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Comparative Politics of Energy and Minerals: Concepts, Debates and Gaps

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8. Comparative Politics of Energy and Minerals: Concepts, Debates and Gaps

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1. Introduction

1.1 Comparative Politics

Comparative politics seeks to understand and explain the major political similarities and differences between countries or states. Scholars working within a comparative politics framework aim at providing a systematic explanation for the world as it is. In other words they try to describe and to interpret the reality on the ground. Comparative politics, as opposed to International Relations discussed in the previous section, focuses on the politics within countries (domestic politics) rather than the politics that occurs between them (Kopstein and Lichach 2008). However, an examination of the state by comparativists does not only consider the domestic environment over which they govern but also looks at the international context within which they operate (Skocpol 1985; Kamrava 1996). Those working within the comparative politics tradition have used three major methods in order to uncover differences and similarities between states: 1) case studies (intensive scrutiny); 2) small-*N* studies or focused comparison (intensive comparison of an aspect of politics in a few countries); 3) statistical analysis (systematic analysis of variables drawn from a larger set of countries).

Single case studies help a) to bring into the open specific themes and b) to assemble a fuller picture of the political world through investigating phenomena that are new or previously have been understudied, thus ‘case studies are often capable of saying a good deal about the process, as well as a great deal about the countries’ (Peterson 1998: 13). Focused comparisons (small-*N* studies) similarly to a single case study analysis also pays great attention to details of particular states but in addition ‘they demand the intellectual discipline inherent in comparative enterprise’ (Hague and Harrop 2007: 92). The aim of such studies is to develop lower-level comparison of particular institutions or political processes. The small-*N* studies verify propositions, and demonstrate that certain relationships among variables hold true in a wider variety of settings. At the same time, a great deal of comparative research is also concerned with differences and ‘demonstrating that what occurs in one setting most certainly does not occur in another’ (Peterson 1998: 26). Statistical methodology or large-*N* studies, which are based on variables rather than cases, provide ‘precise summaries of large amounts of data using standard techniques whose use can be checked by other researchers’ (Hague and Harrop 2007: 94). According to some scholars in recent years the use of statistical methodology by comparativists has been less popular than in the past and is slowly giving ground to small-*N* studies (Mahoney 2005).

1.2 Comparative Politics of Energy and Minerals

Studies conducted within the framework of comparative politics in relationship to oil, gas and minerals have been predominantly based on single case and small-*N* studies type of analyses. Those studies have mainly concentrated on explaining tensions and conflicts that arise in relationship to energy and minerals across time and space. The issue of cooperation has been also addressed by scholars working within the comparative politics tradition. However, this analysis largely falls into the liberal IR category - ‘what needs to be done school’ - which has been discussed at length in the previous section by Roland Dannreuther and will not be given separate treatment here. The statistical studies in relationships to oil, gas and minerals have been mainly conducted by the development economists in connection to phenomena known as Dutch Disease or resources curse. The Dutch Disease and resource curse are discussed in the economy section of the WP1 (see Armando Rungi’s contribution).

Broadly speaking, comparative politics made two key contributions to the studies that focus on exploring the nexus between conflict, tensions and natural resources. The first is the rentier state concept which centrally aimed at exploring the relationship between domestic politics and natural resources, the second is the civil wars and natural resources debate that focused on uncovering the mechanisms that connect the two. The rentier state concept debate encompasses the period from the early 1970s until the end of the 1990s, whereas the civil wars/natural resource debate started towards the end of the 1990s and reached its high point towards the end of the 2000s. It should be noted that speaking about those two traditions separately is to an extent artificial since the two closely overlapped in the mid-2000s during the civil wars/natural resource debate in an important way. The rentier state concept debate was largely driven by Middle Eastern and North African scholars working on the regional political economy, whereas the civil wars/natural resources debate originated in sub-Saharan Africa regional studies. Those studies were initiated by development economists with political scientists and political geographers entering the debate slightly later and effectively building on the initial findings.

1.3 Rentier State, Civil Wars and Polinares

The rentier state concept is significant from the perspective of the project that focuses on conflict and tensions in relationship to energy and minerals since it sheds light on the domestic politics of the energy-rich states. It allows us to understand the rationale behind their actions, including their largely hostile attitude towards co-operating with regional actors. It explains why state structure has been underdeveloped in the energy-rich states and how authoritarian regimes took root and have been able to successfully maintain themselves in power over a very long period of time despite major shifts in the regional and global politics. It also accounts for the inherent socio-political instability of those states and the conflict and tensions that it produces on national, regional and international levels. A majority of scholarly work done on the rentier state was based on case studies. This is due to the fact that most of these studies were pioneering in nature and were conducted in a terrain and on a topic on which obtaining solid data has been traditionally extremely problematic.

The civil wars/natural resource debate directly discusses conflict, which is one of the key components of the Polinares project. The debate brings into the open various transmission mechanisms that have been identified as key links between civil wars and natural resources. Furthermore, studies that look at natural resources related to conflicts show the complexity associated with such investigations and reveal a number of factors that have to be taken under consideration when unpacking complex relationships. Competing explanations focused on rebels' motivations (greed and grievances), history, geography, the global political economy and on the nature of the state and regime structures. In recent years in particular, the weak state structures of the countries that collapsed into civil wars has come to the forefront of the analysis. As in the case of the rentier state, most of the studies conducted by the comparativists were based on case and small-*N* studies. The argument has been made that large-*N* studies – which were conducted by development economists on the topic of the civil wars/natural resources – are not fully satisfactory as they do not pay sufficient attention to some vital relationships and dependencies (Kaldor *et al.* 2007).

1.4 Key Concepts: Weak State and Authoritarian Regime

Before proceeding to a further discussion of the rentier state and civil wars, I will briefly define two terms: weak state and undemocratic or authoritarian regimes. Those two terms are at the heart of most comparative politics studies that comment on the politics of oil, gas and mineral rich states.

Weak states are generally characterized as states that lack *infrastructural power* which is made up of three key components. The first component is penetration power that entails the ability of a state to reach into and directly interact with the population; the second is extractive power which refers to the ability of a state to extract resources (both material and human, whether for taxation, war, welfare, development, or wherever) from the society; the third, most important one is the power to negotiate which involves a highly developed strategic, institutionalized form of collaboration between political and industrial actors (Weiss and Hobson 1995: 7). The power to negotiate creates a situation in which the exercise of power *over* society is converted to the exercise of power *through* society (1995: 167). States which lack infrastructural power are less adaptive to social demands (if at all), do not possess political legitimacy and as a result are more likely to resort to violence.

Weak states are more likely to be governed by undemocratic regimes than developed democracies. Robert Fishman has argued that a regime 'may be thought of as the formal and informal organisation of the centre of political power, and of its relations with the broader society. A regime determines who has access to political power, and how those who are in power deal with those who are not' (1990: 428; see also Lawson 1993: 185). In this sense, regimes endure for much longer than governments, but are less permanent than the state. Authoritarian regimes, which traditionally occupied a space between democratic and totalitarian regimes, have been characterized as regimes which base themselves 'on a limited structural pluralism, which admits some interest-group articulation; strategies *divide et impera* are usually more important than legitimatization or ideological integration' (Roth 1967: 197).

