

PROJECT SUMMARY ñ Doctoral Dissertation Research
Washing Ashore: Offshore Oil Production and Corporate-Sponsored Development in Angola

A complex and contradictory new form of development has emerged in oil-producing regions of Angola. Corporate-sponsored development initiatives are in some ways corporate attempts to achieve legitimacy in their extractive relations with a corrupt state and to decrease long-term production costs, but they are also influenced by transnational, national and local forces. The purpose of this proposed study is to examine the structure and character of these new corporate-sponsored development initiatives in Angola by investigating the structure of petro-capitalism, how transnational NGOs, state actors and communities at the site of extraction influence these policies and in what ways pollution shapes associated patterns of community-corporate relations. The proposed research will engage with the literature on resource extraction, particularly focusing on the facets of extractive economies and 'petro-capitalism', corporate social responsibility, and natural resource access and control. Employing both statistical and qualitative data, through an extensive study of corporate-development projects in oil-producing provinces and complementary ethnographies of oil pollution and corporate development in sites with disparate histories of violence, it considers the dynamics of petro-capitalism at multiple scales.

The *intellectual merit* of this research lies in its effort to both broaden and deepen the literature on natural resource politics, particularly on oil, by exploring the new dynamics of corporate-sponsored development and the community-corporate relations unique to offshore oil production. Furthermore, the *broader impacts* of delving into the local politics of oil production in an understudied area open avenues for participation of underrepresented groups. Few studies have been conducted outside of the capital of Luanda, fewer still within Cabinda and Zaire provinces. Moreover, drawing attention to the disparate distribution of compensation for environmental damages across provinces and within communities will highlight both political and gendered struggles. This study will demonstrate the complex social relations embodied within the new corporate face of development and its broader imprint on resource politics at multiple scales.

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Angola is sub-Saharan Africa's second largest oil producer,¹ yet a majority of its population lives in poverty. The average life expectancy at birth is 40.2 years, and a third of Angolan children will not live to celebrate their fifth birthday (CRS 2003, UNDP 2003). These intense contradictions between resource wealth and an impoverished population are apparently typical of the so-called 'resource curse'², but the way in which the oil industry is responding to these conditions is anything but typical. Transnational oil corporations have now begun to implement a range of development projects in Angola, from building schools and clinics with local NGOs to \$50 million agriculture and education projects in partnership with USAID and UNDP.³ These extractive businesses represent the epitome of global capitalism in their vertically-integrated arrangement of operations spread across national borders. They are better known for their interest in maximizing profits and returns to shareholders than for altruism or respect for local stakeholders (Korten 1995; Kuttner 2000). What explains this apparent shift in their practices? In my research, I argue that corporations are responding to particular transnational, national and local-level pressures in the context of their development agendas. This research investigates the emergence, characteristics, and implications of a new development pattern emerging in Angola: corporate-sponsored development. My study poses three questions: **1) What is the structure of petro-capitalism in Angola? 2) What shapes corporate-sponsored development in oil-extracting regions? 3) How do extractive activities and related pollution affect patterns of community - corporate relations?**

Historically, Angola's oil wealth has provided few benefits to the populace due to elevated military budgets during the country's 27-year civil war⁴ and mismanagement of revenues associated with corruption and opaque accounting (GW 2002). Even with the end of the war in 2002, recent increases in oil prices⁵ and progress toward transparency of the government's oil accounts, the Angolan people are wondering why oil revenues have not improved their impoverished standard of living (IRIN 2004b and Bessa 2004). The answer is debt. Much of Angola's \$9.9 billion in debt was financed through oil-backed loans ñ effectively mortgaging most of Angola's present oil production at high rates (EIA 2004; HRW 2004). Angola plans to increase oil production exponentially in the next four years ñ reaching an estimated two billion barrels per day by 2008 (EIA 2004). Yet the government recently negotiated a fresh \$2 billion oil-backed loan with China to finance the country's reliance on imported goods and services (IRIN 2004a). The intractable oil-backed debt and resulting insolvency of the Angolan government has presented an opportunity for corporations to try on their development hats. Corporations have positioned themselves as leaders of 'Sustainable Development' at the 2002 World Summit in Johannesburg, embraced 'Corporate Citizenship' as essential to African development at the 2002 African Economic Summit, and promoted 'Partnering for Security and Prosperity' at the 2004 World Economic Forum.⁶ However, corporations claim to be attempting to turn rhetoric into reality as a means to confront the dire disparities in Angola. Not only does the nature of the Angolan context as a virtual

¹ Nigeria leads sub-Saharan African oil production at 2.14 million barrels per day, with between 25 and 32.5 billion barrels in proven oil reserves (DOE 2004). Angola's proven reserves are estimated at 5.4 billion.

² See Sachs and Warner 1995 and Ross 1999.

³ ChevronTexaco has negotiated a \$50 million, five-year partnership with the U.S. Agency for International Development (USAID) and U.N. Development Program (UNDP) in education, vocational training and small-scale agricultural development in Angola.

