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Energy Security in the Gulf of Guinea and the Challenges of the Great Powers

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ABSTRACT The Gulf of Guinea is a sub-region of Africa with a growing strategic importance due to global resource needs. Since the last decade of the 19th century, international attention has been drawn to this research-rich area of the continent, primarily due to the intensified global competition for increasingly scarce energy resources. This paper looks at the rivalry among the great powers (US, EU and China) for energy resources in the gulf occasioned by the escalating instability in the international oil and gas supplier nations. It concludes that the policies of the competing powers in the sub-region are meant to further the corporate national interests of the countries concerned. And because of their reliance on the supplies from this area, any drop in the supply of energy resources to these countries will be disruptive to their national economies.

INTRODUCTION

The Gulf of Guinea, with a population of over 300 million people (Mane 2005: 3) is an African sub-region whose strategic importance is growing due to global dynamics. It encompasses a large number of countries from West and Central Africa and these countries enjoy a wide geographical, geological and cultural diversity. They range from English-speaking countries to French, Portuguese, and Spanish-speaking ones. Due to the great power rivalry occasioned first, by the imperial powers and later by the Cold War Protagonist (the US and the USSR), the sub-region's political and economic marginalization grew in international politics before the turn of the millennium. However, foreign investment is returning, almost all of it, related to the development of petroleum resources offshore the area.

Since independence, many nations in the Gulf of Guinea have been plagued by corruption, mismanagement, political instability, civil wars, militant activities and successive military coups. Also, these countries have failed to develop their economies despite abundant natural resources, principally as a result of undemocratic and totalitarian regimes. Nonetheless, the strategic importance of the sub-region is particularly due to the intensified global competition for increasingly scarce natural resources. As demands grow in both developed and emerging economies, escalating instability in the international oil and gas supplier nations (for example, the Middle East, Venezuela and Russia) is causing consumer nations to search for new, more reliable sources of energy. This search is creating new potential for cooperation or conflict in many parts of the world

The thrust of this paper is on the rivalry between the United States, the European Union, and China for energy security in the Gulf of Guinea. It is also an attempt to gauge the impact of this competition on the security challenges in the sub-region, particularly since the turn of the millennium. Nonetheless, the paper is mindful of the internal contradictions accentuated by ineffective leadership that has created weak institutions in the area. The paper opens the discourse with an introduction, followed by a historical overview of security imperatives in the sub-region. A theoretical framework is employed for proper understanding of the theme, and this leads to an analysis of the subject matter. The concluding note centers on the importance of the sub-region in global energy matrix.

The Gulf of Guinea and Global Energy Security

The Gulf of Guinea as defined in this paper is a large area of the African continent encompassing 23 countries that has been a play ground for various interests throughout history. Despite the abundance of natural resources, the sub-region, like much of the rest of Africa, remains poor and politically unstable. More than four decades after gaining independence, nations in this part of Africa are not yet masters of their own destinies. Resources mismanagement at the highest level is a major cause of regional insecurity. The state of conflict in the area maintains suspicion and creates fearful attitude within the states. This unfortunate situation serves to disadvantage the potential for sub-regional development. Also, internal problems such as ethnic cleavages, social inequality and lack of patriotic political culture are some of the root causes of violence and conflicts that characterize the Gulf of Guinea.

Over the past two decades, amidst a deepening crisis in the Middle East, and tightening petroleum markets, there has been a need for energy security in the major economics of the world. Energy security defined here as the uninterrupted supply of crude oil in sufficient quantities and at reasonable prices, has three main aspects. The first involves limiting vulnerability to disruption of supply from the Middle East, which is the main source of world supply. The second has to do with the provision of adequate supply for rising demand, that is, with the smooth functioning of the international energy system. The third deals with the environmental challenges of oil production and consumption in many parts of the world.