1.5 Structure

This part of the Work Package 1 is made up of two main sections. The first section discusses the rentier state concept through the example of the Middle East and debates that took place among regional specialists in the 1980s and 1990s. The section on the rentier state concludes that although the rentier state concept is still useful in unpacking the dynamics of the energy rich states - especially the ones in the early stages of their formation - the analysis of the domestic politics of the energy rich countries should be broadened by a new component. It will be argued that scholars in their studies of the resources-rich countries should devote more attention to the politics of oil and gas industries with a special focus on the politics of National Oil Companies. The second section of this contribution will discuss the nexus between civil wars and natural resources largely through the example of sub-Saharan Africa. This section will pay special attention to the transmission mechanism between resources and conflicts.

2. Rentier State

The rentier state concept attempts to elucidate the impact that the rent derived especially from the sale of oil and gas on the international markets has on the nature of the states, as well as on the political systems of the resources- energy-rich countries. Thus, rentier state theorists focus on those states in which the economy is dominated by rents rather than by productive enterprises like agriculture and manufacturing, and where the origin of the income is external. In addition, the rent (wealth) is generated by small elite, the majority being only involved in the distribution or utilization of it, and the state being the principal recipient of these rents. A rentier state accordingly plays a central role in distributing this wealth to the population (Beblawi 1987: 51–53).

The rentier state concept was initially crafted by the North African and Middle Eastern scholars (Mahdavy 1970; Beblawi and Luciani 1987) and over time has been applied to other areas of the world, including sub-Saharan Africa (Yates 1996; Clark 1997; Frynas 2004; Soares de Oliveira 2007a), South America (Karl 1997) and more recently to post-Soviet Central Asia (Kuru 2002; Ishiyama 2002; Franke *et al.* 2009) and Russia (Luong 2000; Kim 2003; Wood 2007). The success with which the rentier state theory travelled across space and time is a testimony to the initial analysis by the Middle Eastern scholars who correctly decoded and described the dynamics of the non-Western, post-colonial states (Ross 2001). The dynamics that they uncovered explains the weak nature of most of the energy-rich states and their authoritarian character. Furthermore, the rentier state concept also sheds light on the ways in which the authoritarian energy-rich regimes managed to maintain themselves in power. All of those elements put together point to underlying instabilities and tensions that go a long way in explaining the behaviour of those states in the domestic, regional and international arena. At the same time, the rentier state concept has not been without its critics (Smith 2004).

The purpose of this section is not to provide an overview of the literature which would aim at scrutinizing the ways in which rentier state theory has been utilized in various corners of the world, but rather to demonstrate the underlying dynamics of those states and

political outcomes. In order to achieve this goal, the following section will mainly focus on the Middle Eastern oil-rich states which are interesting for three reasons; first, they constitute a region which is vital to the production of oil and key to the larger story of energy in the twentieth and early twenty first century as Paul Stevens' 'The history of oil' demonstrated; secondly it is the region to which the concept of the rentier state was originally applied, and thirdly, the Middle East has been studied by rentier state theorists in greater depth than any other part of the world. At the same time, it should be recognised that in recent years some Middle Eastern regional specialists argued for moving away from the rentier state type of analysis of the domestic politics in the oil-rich countries since according to them it no longer illuminates the dynamics of those states as well as it once did in the 1980s. For instance, Steffen Hertog (2006; 2010) has proposed a move from the studies centred on informal politics of the Gulf regimes – which has been at the heart of the rentier state concept – towards corporatism, thus towards a more formal type of politics.¹

This section a) discusses state autonomy which sets up a frame in which the political system of the rentier state develops; b) it engages with the concept of distribution or allocation which demonstrates the ways in which rulers in the oil-rich states maintained themselves at the apex of power; c) it focuses on the potential and immediate political threats that the rulers in the oil-rich states are faced with.

2.1 Autonomous (Weak) State

One of the key themes in the rentier state concept is state autonomy. The argument goes that major energy exporters are financially autonomous from their citizenry. This is due to the fact that a rentier state does not exist by extracting surpluses from the local population. The basis for state survival is the rent income whose origins are external (Luciani 1987: 69). In most instances these rents are derived from the external sale of oil (in other part of the world it can be gas or minerals). Although oil rent is not the only income, it certainly predominates in state budgets (Okruhlik 1999: 295). Due to the external nature of the state income, the rentier states have very little dependence from the production processes of their domestic economies. In effect the state becomes financially independent of domestic production groups. The inputs from the local economies, other than the raw materials, are insignificant (Mahdavy 1970: 429; Luciani 1987: 69). Lisa Anderson asserted that 'virtually no state in the region relies solely on its domestic population for resources, and many governments are often accountable for their spending, when they are accountable at all, to foreign lenders and donors rather than to their own people' (1987: 14). The external nature of rents and isolation/autonomy that it implies had far reaching repercussions, namely, the decline of the extracting institutions (where they existed previously), the lack of a coherent economic policy, the presence of largely inefficient bureaucracy, the lack of political freedom, a hostile attitude of oil-rich states towards any kind of regional co-operation and the decline of agriculture and industry. I will elaborate on each of these points in the following paragraphs.

¹ A similar type of argument has been recently made in relationship to post-Soviet Kazakhstan (Ostrowski 2009).

A widely debated outcome of the state autonomy is the dwindling capacity of the extracting institutions. Taxation, which is the most essential function of the modern state, loses its importance in the eyes of the rulers since the rules depend on non-tax revenues (Chaudhry 1989: 103). It must be remembered that constructing a coherent tax system is, arguably, the biggest challenge faced by any modern state (Tilly 1990). The lack of sufficient extractive institutions results in stripping the state out of mechanisms through which it is supposed to gather necessary information for, most importantly, taxation purposes. We should remember that the extractive institutions are the bases of administration, without which regulation and redistribution (not distribution of state income) are impossible (Chaudhry 1989: 113). The state which lacks extractive mechanisms is also unable to formulate a coherent economic policy (Ross 1999: 313). This is understandable in the case of the states that have enjoyed tremendous fiscal buoyancy but have been relatively ignorant of their own economy (Moor 2002: 129). In such a situation a *political consideration* rather than an economical one becomes the basis for any sort of decisions (Shambayati 1994: 309).

The lack of sufficient extracting institutions does not mean that bureaucratic institutions in the rentier state countries have not developed. On the contrary, one of the characteristic features of rentier states is a huge state bureaucracy. Autonomous states that are based on external capital need extensive apparatuses which would distribute oil revenues in a politically advantageous fashion (Moore 2002: 129). Nazih Ayubi argues that in rentier states 'bureaucracies are expanded in order to provide the ruler with a 'stability platform', a control device and a space for extending patronage' (2001: 308). Chaudhry pointed out that bureaucracy, whose main role is distribution, is highly undifferentiated and inflexible.² Hence, an autonomous state produces extensive bureaucratic structures that are very weak. The weakness of these structures becomes apparent in times of crises.

