anger over regimes perceived to be corrupt, tyrannical and unjust: one of the slogans of the Arab Spring in Tunisia was ‘No to Trabelsis who looted the budget’ and in Egypt it was sung, ‘O Mubarak, O the one who made us poor, tell us what you did with our money’ (Al-Saleh 2015: 5). Local communities’ drive for getting a share of the pie they believe the state has denied them could lead to the eruption of conflicts that usually pits the communities, on the one hand, against oil and natural gas developers and the state, on the other. Such a situation threatens the survival of the state and places the developers’ investments at risk. The World Economic Forum

(2013) noted that 40 per cent of intrastate conflicts globally are linked to struggles over natural resources, and if the resources are poorly managed they exacerbate fragility or even lead to the failure of a state.

In Tanzania, the conflicts that rocked the Mtwara region (province) in December 2012 and May 2013 were largely caused by the perceived marginalisation of local communities from obtaining their fair share of the benefits accruing from the explortation of the oil and gas resources discovered in the region. Similarly, the current violent conflicts in the Niger Delta in Nigeria, South Sudan and the Republic of the Congo may have been contributed to by the marginalisation of the local populace. In fact, the perceived marginalisation of the people of the Niger Delta from the benefits of oil resources has contributed to the rise and growing expansion of several militant groups, a development that threatens the survival of the Nigerian state. Such groups include the Federated Niger Delta Ijaw Communities (FNDIC), Outlaws, Niger Delta Strike Force (NDSF), Niger Delta Vigilantes (NDV), People’s Liberation Force (PLF) and Boyloaf. The umbrella group is the Movement for the Emancipation of the Niger Delta (MEND), which has been using violence to fight the perceived exploitation of their oil resources by foreign corporations in their regions (Oyewo 2016). The ‘capture’ of oil resources by TNCs and the consequent failure of the state to use such resources to improve the lives of the people created a void that allowed militants to emerge and thrive.

The emergence and support of radical extremist groups among the disgruntled groups in Nigeria shows that the failure to address the concerns of the people creates conditions for the emergence and support of extremist groups capable of compromising the security of the country. In summary, a cursory view of the uprisings in Nigeria’s Niger Delta and the Arab Spring shows that when people are angry with their government due to perceived betrayal in the distribution of benefits of natural resources they can easily be mobilised towards the destruction of their own state.

‘There is no such thing as a free lunch’

An old adage, ‘there is no such thing as a free lunch’, aptly holds in resource-rich states because aid in its various manifestations, no matter how well meaning and generous it may appear, always comes at a cost to the recipient. Sometimes the mode of payment may be hidden: ‘free lunch’ strategies that include foreign aid and bribes have the effect of compromising decision-makers and reducing them to agents merely serving the interests of the lunch-givers, usually in exchange for favourable policy decisions and actions. Unfortunately, many African leaders lack confidence in themselves and their own intellectuals to such an extent that they believe that any meaningful development ideas must not only emanate from the West but must be designed and their implementation be supervised by the same foreigners. Like its leadership, the African intelligentsia is too dependent on foreign ideas and values. It is because of this seemingly ‘common wisdom’ among the leaders in many African countries generally that they tend to indulge in such desperate attempts to woo foreign aid that they end up accepting terms and conditions that are detrimental to both their nations and the common good.

Such dependence on foreign aid renders the African states vulnerable to blatant manipulation, with the Hobson's choice of either treading the path stipulated by donors or risking losing foreign aid. Aid also gives leverage to the donors to manipulate the recipients to push through their agendas. In this view, foreign aid makes aid recipients enter into negotiations as compromised partners. Examples of this abound in Africa's experience in the mining industry: the systematic liberalisation of the mining industry in Africa began in 1992 through a World Bank document entitled *Strategy for African mining*. The document became the template for reforming the rules of the game for the mining industry for the whole of Africa, regardless of the existing diversities. The content of the strategy was informed by a World Bank survey 'that was sent to 80 mining companies, both juniors and majors' to solicit the concerns of the TNCs interested in investing in Africa. The strategy in its entirety explicitly prescribed what it deemed to be the correct policies for enabling African countries to stimulate economic growth through tax revenues from TNCs.