⁴ The civil war began following independence from Portugal in 1975 and continued, driven by cold war support and resource revenues, until Jonas Savimbi, the leader of UNITA was killed in 2002. The war was mainly fought by the ruling party, MPLA (Movimento Popular de Libertação de Angola), and UNITA (União Nacional para a Independência Total de Angola). While these factions were funded during the cold war by the USSR and US, respectively, the MPLA's formal transition to liberal democracy in 1991-2 forced the factions to turn to resources to fund their operations. The MPLA relied on oil and UNITA on diamonds to finance their continued efforts.

⁵ Human Rights Watch estimates that for every \$1 increase in the price of a barrel of oil, the government receives between \$150 and \$250 million in excess revenues (IRIN 2004).

⁶ This trend has been bolstered by international financial institutions (IFIs) encouragement of neo-liberal policies, which gear the development agenda toward privatization and liberalization ñ effectively constricting government's role in development to providing a good environment for foreign direct investment (Stiglitz 2003; Korten 1995.)

blank-slate create a potentially rewarding environment for corporate-sponsored development, it also provides a unique opportunity for examining these initiatives often operating in the absence of alternative strategies.

Corporations are not operating in a vacuum and I will examine several types of pressures pushing corporations to invest in development in Angola: international NGOs, the state itself, and activity (including violence and organizing) at the local/regional level. Macro-level studies undertaken by international NGOs have shown that oil corporations working in Angola have impeded development by enabling government opacity, corruption, conflict, dependence on foreign investment and a narrow economic base (Dietrich 2000; Global Witness 2002). Second, despite claims by the Angolan Ambassador to the U.S. that government expenditures on social spending would increase to 33% of GDP from a war-time low of 5%, the Angolan state's indebtedness continues to divert oil revenues from development aims to debt payments (Leopold 2004, HRW 2004). Third, the contradictions are most blatant at the local level, closest to where extraction is taking place: the same corporations threatening human health by way of oil spills or gas leaks as extractors claim to be benefactors through development initiatives. However, many community members feel these initiatives are not sufficient to meet their needs. My recent research shows local people have recognized these inconsistencies and learned to voice their claims to the corporation in new ways. This study will draw on these insights to demonstrate the complex social relations embodied within the new corporate face of development and its broader imprint on resource politics at multiple scales.

Broader Impacts

This proposed program of research will have broader impacts in terms of increasing the participation of underrepresented groups in Angola. Deterred by reputations of instability and political impediments in the provinces, few scientists have conducted studies outside of the capital of Luanda, and fewer still have addressed the oil-producing provinces of Cabinda and Zaire. By conducting this research, I hope to enhance future opportunities for study within these regions. Furthermore, the results of this study will draw attention to the disparate distribution of compensation for environmental damages across provinces and within communities, thus highlighting underrepresented actors in both political and gendered struggles. Following this period of fieldwork, I plan to disseminate the findings of this research at conferences and in publications in scholarly journals.

Intellectual Merit

The intellectual merit of this proposed research lies in its relevance to contemporary development trends. It will both broaden and deepen the literature on natural resource politics, specifically theories related to petro-capitalism, by recognizing the particularities of offshore modes of production and delving into the unique dynamics between state, corporate and community actors in the contradictory context of corporate pollution and development. Finally, this proposed study will provide the first detailed analysis of the factors shaping corporate-sponsored development in areas of resource extraction, thus advancing understanding of the strategies by which transnational, national and local actors can participate in this new trend toward corporate-led development.

Literature Review

Sites of resource extraction function as critical theatres in which articulations of power are performed and negotiated between state actors, transnational corporations, and local people. This project relies on a political ecology framework to explore multidimensional struggles over access and control of natural resources (Peluso 1992; Peet and Watts 1996; Peluso and Watts 2001); in this case, over the benefits (development) and costs (pollution) associated with oil production. I will locate my analysis within the literature on resource extraction, particularly focusing on the facets of extractive economies and petro-capitalism, corporate social responsibility, and natural resource access and control.

1. Extractive Economies and Petro-Capitalism

Structural analyses of resource extraction founded in political economy draw on the influences of dependency theory (Cardoso and Faletto 1979; Frank 1966). They recognize that opportunities and constraints on resource access and control are determined by the relations of production within an extractive industry, wherein natural resource rich peripheries are progressively underdeveloped by capital rich cores (Hecht and

Cockburn 1990; Bunker 1985). These 'nature-exporting societies' become locked into patterns of development which reinforce internal specialization in the exported commodity and external dependence on foreign exchange (Coronil 1997). Furthermore, 'narrowly extractive' or enclave sectors, such as mineral and oil extraction, are characterized by unidirectional resource flows, which provide benefits only to 'gate-keeping elites' (Cooper 2001). Thus, echoing colonial patterns of resource exploitation, as the process of capital accumulation accelerates, the opportunities diminish for marginalized people (Arrighi 1970).