It has also been asserted that because state revenues are dependent not on the domestic production but rather on the international markets 'state decision-makers are much less constrained by the interest of domestic actors' which results in the authoritarian nature of the regimes in the oil-rich countries (Brynen 1992: 74). Pauline Jones Loung argues that 'natural resources wealth is characteristically found in tandem with nondemocratic political systems' (2000: 28; see also Luciani 1987: 74). According to the theorists, in nonrentier states taxation serves as a lever for the society to exercise some political influence over state leaders. Anderson points out that taxation 'binds the populace to the state by creating expectations among taxpayers that they are to receive in return for their contribution to the upkeep of the administration' (1987: 9). In the rentier state in which the state becomes increasingly independent from the society for its economic and political survival, such levers does not exist.

It has been argued that some autonomous Middle Eastern states like Saudi Arabia or Kuwait are deeply hostile to regional co-operations, since truly self-sufficient states, i.e. the

² It should be noted that the British during their colonial rule did not invest any time and energy into a development of sound bureaucratic institutions in the Middle East. The Middle Eastern creations were simply protectorates which in themselves did not have much to offer and mattered only because of the British interests in India. Craford Young pointed out that such purposes 'were easily met by forming an alliance with a ruling family, whose domestic governance was of no concern unless British security interests were threatened' (1988: 38).

biggest oil producers, do not need anyone - except their international patrons - to survive. In the context of the Middle East states this resulted in the fiercely negative attitude of Saudi Arabia and the Gulf states to the idea of Pan-Arabism. The movements that strongly relied on symbols which emphasize the unity of all Arabs have been most unwelcome in the oil-rich state. Instead, rulers strongly support the movements which use Islamic symbolism. Nazih Ayubi asserts that an important function of what he calls petro-Islam, which stresses an interpretation of religion that is both excessively ritualistic in style and conservative in socio-economic content, 'is to keep the oil wealth away from other Arabs' (2001: 233).

The autonomous states of the Middle East neglect agriculture and industry. Hootan Shambayati argues that it is so because 'the availability of external rents and the fact that the state's income is not determined by domestic production means that the rentier states do not need to increase domestic production' (1994: 309). Instead of creating a sound basis for the long term economical development, the state sponsors all sorts of major development projects ranging, in the case of the Middle East states, from extravagant artificial desert oases to lavish palaces. Distribution rather than agriculture and industry is the top priority of the state.

2.2 Distribution (Greasing Authoritarian Machine)

The rentier state theorists argue that distribution across society is the single most important mechanism that has kept rulers at the apex of power, in other words keeps authoritarian regimes going (Luciani 1987: 76). In the great majority of cases the political actors confronted with the benefits of petrodollars behaved in a similar way. They maximized their political power through appeasing potential political opponents and successfully depoliticising the public (Luciani 1987: 74). The co-operative system sucked in the majority of the population and managed to operate without any problems as long as oil generated sufficient revenues to maintain it (Entelis 1996: 45). It is often argued that virtually everyone is a part of the system, from the industrial bourgeoisie to the rural population.

In oil-rich countries, rents are exclusively controlled by the state, because rents which come from the external environment are transmitted directly to the government's coffers. The fact that oil revenues accrue to the state before they can be allocated and distributed 'has given the state in the oil-rich countries an extremely large and powerful economic and social role' (Ayubi 2001: 311) because highly centralized oil revenues, inevitably, 'entangle the government in the task of mediating between different economic and social groups' (Chaudhry 1989: 115). Okruhlik points out that 'money does not spend itself [and] those acting in the name of the state make decisions, and the nature of the regime influences them' (1999: 297).

On a surface-level, the distribution of the oil revenues in the Middle East states takes place most of the time through formal institutions, i.e. an expanded bureaucracy. However, it has been asserted that bureaucratic institutions are informal networks in disguise. Ayubi argues that for the ruler of the oil-rich states, 'the bureaucracy serves as a neat, "respectable" and modern-looking tool for distributing parts of the spoil' (2001: 311). In reality, according to some authors, it is the clanistic nature of the pre-oil political, economical and social structures of the Middle East states has largely determined the ways in which oil money is allocated (Khoury and Kostiner 1990). Hence, the distribution of rents in the Middle Eastern

states takes place through informal rather than formal institutions. The informal way of doing state business fuels ‘powerful neo-patrimonial networks based on family, tribe, and proximity to the ruling elite’ (Brynen 1992: 74). Most of the time these informal networks have to be reactivated in the oil era (Ayubi 2001: 241; Moore 2001: 129; see also Crystal 1991).

In an oil state everyone has to play according to the rules of the game and even the entrepreneurial class is highly dependent on the favours and financial support of the government. According to one author, in the Saudi Arabian case, this was done through ‘the elimination of the old private sector and the creation of new groups of business elite with strong regional and tribal ties to the bureaucracy and the ruling family of Al Saud’ (Chaudhry 1989: 115). Rex Brynen argues that economic interests could generally be best pursued informally, through personal and quiet lobbying of the ‘members of the political elite, well-placed co-tribalists or extended family members, and patron-client linkages’ (1992: 83). Anderson asserts that in such circumstances the principal question is not ‘whether the state is autonomous from social forces, but whatever social classes, such as the nascent industrial bourgeoisie, will develop autonomy and independence from the state support’ (1987: 11; see also Luciani 1987; Chaudhry 1994; Hinnebusch 2000).

When it comes to other segments of the society the state usually distributes oil rents through employment and social welfare programmes. In some instances the state employed half of the work force (Brynen 1992: 83). The rentier state theorists argue that oil-rich states developed a specific form of the rentier state social contract ‘in which the government provides basic goods and services to society at a reduced cost (through subsidies for education, health care and basic commodities) without imposing economic burdens’ (Wiktorowicz 2002: 82). At the same time, egalitarian policies of the rentier state are never value free.

In rentier states, the state investment funds often are disproportionately directed towards the provision of services and infrastructure to those areas of the country which are the ruler’s or president’s stronghold. Already in 1970 H. Mahdavy, who first advanced the rentier-state concept, warned that the oil states create an impression of prosperity and growth whereas in reality ‘the mass of the population may remain in a backward state and the most important factors for long-run growth may receive little or no attention at all’ (1970: 437). Moreover, state sponsored contracts, which of course led to the development of the country as such and provided employment, are the most efficient way of fostering client-patron relationships.