The policies prescribed by the strategy included withdrawing the state from mining investments, the state instead playing the role of facilitator of foreign investments. In this dispensation, the state should provide security of tenure for investors and provide for broad tax exemptions and tax holidays, notably on import or export duties, capital gains, withholding taxes, stamp duties and additional profits tax (APT). The TNCs should also enjoy the tax incentives made available to other sectors of the economy. Another salient feature of the strategy is the model of the Mineral Development Agreements (MDAs), which provides guarantees on fiscal rules and other safeguards to TNCs for the lifespan of the mine (World Bank 1992: 21–22). The World Bank template suggests that wide discretionary powers should be given to the minister responsible for minerals to enter into MDAs with TNCs. The rules of the state should also offer the TNCs an unrestricted right to repatriate profits. Other prescribed policies include setting the charging royalty as netback value instead of calculating from gross revenue, allowing losses to be carried forward when computing corporate tax.

Other questionable World Bank-inspired provisions in this contentious template include the exploration of the expenditure being amortised at 100 per cent for the first year of investment and being expensed in the year in which it occurs in subsequent years. The World Bank template also recommends that capital assets and intangible development expenditure should be depreciated over ten years or the estimated life of the mine, depending on whichever is less (World Bank 1992: 30–33). Apart from these fiscal provisions, the *Strategy for African mining* also provides for the settlement of disputes: the World Bank suggests that disputes between the state and MTNCs should be settled by international arbitration agencies such as the International Centre for Settlement Disputes (ICSD) and International Chamber of Commerce (World Bank 1992: 22).

These fiscal provisions appear to be too generous for TNCs interested in investing in African countries, with the interests of other actors, including the state itself, being relegated or disregarded. Over-generous tax exemptions and holidays, lower tax rates and the removal of the state from mining activities suggest that the state, which adopts such rules wholesale, sacrifices its interest in deriving its due share of revenue on behalf of the people, the poor majority. The one-sided prescriptions of fiscal policies suggest that the World Bank drafted the mining rules by taking cognisance of the concerns of TNCs following consultations about the World Bank-commissioned survey sent to them. Apparently, the World Bank never carried out any similar consultations with other interested actors (Campbell 2010: 201), such as the states themselves, which dutifully acquiesced in the World Bank prescriptions and allowed themselves to serve the interests of the MTNCs and neglect the primary interests of other actors, especially the populace.

In many African countries, the MDAs have been customised to fit into the model provided in the World Bank's *Strategy for African mining* which, among other things, seeks to guarantee stability in the taxation provisions that take cognisance of the life of the mine and the settlement of disputes in international tribunals such as the ICSID (World Bank 1992: 26). MDAs assume the status of special laws for the following reasons. First, unlike other legislation, they are made at the discretion of the minister in collusion with the owner of the mining rights. Secondly, unlike with other legislation, members of the public are not allowed to access or to divulge the details contained in these MDAs since they are treated as classified dcuments: whereas mining companies may disclose them to their shareholders, the state cannot do so to its primary shareholders – the citizens. Thirdly, the MDAs have a superior status to other legislation because they offer guarantees for the life of the mining activity. Other legislation, including the constitution of the country, can be amended or repealed from time to time when deemed necessary, but the MDAs cannot be amended or repealed as they are protected by a stability provision, which forbids the state from amending or repealing any of their provisions without the approval of the mining companies.

In collaboration with other donors, the World Bank has also assigned itself the role of providing 'technical guidance' to African governments.

The World Bank-led mining reforms in Africa have effectively undermined the realisation of the mineral-led economic prosperity that states had believed would materialise. Instead, pollution and violent conflicts in mining sites such as Tarime, Bulyanhulu, Geita and Singida in Tanzania have become too common for comfort. In contrast, Botswana, which avoided the World Bank-driven policies, largely enjoys resource-led development from its diamond reserves. Consequently, all African countries which have thus far been short-changed are requesting renegotiation of the rules of the game to ensure they serve national rather than foreign interests.