Ross (1999) notes that prescient structural theorists warned against development centered on resource exports for three reasons: 1) ever worsening terms of trade tend to exacerbate inequality between rich industrialized countries and poor primary commodity exporters (Prebisch 1950; Singer 1950); 2) international commodities markets are marked by drastic price fluctuations (Nurske 1958; Levin 1960); 3) the dominance of foreign multinationals in resource extraction impedes growth in the rest of the economy because these companies repatriate their profits rather than making local investments (Hirschman 1956; Baldwin 1966). In addition, the discovery or sharp price increase in exportable resources such as oil or gas results in an economic distortion called Dutch Disease, which drives up the cost of living, encourages imports over local industrialization and undermines the agricultural sector (Parvin and Dezhbakhsh 1988). These distortions can be profoundly damaging in undiversified or dependent economies and are difficult to overturn without severe policy adjustments.

Scholars use the term 'petro-capitalism' to describe the paradoxical coupling of vast resource wealth and desperate poverty in oil-dependent economies (Hodges 2002). Once a country embarks on the path to oil production, the seemingly inevitable process of 'petrolization' fosters state-centered, personalized and exclusionary patterns of power that weaken state institutions, impede democracy and limit economic diversification within extractive states (Karl 1997; Ross 2001). The corruption attending oil wealth is attributed, in part, to the slippery material characteristics of oil as a natural resource and a commodity that can grease many palms (Watts 1994; 1997). Even when state policies attempted diversify the economy by 'sowing the oil' in Venezuela (Coronil 1997) and investing oil wealth back into the ailing agricultural sector, they merely transformed independent landlords into a type of rentier class dependent on oil subsidies (Karl 1997).

With over eighty percent of government revenues accruing from crude oil production, the Angolan state and its component actors are extremely petrolized: the political elite thrives on resource rents illegally diverted from public accounts or privately accumulated through associated business negotiations and demonstrates little will for adopting policies to diversify the economy or invest in social services (Global Witness 2002; Hodges 2002). The fantastic rents, signing bonuses and royalties from offshore oil have often bypassed the national bank entirely, flowing to offshore accounts: over four billion dollars in oil revenues disappeared from state coffers between 1998 and 2002 (Pearce 2002). What funds remained were also channeled into benefits for the elite: rather than use its budget to create educational opportunities or municipal utilities for all Angolans, the state allocated 35% of its education budget to overseas scholarships for young elites and \$400 million for subsidies on electricity, water, transportation and housing to its *nomenklatura* (Le Billon 2001a: 65).

Corporate-sponsored development in Angola takes the form of projects mandated by the state through production contracts negotiated between the Angolan state and the particular corporation operating in fixed production blocks. These confidential agreements outline the power relations between the state and corporation at multiple levels by stipulating 'the conditions under which capital has access to the land [or offshore areas] for the purposes of production and accumulation' (Fine 1984 as quoted in Watts 2001). These conditions include, but are not limited to: schedules for payments and royalties accrued to the state, stipulations on sourcing of Angolan goods and employees, and state-ordered development initiatives. Furthermore, the contract often states what type of development projects to undertake, where the corporation should implement these projects, and the required value of the investment.

I propose to examine the structure of petro-capitalism, linking patterns of oil production with corporate investment in the oil-extracting provinces of Angola. I posit that forms of investment are directly related to the specific nature of petro-capitalism, thus taking into consideration the technological and spatial differences between onshore and offshore modes of production, the character of transnational oil companies engaging in production and histories of violence or resistance within communities living in or near the site of

extraction. As such, I will map out the investments undertaken by four different corporations, across four production zones from onshore to ultra-deepwater offshore, within two provinces with disparate histories of violence. Within this context, I examine the ways in which international NGOs, the state and local communities have shaped corporate-sponsored development.

2. Corporate Social Responsibility

Transnational corporations are increasingly embracing Corporate Social Responsibility (CSR), not only as a welfare transfer, but also as a business strategy for increasing long-term profitability proportional to the investment. CSR projects also help meet or deflect the demands of watchdog groups and pressures imposed by the people in areas that they are working. This is particularly the case where humanitarian needs have been left unfulfilled in the wake of neoliberal reforms and budget cuts (Van Marrewijk and Were 2003; Husted 2003; Deri 2003; Hopkins 1997). But what does Corporate Social Responsibility mean and does it actually achieve what it claims to? A review of CSR and the oil industry in Angola defined the term as the commitment of business to contribute to sustainable economic development working with employees, their families, the local community and society at large to improve quality of life in ways that are both good for business and development (Ettenborough and Shyne 2003). Much like the term 'Sustainable Development' encompasses economic development, social development and environmental protection (UN 2002), Corporate Social Responsibility is comprised of overlapping economic, social and environmental responsibilities. Thus, providing education and skills training to Angolans is economically⁷ and socially responsible, while ceasing natural gas flaring at the wellhead is environmentally and socially responsible. Moreover, both activities may be eligible for tax write-offs in Angola.