As important sources of energy supplies, the Gulf of Guinea stands to benefit or loose. Expanding economics disparities increase the potential for conflict and instability. Thus, as the gap grows between "haves" and "have not" both within and between nations, have-nots are increasingly channeling their frustration into violence, corruption and crime. In the sub-region, kidnappings, piracy and attacks on personnel and facilities have suggested an increased recourse to violence to raise awareness of and to attempt to address economic disparities. At the same time, global dynamics and international interconnectedness among energy markets, social trends and political philosophies have given such actions great impact. The price fluctuations rippling through global energy market after each significant pipeline attack, kidnapping or act of piracy in the Gulf of Guinea have highlighted these tightening connections between global energy security and local conflicts.

Since the end of 2005, on-and-off-shore oil fields of the Niger Delta, the major source of Nigerian oil and gas, have essentially become ungovernable. Political instability and violent conflict have deepened to the point that some oil and oil service companies working there, including Chevron, Royal Dutch Shell, Exxon-Mobil, and Julius Berger, felt that their social licence to operate was rapidly ending. In 2003 and 2004, armed insurgencies and attacks on oil installations cut Nigeria's national oil output by 40 percent (Mane 2005). More so, the emergence of a shadowy group of insurgents in the Western Delta in the late 2005, the Movement for the Emancipation of the Niger Delta (MEND), marked a major escalation of insurgent activities.

The foregoing underscores the grim security situation in the sub-region and the risk that instability may spread to the land or maritime territories of Nigeria's neighbours across the area. Late 2008 saw some of the bloodiest fighting between the Nigerian government forces and the militants in the creeks of the Niger Delta. This was accompanied by a number of attacks in Cameroon and Equatorial Guinea by groups probably linked to the militants (International Crisis Group 2009). Piracy incidents throughout 2008; exacerbated by the lack of security in the sub-region, made the Gulf of Guinea water second only to the Gulf of Aden in terms of danger.

Theoretical Perspectives

The explanatory variables in this paper are drawn from the theory of structural imperialism. The fundamental postulations of this theory center around two of the most glaring facts about global political economy: The profound inequality, within and between nations, in almost all aspects of human living conditions, including the power to decide over those living conditions; and the resistance of this inequality to change (Galtung 1971).

In the present context, imperialism is a dominance relation between nations. It is a sophisticated type of dominance relations that transcends national boundaries, linking the center in the center nation to the center of the periphery nation, for the joint benefit of both. Simply put, imperialism is a system that splits up nations and relates some to the parts to each other in relations of harmony of interest, and other parts in relations of disharmony of interest, or conflict of interest (Galtung 1971). Going by economic polarization of the world, imperialism means the way in which the center nations (North) have power over the periphery nations (South), so as to bring about a condition of disharmony of interest between them.

At the risk of Marxist – Leninist theory reductionism, imperialism is an economic relationship under private capitalism, motivated by the need for expanding markets. In this view, imperialism and dominance will fall like dominoes when the capitalist conditions for economic imperialism no longer exist. Frank (1975) argues that capitalism which though changes circumstantially, takes some colonial and imperial forms, and in understanding capitalism and colonialism/imperialism, there must be the pre-sence colonialism and/or imperialism established relations that enthrone colonial expansion by the metropole on countries and impoverished the satellites countries. Thus, the whole theory of dependency, capitalism and colonialism, captures a holistic picture of this relationship.

In contemporary international economic relations, capitalism is driven by neo-liberal ethos. Neo-liberalism seeks to update liberalism by accepting the neo-realist presumption that states are the key actors in international relations, but still maintains that Non-state Actors (NSAs) and Intergovernmental Governmental Organisations (IGOs) matter. Also, neo-liberal theorists believe that the chance of enhanced cooperation and conflict avoidance in the international state system are far greater than what neorealist usually claim. Therefore interest in rivalry stems from the observation that most international conflicts occur within a limited set of dyads named "interstate rivals". Institutions and regimes are said to constrain the states in their individual behaviour and therefore it is considered possible to better predict each other's action. Through this "bounded rationality" and its rules of thumb, it is rational to cooperate in order to improve interstate security. The collective result is believed to be much more desirable than when all states are preoccupied in protecting themselves against one another.