2.3 (Mis)Distribution and Tensions on Domestic Level

The debate concerning the opposition and oil is at the heart of all major discussions that took place within the rentier state theory framework towards the end of the 1990s. Okruhlik argued for problematising the concept of the opposition in the oil-rich countries differently from the ways it had been done so far. The problem of the opposition in the Middle East is a recent question for theorists because for years it has been assumed that the financial autonomy of the oil state grants monarchs immunity from social pressures. Rentier state theorists have argued that the primary function of the state in the Middle East becomes distribution rather than extraction. The state then utilizes the distribution to function as a

potential source of legitimacy. In effect of its actions the state is relieved of its political accountability that accompanies taxation. Hence, instead of ‘no taxation without representation’, the rentier state says ‘no representation without taxation’ (Okruhlik 1999: 296). This rather peculiar way of reasoning finds its logical conclusion in the simple assumption that democracy is not a problem for allocation states.

It can be argued that the rentier state theorists have forgotten H. Mahdvy’s warning in which he asserted more than thirty years ago that an oil state only creates an impression of prosperity and social peace whereas the reality looks very different. It seems that the idea of the autonomous state proved so strong that theorists overlooked the possibility ‘that government expenditure and policies also created interests and the group conflict can and does occur over government expenditure’ (Chhibber 1996: 129). Okruhlik follows on from this point and argues that crucially the oil state often fosters its own civil opposition because of the way revenues are deployed. Hence, what we should study are ‘linkages between state strategies of expenditure and the political consequence for particular group’ (1999: 296).

2.4 Summing up

The focal point of the rentier state theorists has been an ongoing political process that determines ways in which oil revenues are being allocated and the impact that distribution has on political, economical and social fabric of the oil-, gas- and mineral-rich states. The rentier state theory argues that authoritarian rulers who have large oil revenues at their disposal will craft a regime that is financially independent from the domestic production groups as well as from the rest of the society. Such a state can afford a so-called autonomy because the state itself is a direct recipient of large external rents. According to rentier state theorists, an autonomous (weak) state is characterised by the decline of the extracting institutions, a lack of coherent economic policy, an inefficient bureaucracy, a lack of political freedoms and the decline of agriculture and industry. The oil-rich regime favours a widespread distribution of the petrodollars across society, albeit unevenly. This distribution has two aims: it preserves the regime at the apex of power and legitimises its rule. Terry Karl, in her study of Venezuela, written almost thirty years after the rentier state theory was first applied argued that in essence all rentier states can be characterized by the same fundamental economic policy patten: ‘maximizing the external extraction of rents for subsequent distribution through public spending according to a political logic’ (Karl 1997: 197).

The rentier state theory assumes that regimes which tie their future to the distribution of external rents are highly unstable. However, this does not imply that they will automatically collapse once the revenues decline. In a system in which the whole of society to some degree is part of a patronage network, the ruling regime can survive for a long period of time. It is very telling that in the Gulf political structures have stayed largely unchanged despite the collapse of the oil prices in the late 1980s and major shifts in the international environment. At the same time, the regimes that rely on external revenues have to constantly keep looking for ways of sustaining themselves in power, by either a) entering various disputes with external actors (for example, renegotiation of the oil contracts and creation of the National Oil Companies in the 1960s and 1970s); b) forging alliances with an external

power that guarantees a regime's security but is most likely to heighten regional tensions and constitute a source of destabilisation in the long run and c) direct repression (Ross 2001).

3. The Politics of National Oil Companies

The rentier state concept, as it was already noted, has been recently challenged by some Middle East specialists for being too static and not able to sufficiently account for the changing political and economical reality in the Gulf region in the last decade or so. While such criticism has to be taken under consideration and evaluated by students of the Middle East studies - and by a project such as Polinares - this, however, does not automatically imply that the rentier state concept is irrelevant and can not aid us any longer in understanding the dynamics that shape post-colonial energy-rich states. Arguably, the rentier state approach is, and will remain, particularly useful when analysing energy-rich states in the early stages of their formation, as the example of Central Asia shows (Ostrowski 2011). Similarly, the discussion on civil wars and natural resources in the next section demonstrates how the rentier state concept helped students of resources wars to better understand events that led to the outbreak of conflicts in sub-Saharan Africa in the 1990s. Thus, it is safe to conclude that the rentier state concept is still useful, at least in some of the cases.

Yet, an analysis of all the internal dynamics of the energy rich states should not be limited to established approaches. Arguably, what seems to be missing from the studies of the politics in the energy rich states is a discussion of the politics of oil and gas industry and in particular of the National Oil Companies. This appears to be a significant omission since such studies have the capacity to bring to the surface important aspects of the political systems in individual resources-rich countries which other types of examinations do not sufficiently scrutinise (Ostrowski 2010).

It is no overstatement to say that we still know remarkably little about the National Oil Companies - which are by far the most powerful companies in the oil rich countries - and the political struggles that they generate. Students of authoritarianism in the resource-rich countries often assume that the president or ruler and his family control those companies with great ease, completely ignoring the political battles between people at the heart of the National Oil Companies and the ruling regime. Yet, an argument could be made that if we were to scrutinise - over a long period of time - the political struggle for the control of those companies and the larger oil or gas complex in the resources-rich state, we would begin thinking very differently about the forces and actions that shape the actual political reality in many of those countries and the state structure. It is important to keep in mind that the type of political struggles and their logic have their origin in the very nature of the oil industry, something that I will briefly elaborate on in the following paragraphs.

The leading role that National Oil Companies' (NOCs) play in oil-producing countries place the bosses and the managers of those companies in a privileged position with regard to access to capital, access to economic rent and competitive positions in the market (Noreng 1996). Their standing in the country is further strengthened by information asymmetries. The government overseers usually do not possess adequate knowledge of the oil industry and are unable to sufficiently scrutinize these companies. This allows the managers of the NOCs to pursue their own objectives, such as capturing economic rents for

their own benefit to the exclusion of the rest of society. In order to assert their own positions, the bosses of the NOCs strive to build a vast system of personal networks that reach deep into various segments of the society. The aim of this exercise is to create, according to some commentators, a ‘state within a state’ structure that functions according to its own logic and is extremely difficult to break (Madelin 1975; Philip 1982; Randall 1987; Boue 1993; Gott 2005).

The web of political allies is usually built by awarding long-term exclusive contracts to various subcontracting companies, which are in turn connected to the relevant political actors (Pongsiri 2004; Machmud 2000); as Øystein Noreng puts it: ‘established NOCs, such as Pemex in Mexico, Statoil in Norway, and Petroleos de Venezuela S.A. (PDVSA) in Venezuela, all have close links with local subcontractors, which ex post are not fully competitive, but which make up an important political constituency’ (1996: 214). Charles McPherson and Stephen MacSearrigh pointed out that a very high percentage of oil industry works is performed not by the oil companies themselves or government but their contractors.