Transnational oil corporations use CSR as a means to counter critique of their operations in underdeveloped or politically sensitive areas. Extractive industries accounted for more than fifty percent of Africa's exports and sixty-five percent of all foreign direct investment in the 1990s (CRS 2003: 5). During the recent Extractive Industries Review, non-governmental organizations launched protests against World Bank support of extractive industries claiming that they can do more harm than good by entrenching a destructive and predatory elite (Beattie 2004). Transparency coalitions such as Publish What You Pay actively encourage corporations to report their payments of taxes and royalties to governments with opaque accounting practices, like Angola, in hopes that transparency will encourage development. However, BP's good intentions of publishing its payments to the Angolan government were met with severe reprisal: the corporation nearly lost its production contract for violating the confidentiality clause. Thus caught between the Scylla of publishing their payments and Charybdis of international critique, I contend that transnational oil corporations may sponsor development projects as a means to earn legitimacy by dissociating their contributions to development with a notoriously corrupt government.⁸

Corporate-sponsored development may also encompass projects proposed by the corporation and approved by the state. These initiatives are separate from those mandated by the state in the production contract. They may be devised within the corporation or solicited by local people, yet preliminary research indicates the former appears to be more common than the latter. Corporations may propose these projects for three purposes, which may overlap: to create a positive transnational image, to decrease their national operating costs, and to improve relations with local people. Here, I propose to investigate how corporations in two different provinces of Angola are attempting to balance competing pressures from multiple scales through specific development initiatives. The two provinces, Cabinda and Zaire, have locale-specific histories of violence, pollution effects, and patterns of CSR initiatives, which will provide fruitful grounds for comparing the importance of local conditions on corporate policy and development activity.

3. Natural Resource Access and Control

State natural resource policies frequently marginalize local natural resource users politically, economically, and ecologically (Blaikie 1985; Blaikie and Brookfield 1997). Oil production in areas as diverse as Indonesia, Colombia, Ecuador and Nigeria has engendered both ecological and social ruptures as

⁷ My recent research shows that expatriate workers can cost up to eight times as much to employ as Angolans in the same position.

⁸ Transparency International ranked Angola as one of the ten most corrupt countries in the world (TI 2003).

ecosystems are degraded by pollution and social systems debased by corruption and violence as individuals and villages compete for a share of the revenues (Sangkoyo 2003; Dunning and Wirpsa 2001; Sawyer 1996; Okonta and Douglas 2001; Watts 1997 and 2001). In Angola, state officials and oil corporations in the capital of Luanda negotiate production contracts and cede concessions without considering the impacts on resource users.⁹ Without recognition of multiple systems of resource management within the formulation phase, natural resource policies can do little but remain exclusionary (Ribot 1995).

Given that 97% of Angola's oil is produced offshore, the associated production contracts ought to consider customary systems governing fisheries access and control. My initial research concurs with studies indicating that artisanal fishing communities have complex tenure, regulatory and arbitration systems for controlling access to and use of offshore fisheries (Durrenberger and Palsson 1987; Olomola 1998). However, offshore oil production poses a unique problem for fisheries-dependent communities: oil spills, pipeline leaks and processed water disposal are often dispersed by wave action and tides or absorbed by organisms before they can visually detect harm or claim compensation for damages.

Compensation is a key form in which corporations shape development in extractive regions. While development projects are task-based, may be instituted at any time and are granted to whole villages, compensation is a monetary payment given at a specific time to a particular individual with a grievance against the corporation, usually related to pollution or constrictions on natural resource access. In Angola, ChevronTexaco, producing offshore of Cabinda province granted compensation to fishermen whose nets became oily at the time of the 1999 spill, while TotalFinaElf, producing onshore in Zaire province has given compensation to farmers whose manioc plants and cashew trees were pulled to clear space for oil wells.

Compensation payments are based largely on oral testimonies and environmental evidence ñ thereby opening a political space¹⁰ for local people to demand development initiatives in the rights-based language of accountability rather than appealing to more nebulous corporate notions of charity or responsibility. My recent research shows that local people are framing their development demands in the context of narratives on pollution causing injury to human health, environmental harm and damages to their livelihoods. An elderly man argued that corporations should pave roads and provide public transportation so that the next time there is a gas leak, people can get to the hospital. Another interviewee claimed that corporations should give local farmers new seeds and fertilizers from South Africa because oil production five miles offshore has polluted onshore fields.¹¹ Local people have developed these narratives because they are an effective means to secure development without criticizing the government. In this study, I will explore the interactions between development initiatives, compensation, and local practices around natural resources.