Keohane (1984) assumes a definition of the cooperation concept as a process of policy coordination. Cooperation occurs when actors negotiate and adjust their behaviour to the actual or anticipated preferences of others. It is a mutual adjustment and not as in the case of harmony where there is no specter of conflict. Hence, cooperation does not imply an absence of conflict.

To buttress the foregoing, Gilpin (1981) has developed a concept of hegemonic stability sui generis. It is realistic insight that "world politics is still characterized by the struggle of political entities for power, prestige, and wealth in a condition of global anarchy" (Gilpin 1981: 330). Gilpin's attention is focused on the dominant state in the system, the hegemon whose ability to enforce stability and leadership is based on its military and economic dominance. It can set the rules for economic transactions and secure its investment abroad. But the other powers also benefit from the maintenance of the status quo. The stability of the system is threatened when the hegemon loses its dominant position.

The nations of the Gulf of Guinea are and will remain critical to global energy security since they are contributors to the diversity of global oil supply. The major economies of the world intend to shift part of their energy security from the Persian Gulf to the sub-region. Behind this shift in strategic geography is a new emphasis on the protection of supplies of vital resources, especially oil and natural gas. "Whereas Cold War era divisions were created and alliances formed along ideological lines, economic competition now drives international relations… and competition over access to these vital economic assets has intensified accordingly (Klare 2004: 45). According to the traditional alliance literature (Waltz 1975; Morgenthau 1985), alliances are formed to balance power in an international system. The alliance goal is to balance against another power or coalition of powers in order to maintain security and stability. Consequently, the struggle to maintain market access in the Gulf of Guinea not only pits the US against the European powers but also with rising Asian powers like China, Japan and India. To Klare (2004: 17), there is a need for "multilateral initiative specifically aimed at reducing the risk of violent conflict over the use of shared or contested sources of vital materials". There is little doubt that the interest in oil and gas resources in the Gulf of Guinea has spurned a rivalry between international actors in the sub-region, notably the American and Chinese governments (Klare et al. 2006).

RIVALRY OVER ENERGY RESOURCES

The Gulf of Guinea with its great oil and gas potentials represents a growing supplier subregion. This part of the Africa continent belongs to those areas where production will rapidly increase in the coming years and decades. The trade relations between the Gulf of Guinea and the main energy consuming regions of the world (EU, US and emerging Asian economies) were marginal until the recent dispensation. While trade volumes in absolute figures have increased over time, the share of the Gulf of Guinea as an export market for these regions has remained at an insignificant level. For example, while trade relations remain insignificant for the European countries if viewed from aggregate statistics, the picture changes slightly, if we look at the main export commodity from this African sub-region. For example the European Union, being a net importer of energy receives 7.1 percent of its oil from the Gulf of Guinea (Neumann 2005).

Furthermore, the statistics of the oil trade movements from the Gulf of Guinea to the developed and emerging economies of the world reveal that strong historical ties no longer matter. Despite having five former colonial powers (Belgium, Great Britain, France, Portugal, Spain), Europe is no longer the preferred market. Most of the oil is shipped to North America, with Asia lurking closely behind (see Table 1).

China's deepening integration into the global economy and emergence as an economic power has seen her influence expand in the Gulf of Guinea, reshaping political and economic relations and heightening concern in the West. The feeling in the West is that one of the greatest challenges facing it in the 21st century is "managing" the inevitable rise of China. Though opinions differ greatly in the US, for example, about China's true motives, the realists proposed that as China becomes more powerful, she will try to reshape the international system to better serve her national interests,… (Ikenberry 2008). Conversely, others believe China's rise as inevitable and the US should come to terms with the reality that China has become an important actor in international politics. How US engages China in this effort (and how China responds) will be critical to the Gulf of Guinea's future. Nonetheless, America's primary interests in the sub-region are largely framed in terms that are similar to China's namely access to the Gulf of Guinea's market and resources.