These are legion in number and cover all stages of the industry value chain, from seismic and drilling contractors and geological and geophysical consultants in the exploration phase; to drilling services, material suppliers, and engineering and fabrication contractors in the development and production phase; to pipeline and refinery engineering and construction firms further along the chain. Service companies are very frequently caught up in the tangle of corrupt petroleum sector practices, especially as they relate to procurement. (2007: 201)

The amount of money being plundered by the managers of the NOCs and/or being spent by the company on fuelling informal networks can be truly staggering. For instance, in the beginning of 2000s an audit of Pertamina, Indonesia’s NOC, exposed losses of over US\$ 2 billion per year, an amount equal to 10 per cent of the national budget. A similar audit of the Nigeria National Petroleum Company (NNPC) estimated losses at between US\$ 800 million and US\$ 1 billion annually (McPherson 2003: 4). In some instances, the government itself enhances the company’s position in society, as it transfers to the NOC some of the responsibility for building schools, hospitals as well as for creating jobs (Al-Rasheed 2002: 96). Finally, besides building a vast patronage network, the bosses of the NOCs relentlessly push for the expansion of their companies, as they ‘realise that the larger the firm, the greater its ability to influence or even to control its social and political environment’ (Grayson 1981: 20).

The role that the National Oil Companies play in the political and economical life of the resources rich countries increases with the growth of the oil or gas industries. This creates problems for the authoritarian rulers who are in a constant danger of losing control over the industry that is vital for their rule. In order to avoid this scenario they stuff top ranks of NOCs with members of their own family and trusted cronies. They also can go so far as to reorganize the NOCs structure in order to keep everyone in check and to rotate the top leadership in the companies. At the same time, while the highest echelons can change often, managers, directors etc who constitute the spine of those companies tend to work for decades. Ricardo Soares de Oliveira in his article concerning Angola’s NOC Sonangol quotes a

company executive who worked for Sonangol uninterruptedly since the mid-1970s despite civil war and the political upheavals in the country: ‘You see, through colonialism, foreign invasion, Marxist-Leninism and capitalism, I have not left the same building’ (2007b: 600).

4. Civil Wars and Natural Resources

The rentier state debate was largely an outcome of the developments in the Middle East in the 1970s and 1980s. It attempted to explain the ways in which natural resources impacted, shaped and reshaped energy-rich states in the region. By the 1990s the focus of the students of the politics of natural resources began shifting from the Gulf to those sub-Saharan African energy and mineral rich states which by the end of the 1980s and early 1990s found themselves entangled in civil wars.³ The crux of the scholarly investigations was the role that the natural resources played in those wars.⁴ In other words, were those wars purely about natural resources or were natural resources only one of the aspects of those civil wars? Were the natural resources responsible for triggering conflicts or only perpetuating (fueling) them? Finally, what were the transmission mechanisms between civil wars and natural resources?

The following examination will firstly analyse the greed and grievance transmission mechanism between civil wars/natural resources which has been put forward and discussed by development economists. Secondly, I will discuss ways in which comparative politics challenged some of the key propositions of the development economists and uncovered alternative transmission mechanisms. Furthermore, I will discuss how social scientists tried to broaden the debate concerning the links between civil wars/natural resources through incorporating history, geography, the global ‘shadow’ economy as well as the nature of the extractive industry into their analysis. Thirdly, I will discuss current developments in the civil wars/natural resources debate which calls for a shift from a focus on the transmission mechanisms towards deeper studies of the weak state structure and neo-patrimonial regimes (which display strong similarities to the already discussed rentier state structures). The breakdown of the neo-patrimonial regimes has been seen by political scientists as vital *underlying causes* for the civil wars that erupted in the beginning of the 1990s as well as for their perpetuation. In order to better understand the argument concerning the nature of the state structures and authoritarian regimes in the final part of this section, I will discuss in some detail the dynamics of the neo-patrimonial regimes in the post-colonial period.

³ **Civil War** is an internal conflict that involves at least 1,000 combat-related deaths, with each side incurring at least 5 percent of these deaths.

⁴ **Conflict resources:** Conflict resources are natural resources whose systematic exploitation and trade in a context of conflict contribute to, benefit from, or result in the commission of serious violations of human rights, violations of international humanitarian law or violations amounting to crimes under international law (UNEP 2009).

4.1 Greed and Grievance

It is today widely acknowledged that the first salvo in the debate that investigates links between civil wars and natural resources was ‘fired’ by development economists Paul Collier and Anke Hoeffler. Collier and Hoeffler used a comprehensive list of civil wars produced at the University of Michigan which they matched against a mass of socioeconomic data, country by country and year by year, with ‘the goal of trying to determine the factors that affected the likelihood of civil wars developing in a given country within the next five years’ (Collier 2008: 18). Through their large-*N* study they found that countries which suffer from low income and slow growth and are *dependent on primary commodities*, are more prone to civil wars (Collier and Hoeffler 1998; 2002; 2004). Similar conclusions were also reached by other scholars who, each using unique data sets argued that oil-exporting states are likely to suffer from civil wars (de Soysa 2002; Fearon and Laitin 2003). The United Nations Environment Programme in their 2009 report likewise stated that: ‘Since 1990 at least eighteen violent conflicts have been fuelled by the exploitation of natural resources. In fact, recent research suggests that over the last sixty years at least forty percent of all intrastate conflicts have a link to natural resources. Civil wars such as those in Liberia, Angola and the Democratic Republic of Congo have centred on “high-value” resources like timber, diamonds, gold, minerals and oil’ (UNEP 2009).

Recent civil wars and internal unrest fuelled by natural resources

Country	Duration	Resources
Afghanistan	1978-2001	Gems, timber, opium
Angola	1975-2002	Oil, diamonds
Burma	1949-	Timber, tin, gems, opium
Cambodia	1978-1997	Timber, gems
Colombia	1984-	Oil, gold, coca, timber, emeralds
Congo, Dem Rep. of	1996-1998, 1998-2003, 2003-2008	Copper, coltan, diamonds, gold, cobalt, timber, tin
Congo, Rep. of	1997-	Oil
Côte d'Ivoire	2002-2007	Diamonds, cocoa, cotton
Indonesia – Aceh	1975-2006	Timber, natural gas
Indonesia – West Papua	1969-	Copper, gold, timber
Liberia	1989-2003	Timber, diamonds, iron, palm oil, cocoa, coffee, rubber, gold
Nepal	1996-2007	Yarsa gumba (fungus)
PNG – Bougainville	1989-1998	Copper, gold
Peru	1980-1995	Coca
Senegal – Casamance	1982-	Timber, cashew nuts
Sierra Leone	1991-2000	Diamonds, cocoa, coffee
Somalia	1991-	Fish, charcoal
Sudan	1983-2005	Oil

Source: UNEP 2009 p.11

According to Collier and Hoeffler, civil wars can be modelled as ‘loot-seeking’ wars (conflict driven by greed), or as ‘justice-seeking’ wars (conflicts driven by grievance). The greed ‘loot-seeking’ wars are based on the notion that a (young) person joins a rebel movement depending on the expected utility of their actions ‘which is a function of opportunities foregone by engaging in violence and the availability of lootable income, or the payoff’ (de Soyas 2002: 397). Collier would later on argue that joining the rebellion ‘is a bit

like joining drug gangs in the United States’ (2008: 21). The second model is of ‘justice-seeking wars’, where groups form with the goal overthrowing the ruling regime or government and replacing it with a just political system. Collier and Hoeffler concluded that greed is a far stronger (five times) trigger of conflict than the proxies of grievance; ‘[c]osts of organizing to fight determine the outbreak of violence and the supply of justice. To put it succinctly, there are fewer martyrs than opportunists!’ (de Soysa 2002: 398). Collier was also quick to point out that greed and grievance driven rebel groups are often confused with one another because rebels motivated by greed often generate - on purpose - a discourse of grievance with a view to win support of others (including Western commentators and analysts) and justification for their actions. In other words, rebel groups whose number one aim is self-enrichment try to win support of ‘useful idiots’.