Research Design and Methodology

As argued above, a set of transnational, national and local pressures have converged to influence corporate actions in Angola to depart from conventional extractive aims and to directly engage in development projects. A transnational transparency movement spawned by international non-governmental organizations (NGOs) working in Angola has criticized oil corporations for their support of a government more interested in investing in personal gains than national development. As such, oil corporations have dissociated their extractive activities from the underdevelopment of the country by engaging in development initiatives under the rubric of CSR , distinguishing corporate-sponsored projects from development schemes undertaken by the Angolan state. However, state interests are not absent from all corporate-sponsored development initiatives. I claim that the specific projects mandated in the context of the production agreement provide an avenue by which the state can interpolate its desires despite corporate implementation. Local communities also play a

⁹ A senior official in Sonangol, the national oil company and concessionaire for Angolan oil blocks, said during a recent interview ñ We were thinking about oil. We didn't think about fishermen.ñ The Environment Basis Law and Conventions were published by the Ministry of Fisheries and Environment in 1999, but the actual regulations (developed in consultation with oil companies) have not yet been released.

¹⁰ Political space is an analytical term comprising the social practices and strategies through which the poor can change their condition (Blom 2002; Engberg-Pedersen and Webster 2002).

¹¹ Clearly I agree that local people deserve proper infrastructure and tools for agricultural development ñ whether or not corporations have harmed them or their environment. However, what I am questioning is why local people would frame their needs in these terms.

role in shaping corporate initiatives through their histories of resistance, protest and cooperation. Lastly, I posit that community activism and approval can not only shape the patterns of development within oil-extracting regions, but that specific forms of corporate intervention, such as compensation, can significantly restructure the terrain on which communities make claims on the corporation.

Study Sites

This study will focus on the two main oil-producing provinces in Angola: Zaire and Cabinda. Despite their geographical proximity, their historical trajectories of violence and resistance differ markedly. Prior to the Berlin Conference of 1884, Portugal induced local leaders to sign treaties establishing Portuguese rule in both Kongo (present-day Zaire province) and Cabinda so as to prove their territorial control to other colonial pretenders. The illiterate nominal leader of the emasculated Kongo kingdom, Dom Pedro V, signed a declaration of submission to Portugal, mistaking it for a note of gratitude for a gold-backed chair (Marcum 1969). Cabindan leaders negotiated the Treaty of Simulambuco accepting the status of Portuguese protectorate in exchange for protection from the neighboring Belgians.

The independence of the Belgian Congo in 1960 and the clashes between Portuguese and the nascent independence movements beginning in 1961 resulted in further dislocations of the northern populations: Bender (1980) estimates that between 1960 and 1970, sixty percent of the population in Zaire province fled into neighboring, newly-independent Zaire. Cabinda's independence movement, MLEC (Movimento de Libertação do Enclave de Cabinda) was born in 1960 and greatly strengthened by discoveries of oil in 1966. MLEC based its argument for an independence separate from that of Angola through the Treaty of Simulambuco under which Cabinda had been governed as distinct from the Angolan colony. During negotiations to grant concessionary rights to Cabinda's subsurface resources to Zaire's president Mobutu, Portugal appeared poised to grant governing power to FLEC¹² (MacQueen 1997). However, the MPLA¹³ occupied Cabinda in 1974 and Portugal upheld the occupation based upon support of the action by the FNLA and UNITA¹⁴ and the lack of disapproval from the Organization of African Unity (*ibid*).

The tentative power sharing agreement between the FNLA, the MPLA and UNITA reached at the Alvor Accords disintegrated before Portugal granted Angola its independence. Violence between the rival factions escalated with US and South African covert support for the FNLA and UNITA and Soviet Union and Cuban support for the MPLA. Despite the collapse of the FNLA in the mid-1970s, the war between UNITA and the MPLA stretched on, first funded by cold-war tensions and then fueled by resource revenues. The heavy involvement of South African forces until the 1988 New York Accords had centered the fighting in the Southern part of Angola, where Savimbi located his UNITA camp at Jamba. However, as South Africa withdrew, US support funneled through Mobutu's Zaire, as high as \$90 million under George Bush in 1990, became more important to UNITA and he relocated his base to the northern province of Uíge (Tvedten 1992). Despite a short peace under the Bicesse Accords and elections in 1992, UNITA occupied most of rural Angola. It effectively severed the flow of one-third of Angola's oil revenues from reaching the MPLA by destroying the Soyo oil base in 1993 and was extracting up to \$1 million in diamonds daily from the Lunda provinces by 1996 (Brittain 1998). However, the MPLA concentrated on keeping oil revenues flowing from Cabinda by installing Cuban forces to protect the American Gulf Oil facility, and successfully turned the tide of the war to its advantage with arms imported on mortgaged oil revenues. Ultimately, oil gave the MPLA the upper hand in the war as increases in oil revenues and signature bonuses of \$935 million on new ultra-deep water concessions flowed into state coffers in the late 1990s (Hodges 2002).

In 2002, the MPLA killed Jonas Savimbi and laid the civil war to rest. The state then turned its focus to repressing the FLEC secessionist movement in Cabinda by installing 30,000 troops in a province with only 100,000 people. Though the government has recently claimed it has quashed FLEC-FAC, local people still speak of the continuing movement for independence.