The effects of donor dependence are well captured by the old adage: 'He who pays the piper calls the tune.' Indeed, those who fund the policy process sometimes tend to gain influence to the extent of determining the content of the policy. Foreign aid also tends to create dependence by nurturing the ‘we can’t do it without foreign assistance’ mentality. Moreover, experience shows that ‘foreign aid gradually replaces the accountability of the government to its people to accountability to its aid donors’ (Lancaster 1999: 68). In a situation where foreign aid constitutes a significant proportion of the government budget, including the project budget, a recipient government’s officers tend to cede decision-making powers to donors instead of the people. An exception to this practice is Botswana: aware of the dangers of dependence, that country has ensured that its policies on natural resource management are people-based rather than donor-based. As the country’s former president, FG Mogae (1998–2008), puts it,

> the country’s national policies in the management of natural resources have been formed on the basis of national dialogue to ensure that the Batswana enjoy the benefits of their national resources (Nyanje 2013).

In short, the foreign aid dependence syndrome is a sure way of enabling foreign interests to ‘capture’ petroleum resources at the expense of the people. Unless African countries wean themselves off the syndrome and release themselves from the yoke of dependence, it is highly unlikely that they will secure fair deals and, as a result, resource misery may be inescapable. Indeed, unless the new African petro-states abandon the mistaken belief that the future of the country depends on foreign assistance, national leaders will continue to channel almost all their energies towards tapping foreign aid. Such desperate wooing of foreign assistance makes state actors vulnerable to compromising national interests in order to satisfy foreign demands at the expense of the people.

Put accountability structures in place

The people always bear the brunt of policy decisions made by their leaders. Yet, the public in many African countries tend to be apathetic and less active in demanding the accountability of the leaders in the governance of their natural resources. In this regard, David Hume cautions:

> … in contriving any system of government, and fixing the several checks and control of the Constitution, every man ought to be supposed a knave, and to have no other end, in all his actions, but private interest. By this interest we must govern him[her], and, by means of it, make him[her] cooperate to public good, notwithstanding his[her] insatiable avarice and ambition. Without this, say they, we shall in vain boast of the advantages of any Constitution, and shall find, in the end, that we have no security for our liberties or possessions, except by good-will of our rulers; that is; we shall have no security at all (cited in Haakonssen 1994: 21**).**

The public ought therefore to ensure that the premium of betraying the trust of the people is high: the imposition of heavy penalties on the people’s betrayers. The public should control and apprehend leaders who see their positions of power as an opportunity for self-aggrandisement and not an opportunity for serving the people. In fact, this is the case in countries which have otherwise been able to utilise their oil and gas resources for the wellbeing of the people.

To promote accountability in the management of petroleum resources, the people need to be made aware of the decisions of their leaders. Brazilian information law, for example, allows the public to scrutinise the decisions of the state actors, licensing details, basic aspects of contracts, environmental and social impact assessment reports, tax flow from companies to the national treasury, and companies' production reports (Revenue Watch Institute 2013). The parliament of Brazil also performs an oversight function in the oil and gas sector. For example, it scrutinises reports of the national audit courts on hydrocarbons. In addition, state actors with oversight powers on the extractive industry are required to declare their conflict of interests (Revenue Watch Institute 2013). Similarly, Norway, which is one of the major oil- and gas-producing countries in the world, has a thorough disclosure system in place for various aspects of the industry through its Freedom of Information Law. Information on licencees, revenue collection, export values, export costs and production volumes are regularly reported to the parliament for scrutiny on behalf of the people. Moreover, various aspects of the industry, including the environmental and social impact assessment reports and standardised fiscal terms for operators, are available online (Revenue Watch Institue 2013).

The disclosure of decision-making by leaders is useful in dealing with complacency, negligence and a carefree attitude towards the utilisation of public resources – a common phenomenon in African countries. Transparency allows the public and its agencies such as parliament to oversee what happens in the industry in defence of the interests of the people. In this regard, escaping from resource misery requires bringing to an end the culture of working in secrecy. Secrecy also tends to be associated with under-the-table deals which, by their very nature, tend to attract opposition from the people, rendering them unsustainable. The benefits of disclosing the actions taken and the decisions reached have made several countries and the companies concerned embrace this alternative. Indeed, some companies, such as British Petroleum (BP) in Azerbaijan, already view the secrecy of contracts and the perception that revealing contracts is a 'commercially sensitive thing' as 'an anachronism' (Africa Progress Panel 2013: 76).