Collier’s and Hoeffler’s greed and grievance argument implicitly linked natural resources to civil wars. In a nutshell, the rebels are more likely to launch a civil war if they can extract (loot) and sell resources, or extort money from those who do. Civil wars are also more likely to take place in countries with a large population. At the same time, Collier in his large-*N* study did not find any relationship between political repression and the risk of civil war. The colonial history of a country also does not matter whereas geography matters a bit. Finally, the civil wars fought over the access to natural resources are not likely to have a clear-cut end date but are most likely to stop temporarily and then flare up again. Over time, these conflicts come to be seen as the normal state of affairs: ‘[o]n both sides interests develop that only know how to do well during war’ (Collier 2008: 27). He goes to conclude that the experience of having been through a civil war doubles the risk of another conflict and that only ‘around half of the countries in which a conflict has ended manage to make it through a decade without relapsing into war’ (2008: 27; see also Doyle and Sambanis 2000). The best-known example is that of the Democratic Republic of Congo (DRC; formerly Zaire) which in the last two decades experienced intense fighting on three occasions (1996-1998, 1998-2003, 2003-2008) over copper, coltan, diamonds, cobalt, timber and tin.

4.2 Beyond Greed and Grievance I: Transmission Mechanism

The link between civil wars and natural resources which Collier and Hoeffler pointed to has not been contested. Much more problematic has been the issue of the transmission mechanism between civil wars and natural resources. Michael Ross (2004) in his study of civil wars revisited an argument concerning greed and grievance as well as propositions put forward by a number of other scholars toward the late 1990s, early 2000s in relationship to the same problem. Instead of engaging into a large-*N* study he used a small-*N* approach because as he put it ‘statistic correlation can only take one so far’. He identified seven casual mechanisms that might account for the resource/civil war correlation, and suggested how they might be confirmed or disconfirmed in case studies. He selected a sample of thirteen civil wars that were fought in the 1990s on a ‘most likely’ basis.⁵

⁵ Key conflicts fought over the natural resources throughout the 1990 are: Afghanistan (gems, opium); Angola (oil, diamonds); Burma (timber, tin, gems, opium); Cambodia (timber, gems); Columbia (oil, gold, coca); Congo Republic (oil); Congo Democratic Republics (copper, coltan, diamonds, gold,

Ross concluded that the two most widely cited casual mechanisms, looting and grievance, did not appear to be valid. In none of the thirteen cases was there evidence that rebels groups funded their start-up costs by looting natural resources or extorting money from resource firms. However, there is abundant evidence that rebel groups engaged in looting after a war began. In other words, lootable natural resources do not start conflicts but fuel them and are responsible for their perpetuation.⁶ Thus, Ross similarly to Collier argues that lootable resources considerably lengthened conflicts (ten out of thirteen). Grievance of the local population generated by insufficiently compensated land expropriation, environmental degradation, inadequate job opportunities, and labour migration also did not directly contribute to civil wars with an exception of *separatist conflicts* (Indonesia and Sudan) and a rise of low-level conflicts '[t]his implies that the geographical distribution of natural resources across a nation's territory may be important: if resource wealth is located in a region with separatist aspiration, it may help precipitate a way and increase of the war's casualty rate' (Ross 2004: 63).

Leading on, Ross in the course of his analysis found out that natural resources impact civil wars in two significant ways which were not discussed by the scholars in the 1990s. Firstly, lootable resources can encourage intervention from neighbouring powers as was the case in Sierra Leone and DCR where outside forces decided to support nascent rebel groups against an incumbent government, in part, 'to gain access to natural resource wealth' (2004: 56). Secondly, future gains can motivate conflicts by granting rights (to outside companies) to exploit mineral resources that the seller has not yet captured. 'Booty futures' in the cases of Congo Republic, Sierra Leone, and possibly Liberia played an important role in starting civil wars. Finally, Ross argues that in some instances the governments of resources-rich countries are directly responsible for the escalation of low-level conflicts. Authoritarian regimes rich in natural resources (Indonesia and Sudan) reacted to small, separatist rebellions in the resources-rich areas by using terror against a region's population. This in turn escalated a rebellion which otherwise might struggle to gain wider support (see also: Ross 2006).

Ross' analysis enriched and to some extent systematized the discussion concerning transmission mechanisms between civil wars and natural resources. Ensuing scholarly contributions either attempted to elaborate on the discussion concerning key mechanisms or began arguing for a broadening of the debate. Philippe Le Billon in his interventions in the first half of the 2000s (including editing a special issue of *Geopolitics* in 2004 on the subject of civil wars and natural resources) stressed the importance of the latter. According to Le Billon, it would be a mistake to reduce a study of the links between natural resources and armed conflicts to the investigation of one or two transmission mechanisms, as this narrow focus obstructs a wider context which has to be analyzed when studying resources wars. Le Billon in direct opposition to Collier argued that history and geography matters a great deal in addition to the role of the global 'shadow' political economy.

cobalt); Indonesia (natural gas); Liberia (timber, diamonds, iron, palm oil, cocoa, coffee, marijuana, rubber, gold); Peru (coca); Sierra Leone (diamonds); Sudan (oil).

⁶ In nine of these cases, the looted commodity was a type of resource than can be easily extracted, or cultivated, by small groups of unskilled workers – mostly gemstones (five cases), drugs (four cases) or timber (two cases). In the case of Columbia and Sudan, insurgents were able to raise money by blowing up oil pipelines and ransoming kidnapped oil workers.