1. What is the structure of petro-capitalism in Angola?

¹² MLEC renamed itself FLEC (Frente de Libertação do Enclave de Cabinda).

¹³ The Movimento Popular de Libertação de Angola (MPLA) has ruled the country since independence.

¹⁴ The União Nacional para a Independência Total de Angola (UNITA) was founded by Jonas Savimbi after he split from the FNLA in 1963/4.

Angola produces most of its oil in concession areas called “blocks”¹⁵ located offshore of the northwestern provinces of Cabinda and Zaire. Each block is operated by a corporate “operator” responsible for production activities within the geographical limits of the concession as well as implementation of development projects associated with the block as negotiated in the context of the production contract. I have chosen to examine six major blocks controlled by four operator corporations in the two main oil-producing provinces of Angola.

	Operator			
	<i>Onshore</i>	<i>Shallow Offshore</i>	<i>Deepwater Offshore</i>	<i>Ultra-deep Offshore</i>
<i>Zaire</i>	Congo Basin Total (TotalFinaElf)	Block 2 ChevronTexaco	Block 15 Esso (ExxonMobil)	Block 31 BP-Amoco
<i>Cabinda</i>	None ¹⁶	Block 0 ChevronTexaco	Block 14 ChevronTexaco	None ¹⁷

Structure of Production - I have gathered historical statistics on prospecting, exploration and production by block between 1918 and 1990 from the American Association of Petroleum Geographers Journal. I will gather these statistics from 1991 to the present from Energy Information Agency Country Reports distributed through the Department of Energy and from articles I have collected from *Revista Energia*, the Angolan Energy Review. I am confident that I will be able to fill any gaps in data through interviews with state or corporate officials. From this, I will develop a timeline of production statistics for each block, with particular attention to which oil fields were producing in a given year. This timeline will provide a proxy for corporate capital investments and each block’s contributions to government oil revenues.

Structure of Corporate-Sponsored Development Initiatives - I have accumulated data from ChevronTexaco on the type, value and time of investments made in Cabinda, but I will now collect data on investments made in other provinces and by other corporations. This includes both projects corresponding to production blocks (i.e. state-mandated) and proposed by the corporation. These data can be found in press releases on corporate websites, articles in the *Journal de Angola*, and through interviews with corporate officials eager to share information on their company’s social investments. I plan to assemble a time-sensitive map of corporate-sponsored development projects that can be compared to the production timeline for a picture of the pace, distribution and forms of petro-capitalist development in the two provinces. This analysis of production statistics and corporate-sponsored development initiatives will illustrate the structure of petro-capitalism within these two provinces and provide vital background data for the following two questions.

2. What shapes corporate-sponsored development in oil-extracting regions?

I hypothesize that the specific forms and amounts of corporate-sponsored social development are influenced by three sets of actors: transnational NGOs, national state actors and local NGOs, communities, individuals that engage in resistance or cooperation. To show the respective roles of each of these, I will collect data on the following.

1. Transnational ñ I will interview representatives of NGOs working in the transparency movement (i.e. those who are signatories to the Publish What You Pay campaign) in order to understand the bases of power (e.g. international media attention, collaboration with IFIs, and/or national-level civil society strengthening) which enable NGOs to influence corporate activities. How do they see corporations responding/not to their

¹⁵ Shallow-water block 0 off Cabinda ranks as the highest producer at 550,000 barrels per day, although newly producing fields in deepwater blocks 14 and 17 off the coast of Zaire province are shifting production, and corporate attention, to this area.

¹⁶ At present the operators for onshore Cabinda blocks North (Occidental), Central (Devon Energy), and Southern (Roc Oil) are not engaged in extraction.

¹⁷ No blocks presently available for Ultra-deepwater off Cabinda as these areas fall under joint-development agreements with the Republic of Congo (Brazzaville).

efforts at promoting transparency? What are their reactions to corporate-sponsored development initiatives? Have corporations engaged in dialogue with NGOs in the formulation or implementation of such initiatives? How have various NGOs responded? I will also follow the transparency movement through the articles in the *Journal de Angola* and the independent newspapers, such as *O Angolense*, *O Apostolado*, *A Nação*, and *A Capital*. In addition, I will refer to transparency reports I have collected since the end of the war in 2002 from the Publish What You Pay campaign, the Extractive Industries Review, and the Extractive Industry Trade Initiative, as well as campaign-related exposés by Global Witness, Christian Aid, Catholic Relief Services, Open Society and Human Rights Watch. These data will enable me to map the trends in the transparency movement in order to assess to what extent corporations have adopted their rhetoric and/or policy recommendations in response to the transnational campaign.