Achieving effective parliamentary oversight over natural resources, however, is often challenging, being subject to the political and legal structures and strictures of a state. The impossibility of having 'fool-proof' political and legal structures in place demands the creation of national ethics as an effective tool for safeguarding national interests. Emphasising the role of national ethics to his country, the former president of Tanzania, JK Nyerere, held:

> When the nation does not have the ethic which will enable the Government to say: 'We cannot do this that is un-Tanganyikan.'[1] If the people do not have that kind of ethic, it does not matter what kind of constitution you frame. They can always be victims of tyranny … What we must continue to do all the time, is to build an ethic of this nation, all the time to build an ethic of this

1 Tanganyika attained its independence on 9 December 1961. It ceased to exist after it united with Zanzibar in 1964 to form the United Republic of Tanzania.

> nation, which makes the Head of State whoever he is to say, 'I have the power to do this under the Constitution, but I cannot do it, it is un-Tanganyikan.' Or for the people of Tanganyika, if they have made a mistake and elected an insane individual as their Head of State, who has power under the Constitution to do XYZ if he tried to do it, the people of Tanganyika would say, 'We won't have it from anybody, President or` President squared, we won't have it' (1967: 175).

National ethics constitutes the system of social values, norms and taboos that binds the people of a country together and determines agreed-upon standards of what is right and wrong. The existence of strong national ethics helps the people to hold to account persons vested with state power regardless of the nature of existing legislative tools. Moreover, national ethics enables the people to assess and criticise the decisions taken and acts performed by government leaders. It also allows them to take action, including removing from power leaders who abuse or fail to use the power vested in them to further the common good of the people.

Extract petroleum at a moderate pace

The leaders of African states need to realise that petroleum resources are exhaustible in nature and that their utilisation ought to balance the needs of both the current and future generations. In this regard, the moderate pace of oil and gas extraction and, indeed, the utilisation of all natural resources, is crucial if the country is to allow itself to learn from past mistakes. The far-reaching results came with White Paper No 25 entitled 'The role of petroleum activities in Norwegian Society' in 1974. The White Paper underlined the role of elected bodies in controlling and overseeing all aspects of the rules of the game in the extractive industry as well as ensuring that oil wealth is used to improve the quality of the people's living standards:

> Wishing for a long-term perspective in the exploitation of resources, and after a comprehensive evaluation of its social aspects, the Government has concluded that Norway should take a moderate pace in the extraction of petroleum resources (Ryggvik 2010: 34).

The White Paper underlines the importance of maintaining a moderate pace in the extraction of petroleum resources. The majority of people agreed to the moderate pace (Ryggvik 2010: 36). The policy enables the country to learn from its past mistakes and allows for making adjustments to its policies to ensure that oil and gas resources are extracted in a sustainable way. It is reasonable to suggest that the new petro-states in Africa adopt a moderate pace in the exploitation of their oil and gas reserves as well as that of other minerals and extractive resources.

CONCLUSION

The article has rejected the notion that African countries' endowment with natural resources is a curse, arguing that it is the irresponsible actions and decisions of the actors who abuse the natural resources and condemn the population to a life of poverty, squalor and misery. It has also been argued in this article that natural resource endowment is a blessing to a country and ought to be utilised to improve the wellbeing of the population. As the 'resource curse' thesis is fallacious, there is a strong case for abandoning and replacing it. Indeed, what we are witnessing in Africa is not a resource curse but resource misery that largely stems from the inappropriate and irresponsible actions and decisions of various actors. These are the ones who merit being called 'cursed' because of the social evils (maiming poverty, violent conflicts, rampant corruption, and the like) they unleash on the country and citizenry largely for self-aggrandisement, never the oil and gas resources themselves. In fact, the discovery of petroleum resources – one of the largest strategic resources in the world – means that the lives of the people in the new African petro-states can never be the same again. These states have a unique opportunity to use these resources to make a breakthrough and improve the wellbeing of their people. The appropriate use of country's resources to improve the lives of the people will bring resource blessings and therefore give the people reason to celebrate the utilisation of their resources. The seven maxims discussed in this article are aimed at enabling the new African petro-states to escape resource misery and to realise resource-led economic development for both present and future generations.

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