In order to grasp the complexity of resources wars one has to give consideration to the power relationships in the ‘pre-resource’ era and the long-standing resource dependency which has its roots in the colonial era and which has been perpetuated by the ex-colonial powers, private transborder commercial interests and domestic elites (see also: Morten Bøås 2001). Resources are also an *historical* product in as far as their history is directly linked to the creation of markets and associated commodity chains. Geography matters because resources, due to their territorialisation, generate more territorial stakes than many other economic sectors; ‘[t]he geographical location, concentration, and the mode of exploitation influence the lootability of a resource’ (Le Billion 2004:8). For example, a resource close to the capital is less likely to be captured by rebels than a resource close to a border (Le Billion 2001: 570).⁷

Le Billion also argued that the shadow criminal economy that is vital to the ways in which rebels sell lootable resources, buy weapons etc, involved a development of parallel markets through which the excluded regions of the global south effectively integrated themselves into a global liberal economy. The activities of those *excluded* from the neoliberal project revolves around tax evasion, tax paradises and smuggling schemes, some involve drug trafficking, money laundering, and illegal migration (2001: 576). Le Billion sum up the nexus between rebels and global economy as follows:

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’ characterised the ‘wild zones’ of the world. (2004: 12)⁸

Thus, Le Billion aims at firmly shifting the focus from a ‘rebel’ and his or her motivation for joining a group and waging a war to a larger context in which it occurs and should be addressed. Michal Watts made a similar point when he stated that: ‘[w]hat is striking in all of this resource-politics scholarship is the almost total invisibility of both transnational oil companies (which typically work in joint ventures with the state) and the forms of capitalism that oil or enclave extraction engenders’ (Watts 2004: 53; see also: Ferguson 2005; Bush 2008; Stevens 2008). The debates concerning civil wars/natural resources that followed

⁷ **Easily lootable resources:** ‘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. Besides diamonds, many other ‘small’ strategic of valuable metals, such as gems, cobalt, coltan, gold, and silver have similar lootable characteristics’.

Non-easily lootable resources: ‘Not all minerals are as lootable as diamonds or coltan. Others, like copper and oil, require large-scale infrastructure and involve a minimum of approval or accounting by recognized authorities for international trading. Revenues can still be generated by rebels groups through extortion: oil and gas, for example, can remain ‘exportable’ 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.’ (Le Billion 2004: 9-10; see also Snyder 2006; Le Billion 2008).

⁸ See also: Reno 1997; Shaxson 2007a; 2007b.

similarly to Le Billion, Watts and others argued for a broadening of the discussion with a special focus on the history and structure of the states which collapsed into civil wars.

4.3. Beyond Greed and Grievance II: Bringing the (Rentier/Neo-Patrimonial) State Back In

The debate that focused on greed argued that economic motivations are the driving force of contemporary conflicts. The broadly understood greed argument explains how conflicts are financed and why well-financed conflicts are especially difficult to end, 'it is less satisfactory as an explanation of the complex causation of contemporary conflicts in the first place' (Kaldor *et al.* 2007: 21). James Ron in the opening pages of the special edition of the *Journal of Conflict Resolution* (2005) likewise stated that whereas there is no doubt that natural resources have a powerful effect on civil wars, 'they do so in ways that are profoundly political, a claim downplayed or undertheorized in much of the earlier work' (2005: 443). In the mid-2000s comparative politics scholars argued that what has been greatly missing from the debate concerning the links between natural resources and civil wars was the nature of post-colonial sub-Saharan Africa state and its breakdown in the 1990s.

It has been argued that a state which found itself in a cycle of a civil conflict fought over natural resources prior to the outbreak of the hostilities, could be characterised as a semi-rentier state: thus, states in which the economy was largely dominated by rents rather than by productive enterprises and where the origin of the income was external. The state structures of those states were historically grossly underdeveloped. The regimes, in order to keep themselves in power relied on distribution of rent, cooption and coercion (Synder 1992). Furthermore, it has been argued that countries in which civil wars erupted, were governed by the particular type of authoritarian regimes known as 'neo-patrimonial' or 'Sultanistic' (Chelabi Linz 1998). The neo-patrimonial regime is a type of authoritarian regime, in which patrimonial practices coexist with a modern bureaucracy, as defined by Nicolas van de Walle:

Outwardly the state has all the trappings of a Weberian rational-legal system, with a clear distinction between the public and the private realm, with written laws and a constitutional order. However, this official order is constantly subverted by a patrimonial logic, in which officeholders almost systematically appropriate public resources for their own uses and political authority is largely based on clientelist practices, including patronage, various forms of rent-seeking, and prebendalism. (2001: 51-52)

The outbreak of hostilities and the breakdown of the already weak state structures accelerated with the end of the Cold War and withdrawal of the US and Soviet economic and military aid (Berdal and Keen 1997). The ruling regimes, its cronies and its opponents, faced with the withdrawal of the economic aid/rent on which they previously greatly relied, began looking for new sources of money and protection. In effect of that natural resources quickly developed into a key 'political spoil' over which powerful, fragmented groupings started to compete (Allen 1999). For many of those groups violence became the main, if not only route to wealth and power (Le Billion 2001: 567).

The argument goes that the driving force of conflicts fought over natural resources is a legacy of a rent-seeking ‘culture’ that was implemented and cultivated by the post-colonial regimes. In a weak failing state in which rent-seeking has been historically one of few available routes to enrichment, the so-called *rent-seeking mentality* developed and managed to penetrate various segments of the society and created a situation in which overcoming the cycle of violence is very difficult (Kaldor *et al.* 2007: 3). In order to grasp the structural reasons which prefaced and facilitated the outbreak of civil wars fought over natural resources in the next section, I will discuss the roots and dynamics of the neo-patrimonial regime.

5. The Road to Collapse: Post-Colonial Neo-Patrimonial Regimes

The key to understanding mechanisms that governed neopatrimonialism and patron–clientelism in sub-Saharan Africa is the legacy of the post-colonial institutions, which left structural constraints on the emerging post-colonial elites. To start with, one of the main problems lay with the post-colonial elites themselves, who ‘had mostly not been adequately trained by the colonial government and had limited experience of operating a governmental system on a national scale’ (Tordoff 1997: 82 see also Mansur 1995: 113). Moreover, it must be kept in mind that many of the post-colonial elites were groomed by the colonisers as they ‘tried with considerable success to exclude radical social forces from the political playing field’ (Boone 1994: 120). Hence in most cases, on the eve of independence, there was very little real alternative to the post-colonial elites, who easily seized power. Another burning problem was the post-colonial administration, which lacked the substantial capacity to run already existing institutions or new institutions, such as a large number of parastatal bodies that post-colonial elites had themselves created in order to ‘withstand the intense social pressures to which they were subjected by universally enfranchised electorates’ (Tordoff 1997: 82).

In the late 1950s and 1960s, across sub-Saharan Africa, an answer to these problems was supposed to be a highly centralised presidential or one-party system, which was thought to be better suited than a democratic system, be it liberal or socialist. Guenther Roth called the new elites *empire-builders* due to their daunting tasks of integrating greatly disparate elements: ethnic, tribal, religious, linguistic, or even economic (1968: 204)⁹. However, instead of improving and using bureaucratic formulae to construct authoritative institutions and to organise governing coalitions between state and social interest, the post-colonial elites retreated to the pre-colonial logic of patrimonialism, which they then successfully incorporated into their own bureaucratic institutions.

⁹ Roth argues that in Europe, nation-building was a much easier task since it aimed at the integration of the population with a ‘common culture, especially a common language and common historical legacies shared by various strata’ (1968: 204). According to the author, it is no accident that pluralist democracies have been successful on a large scale, only in fairly homogenous countries.