2. National ñ I will review documentation on production contracts for each block to determine what development initiatives have been mandated by the state. Given that production contracts are confidential documents, I will have to rely on secondary sources such as corporate press releases and newspaper archives online, especially as reported by the Angolan Press Organization, in order to gain much of this information. I will also interview provincial and national-level officials from the Angolan government and the national oil company Sonangol to learn whether any corporations have failed to implement state-mandated programs within the concession contract. I will also seek information on whether the state has recommended other development initiatives outside of the scope of the production contract and whether corporations adopted those suggestions.¹⁸ Lastly, I will compare the forms of state-mandated initiatives undertaken in Zaire in Cabinda provinces to discern whether state concerns regarding the sticky political situation¹⁹ in Cabinda permeated the corporate-sponsored development agenda. Through patching together these sources, I will be able to show to what extent state interests influence corporate-sponsored development agendas.

3. Local ñ I will record oral histories of violence, resistance, protest and cooperation between corporations and communities in oil-extracting regions. I have conducted focus groups and interviews in communities affected by oil pollution in each province, but I plan to assemble a broader timeline including military campaigns, instances of pollution, protests, strikes, court cases, arbitration and collaborative efforts between oil corporations and communities within each province from 1990 to the present. I will rely on reports from the *Jornal de Angola* and the aforementioned independent papers for background information on each instance, but will deepen these accounts with information gleaned from oral histories of individuals living in the oil-extracting regions. Finally, I will also speak with municipal, provincial and national-level government officials about their perceptions and memories of violence, resistance, protest and cooperation between corporations and communities in these two provinces.

In addition to the aforementioned strategies, I will also interview corporate officials regarding their perceptions of how the three arenas have shaped their development initiatives. Particular attention will be paid to comparing the narratives of the corporate officials with NGO representatives, government officials and local people.

3. How do extractive activities and related pollution affect patterns of community - corporate relations?

The research design for this question founded on a comparative case study approach (Ragin 1987 and 1992) of the conjuncture between corporate-sponsored development and pollution within the oil-producing provinces of Cabinda and Zaire where transnational oil corporations both engage in extraction and development. These case studies will provide the grounds for a relational comparison of the trajectories²⁰ of corporate-sponsored development. I plan to look at one instance of corporate-sponsored development and pollution in communities in each province: a school and a February 2004 onshore gas leak in Totalis

¹⁸ In my previous time in Angola, government officials have been eager to tell me what duties have been left unfulfilled by the oil corporations, so I feel that this information will not be difficult to obtain.

¹⁹ As a resource-rich enclave (see LeBillon 2001), Cabinda has been home to secessionist movement headed by FLEC-FAC (Frente de Libertação do Estado de Cabinda - Forças Armadas de Cabinda) since the 1960s.

²⁰ This study follows Gillian Hartis use of the term trajectories as a means to convey the ongoing processes through which sets of power-laden practices in the multiple, interconnected arenas of everyday life at different spatial scales constantly rework places and identities (2002: 13). This allows for contrast between onshore and offshore production areas and among companies.

operations in Pangala, Zaire province and a fisheries development center and a December 1999 offshore oil spill in F' tila, Cabinda province for which ChevronTexaco was responsible. Though the people along the coasts of these provinces are separated by the Zaire River and a forty-mile strip of the Democratic Republic of Congo²¹, they are similarly dependent upon subsistence agriculture and small-scale fishing in the same waters for their livelihoods.²² However, only ten percent of fishermen received compensation for their losses at the time of the spill in F' tila²³ and though those poisoned by the gas leak in Pangala were provided with medical care at the time of the accident, none got compensation for damages to their health. Thus, I contend that although the scale and type of pollution as well as the corporation responsible for damages differ in these two cases, the trajectories by which corporate-sponsored development and/or compensation are implemented influence community-corporate relations, especially the way in which local people frame their claims to development when presenting them to the corporations.

I have conducted focus groups and semi-structured interviews of men and women affected by pollution incidents in Pangala and F' tila as well as traditional leaders from those areas. The findings from this period indicate that people in these two communities and neighboring communities employ narratives about pollution as a means to make claims to corporate-sponsored development. I will review national and international news articles covering the incident, compensation or specific project giving careful attention to the way in which corporations respond to the incident. I plan to deepen this narrative by interviewing more people from those communities and offering complementary viewpoints from local priests and nuns, NGO workers, municipal and provincial government officials as well as corporate representatives. Within this context, I will seek to analyze which groups are effectively able to garner compensation and why. Lastly, I will interview the appropriate corporate officials on each incident and their response to it as well as their view of the affected communities' claims. Furthermore, I am presently working on obtaining the data for oil spills from 1990 to the present in these six blocks in the two provinces through a Ministry of Fisheries contact. If I am able to obtain this information, it will be very useful in determining how many instances of pollution translate into compensation or transmute into corporate-sponsored development.

3. Preparation and Research Qualification

A National Science Foundation Graduate Research fellowship has supported my continued work on extractive economies and transnational corporate interventions in Africa as I transitioned from previous work on the diamond industry of Botswana to the oil industry in Angola. My research background in extractive economies guided me as I created a comprehensive report on the global structure of the oil industry in Spring 2002 for the UC Berkeley Petrogroup supervised by Dr. Michael Watts and conducted research on the political economy of oil and resistance in five countries in order to publish a set of five fact sheets for the 2003 Oil and Human Rights conference at UC Berkeley.