Furthermore, China's political alignment with the G77 group of developing countries at the 2003 World Health Organization (WHO) which effectively stymied US and European Union proposal demonstrated that China's interests do not always neatly align with Western ones. Much of the anxiety in Washington was initially prompted by China's opposition to sanction Sudanese government, which the international community accused of perpetuating atrocities in Danfur. Traditionally, China has maintained a non-interventionist policy in sovereign countries. Chinese Deputy Foreign minister Zhon Wenzhoung stated on the issue of Sudan; 'Business is business. We try to separate politics from business' (Roughean 2007: 11).

According to US Department of Energy's International Energy Outlook for 2005, world oil consumption will increase from that year's value of 78.2 million barrels per day (mbd) to 119 mbd by 2025 (Klare et al. 2005). By 2025, China is expected to double her oil consumption while that of the US will increase by almost 4 per cent (Deutch 2005). Africa's contribution to the international energy supply (mostly from the Gulf of Guinea) is a vital interest to the US and China, though both countries differ on their approaches to securing this resource.

As China's economy has exploded with about 8 per cent increase per year, her thirst for energy has influenced her foreign policy to meet these new requirements. In 1998, Beijing nationalized most state-owned fuel operations under the direction of the State Energy Administration. There are three main firms in China: the China National Petroleum Corporation (NPC) and the China Petrochemical Corporation (Simopee) specialize mostly in over-land extraction, while the China National Offshore Oil Corporation

Table 1: Trade movements (oil) from West Africa to the most Important Consumer-Regions (2002)

Ranking	*Consumer-Region*	*From West Africa (in 1,000 b/d)*	*Rest of World (in 1,000 b/d)*	*%*
1	North America*	1,137	9,169	13.4
2	Asia/Pacific**	767	7,854	9.7
3	Europe	708	11,186	6.3
4	S. and Cent. America	199	913	21.7
5	China	191	1,851	10.3

(NOOC) operates off-shore exploration and extraction (Taylor 2006). These nationalized companies are able to acquire fortunes on a long-term basis. With generous aid packages supplied by the Chinese central government, some contend, "China has adopted an aid-for-oil strategy that has resulted in increasing supplies of oil from the Gulf of Guinea in order to secure her energy needs" (Dan 2006: 15).

Until the crisis in the Niger Delta, Nigeria was Africa's leading oil exporter, producing approximately 2.5mbd of which the US purchased almost 1.1mbd (Mane 2005). In January 2006, Nigeria extended licenses to China for a commitment to invest $4.4 billion in refining and power generation, giving Chinese companies a 45 percent stake in new oil fields (Rougheen 2007). Angola exports about 2mbd with 25 percent going to the US and 25 percent to China. To garner favour with the Angolan government, China provided $2 billion in loans and aid, including the construction of new rail roads, schools, roads, hospitals; bridges, and a fiber-optic network (Pan 2006). China is following the same business model with other African countries which the US has little or no oil imports. By courting Equatorial Guinea, Gabon, the Republic of Congo, and Sudan, China has acquired diplomatic and economic influence that the US and her Western allies do not enjoy. Thus, future energy requirements by the 'great powers' will necessitate increased competition with one another for access to oil from the Gulf of Guinea.

CONCLUSION

The Gulf of Guinea is an important oil strategic area in the world, particularly to the advanced and advancing economies. The US, China and Western policies toward the sub-region is meant to further the corporate national interests of the countries concerned. The Gulf of Guinea currently provides about 25 percent of global energy needs and this is expected to increase in the nearest future. Thus, protecting this strategic interest is an imperative to all the stakeholders in the sub-region. And because the sub-region is one of the richest in terms of resources compared to other sub-regions where there are large deposits of hydro-carbon, any drop in the supply of energy resources from the above mentioned economies will be disruptive and the net effects of this are high social insecurity problems.

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