5.1 Patrimonialism and Neo-Patrimonialism

Patrimonialism (*Herrschaft*) is Max Weber's term, which has been adopted by anthropologists in order to describe the political system of small, isolated communities with rudimentary economies, including African chiefdoms in the pre-colonial era. The most important feature of patrimonialism is a 'big man', who rules by dint of personal prestige and power. In that relationship, 'ordinary folk are treated as extension of the "big man's" households, with no rights or privileges other than those bestowed by the ruler. Authority is entirely personalised, shaped by the ruler's preference rather than any codified system of laws' (Bratton and van de Walle 1997: 61). It has been argued that in modern times, patrimonialism in its purest form could be only found in Haile Selassie's Ethiopia (Roth 1968: 195). In other parts of Africa, the term was redefined in order to make it compatible with existing bureaucratic institutions and written laws, however weak.

In sub-Saharan Africa were the presidents, the so called 'big men' had been installed for life, they established extensive chains of patron–client ties extending usually from the centre of a personal regime to the rulers' inner circle, immediate clients, and other followers, through them to their followers, and through them to their followers, etc. The primary role of the client was to mobilise political support and to refer all decisions upwards as a mark of deference to patrons (Bratton and van de Walle 1994: 458). The system worked, chiefly because of the nature of the narrow, largely incapable post-colonial elites that the president needed to satisfy; this he did. Secondly, modern party mechanisms enabled him to reach out equally to urban as well as remote countryside communities. Thirdly, and most importantly, post-colonial state structures were successfully colonised by the clientelistic logic of neopatrimonialism, and effectively became an ultimate source of enrichment for those who were willing to support the regime.

5.2 The Roots of Rent-Seeking Mentality

Officials who occupied bureaucratic institutions used their positions not to perform public services but rather to acquire personal wealth and status: 'although state functionaries received an official salary, they also enjoyed access to various forms of illicit rents, prebends, and petty corruption, which constituted a sometimes important entitlement of office' (Bratton and van de Walle 1997: 62). The most lucrative positions were given to friends, family members or ethnic fellows, whereas state rules and regulations were abandoned. One of the most effective mechanisms that allowed the ruler to keep his clients satisfied was a rapid turnover of political personnel in order to 'regulate and control rent seeking, to prevent rivals from developing their own power base, and to demonstrate their own power' (Bratton and van de Walle 1994: 463). The clientelistic relationship effectively undermined the modern state, where formal rules were replaced with systematic patronage and clientelistic practices that aimed at maintaining political order. Personalistic networks came to fill the void: 'in different countries, new groups of intermediaries brokers, and emissaries oversaw the exchange of goods for compliance' (Bratton 1994: 265). As a result of those developments, the state in sub-Saharan Africa lost its power to penetrate and control the society, which from the outset of the post-colonial era was very fragile. In a system that favours the ruler, his

allies and his clients, the essential activity involves gaining access to the personal regime's patronage. No one was allowed to (or could) operate outside this relationship – including the business elite, which in fact was one of the most visible products of neopatrimonialism (Ntalaja 1984).

5.3 The 'Big Man' and Zero Sum Politics

Neopatrimonial regimes emphasise the personal charisma of the ruler in their attempts to legalize the rule of the president. In order to do this efficiently, these regimes undercut civil society: they demobilize voters, eradicate popular associations and attempt to weaken all independent centres of power. Harold Crouch asserted that the regime was able 'to rule in the interest of the elite without taking much account of the interests of the masses because the latter were poor, socially backward, politically passive, and kept in check by the regime's military forces' (1979: 572). Such regimes did not tolerate any kind of dissent, because neopatrimonial regimes 'tend to operate within the "rule" of zero-sum conflict – that is the expectations of maximum allowable deprivation for losers, their families, and associates' (Le Vine 1980: 659).

5.4 Centre-Periphery Dynamics: Prelude to Secessionist Movements

Trying to understand the spread of clientelism in sub-Saharan Africa from the perspective of the centre, as we have done up to here, tells only part of the story (Migdal 1988: xvii). As mentioned before, the post-colonial elites retreated to the pre-colonial patrimonial logic, because they lacked sufficient tools and the experience to run the country once the colonisers had left. However, those facts do not fully explain why the creation of a strong, autonomous and capable state failed so badly, where clientelism 'colonizes' the societal tissue so easily. Catherine Boone and Naomi Chazan, among others, argued that the answer to this question lies in the way in which colonial powers exercised their rule on the local level.

Colonies were run according to Lord Lugard's concept of 'indirect rule'. The aim of indirect rule was to 'weaken existing African political structures and subordinate them to the colonial state without completely undermining the capacity of the local authorities to control their subjects' (Boone 1994: 114). European rules bypassed civil associations, and established control directly over 'stringently demarcated local communities through their sophisticated employment of local collaborators' (Chazan 1994: 261). The most important impact that indirect rule had on the local level was the effective confirmation of many of the powers of the 'big man'/patron over the land and peasants. 'Big men' were given free rein on the local level as long as they collected house and head taxes, keeping a cut for themselves (or alternatively being paid by the colonial state). Moreover, chiefs were not only responsible for mediating the flow of resources claimed, but were also responsible for allocating resources coming from the centre.

From the outside, indirect rule looks like the easiest and most effective way of extracting resources from colonies. It certainly did just that. However, it must be kept in mind that to a certain extent, using the local chiefs to do the 'dirty' work, who were using 'their position in the colonial system to their own advantage, often in ways that were not fully

consistent with colonial ambitions’, also displayed a weakness of the colonial states (1994: 118). Bratton argues that ‘the colonial state clearly lacked the political capacity to implement policy in local arenas without collaboration from indigenous auxiliaries’ (1994: 239). Chazan asserted that ‘the British, and in many instances French, ruled through local patrons and were as dependent on their durability as these strong-men were dependent on the colonial state’ (1994: 261). The problems that the colonisers faced, that of strong local chiefs, did not disappear on the various eves of independence, but remerged in post-colonial environments. Thus, postcolonial regime consolidation and ruling-class formation were constrained by the same contradictions that compromised the colonial project (Boone 1994: 119). At the same time, since a great majority of the political notables already stood on the scaffolding of local and regional power bases, it was not in their interest to uproot the existing practices. The lack of a strong state made this maintenance of the *status quo* even more desirable but unstable on the long run.

5.5 Summing up

The relationship between civil wars and natural resources is complex and can not be easily entangled. The above discussion showed that looking solely at the motivation of the rebel soldiers tells us only part of the story. Other factors have to be also taken under consideration and should be given similar attention. A good study of the links between civil wars and natural resources has to look both at a global and local level in order to fully grasp its dynamics. Arguably, the transmission mechanism between the two is a global ‘shadow’ economy and the nature of the extractive industry, which have been pointed out as important elements in the civil war matrix, but have not been fully explored. The analysis of those two elements coupled with the already existing detailed analysis of the state and regime structures of resources-rich countries should further our understanding of the linkages between civil wars and natural resources.

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