In the field, I have spent a total of five months out of an eleven-month research plan. The first two-month trip was devoted to a summer fellowship with the Human Rights Center at Berkeley in association with the Angola Instituto de Pesquisa Económica e Social (A-IP). During this time I performed over forty semi-structured interviews of NGO staff, representatives of oil corporations, present and former oil industry employees, provincial government officials, church leaders, local traditional leaders (both *sobas* and *reis do povo*), people affected by recent oil spills in Soyo and Cabinda, and officials in the Ministry of Environment, the Ministry of Fisheries and the Ministry of Petroleum. Through these interviews, I compiled a history of

²¹ The former kingdom of Kongo included both Soyo and Cabinda, a historical and geo-political observation emphasized by the FNLA (Frente Nacional de Libertação de Angola) in its pre-independence campaign to recreate the former ethnic kingdom as an independent state separate from Angola. (See Marcum 1969). However, most Cabindans do not recognize themselves as Bakongo, unlike people living in Zaire province who proudly associate themselves with the Kongo kingdom.

²² Not only fishermen are dependent upon fishing for their livelihoods in these areas: women market and distribute locally-caught fish for their livelihood.

²³ ChevronTexaco paid about 200 fishermen (those who owned nets in the water) \$1000 for their damaged nets and 6 months of time they were unable to fish. Local people say that this was unfairly distributed ñ a lot more than 200 were affected, and those who were compensated were the richest ñ they owned their own nets. Day laborers and fish mongering women fared worse.

major environmental damages incurred by oil corporations. I also attended the Open Society Foundation on "A Common Vision for Cabinda" from July 8-9, 2003 where I became acquainted with sympathizers to the separatist cause. I have secured institutional support from numerous organizations including, but not limited to: Open Society, an international NGO working to promote transparency and democracy in Angola; Pesnorte, a governmental organization providing development to fishing communities in Zaire province; and Grêmio ABC, an environmental NGO working with natural resource dependent people in Cabinda.

I am proficient in Portuguese, advanced to PhD Candidacy (May 2004), and cleared by UC Berkeley's Committee for the Protection of Human Subjects to conduct this project. In May 2004, I attended the "Oil and Gas in Africa" conference sponsored by the Royal Institute for African Affairs in London where I met with industry leaders, academics, activists and NGO representatives. During my last three-month round of fieldwork, I focused on collecting data on how extractive activities and pollution constrict and change patterns of community-corporate relations. I conducted semi-structured interviews of local coastal people in Zaire and Cabinda provinces and compiled their histories of protest, resistance and cooperation with oil corporations and claims to corporate-sponsored development. I have also learned about local patterns of resource access and how corporate compensation measures interact with customary offshore tenure systems.

4. Research Schedule

Phase I: May ñ September 2004: The objective of this phase was to determine suitable sites for case studies on community-corporate relations, to begin to create timelines on instances of pollution and violence, and to collect information on the development and pollution narratives by conducting focus groups and in-depth interviews with members of these communities. I also gathered background statistics on production and corporate-sponsored development for six production blocks from newspaper, journal and online resources as well as interviews with corporate officials. In addition, I identified research assistants who speak the local languages of Ibinda and Kisolongo for work in Cabinda and Zaire, respectively.

Phase II: October 2004: The objective of this phase is to gather information on how transnational and state objectives may influence corporate-sponsored development. I will conduct initial semi-structured interviews of representatives from NGOs involved in the transparency movement, corporate directors of development, and state officials. I will also assemble information on the types, values and forms of corporate-sponsored development implemented in oil-extracting areas and attempt to gather information on unpublished spills through Ministry of Fisheries.

Phase III: November 2004 ñ March 2005: The objective of this phase is to collect data on how local histories of violence and pollution shape corporate-sponsored development. I will return to the oil-producing provinces working with the aforementioned research assistance to create an ethnography of pollution and development in Pangala and F'itila. I also plan to travel to the provincial capitals of Buco Zau, Cabinda and Mbanza-Kongo, Zaire to interview provincial level officials on the histories of violence and patterns of corporate-sponsored development within the provinces.

Phase IV: April ñ June 2006: The objective of this phase is to analyze field data and prepare for writing phase. I will fill in gaps and update material as necessary through continued telephone and email contact with NGOs. During this time, I will also conduct telephone interviews with high-level corporate officials from ChevronTexaco and Exxon-Mobil in the United States, TotalFinaElf in France, BP-Amoco in the United Kingdom regarding their particular strategies of corporate-sponsored development in Angola.

Phase V: July 2005 ñ May 2006: Following my period of field research I plan to write a dissertation as intended for publication as a book, publish related articles and present findings at the 2005 African Studies Association and the 2006 Association of American Geographers conferences.

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