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LIFTING THE RESOURCE CURSE IN AFRICA'S ENERGY SECTOR

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> This muddy goo, completely ignored for thousands of years, has become the most important resource. […] Without it, in many politically stable countries, voters could immediately change their sympathies and most economic powers would face a revolution. Oil can be a benefactor, but at the same time it can be a real cause of civic unrest. It is so important that economists have concluded that national economies may suffer from addiction to it. (Krajewski 2018: 8, own trans.)

> The ritual of the curse is part of an archaic mythical structure. "The myth of the curse" constitutes an integral element of a broad context delimited by the myth of the human condition – the condition determined by the fall and liberation (salvation). (Engelking 2010: 352, own trans.)

/// Introduction: Africa – A Treasure Trove of Natural Resources

Africa, especially the Sub-Saharan part of the continent, stands at a pivotal moment in its development trajectory, particularly concerning its energy sector. With the working-age population set to double or even triple by 2050 (Guengant & May 2013: 1) and rapid urbanisation underway, Africa faces both challenges and opportunities in meeting its energy needs sustainably.

African raw materials were one of the main reasons for colonisation (as was noticeable in the names given by Europeans to different territories:

the Gold Coast, the Copperbelt). The continent is home to some 30% of the world's strategic mineral reserves, 8% of the world's natural gas, and 12% of the world's oil reserves (ANRC 2016: 3). There are several oil-rich countries in Africa, with Nigeria, Libya, Algeria, and Angola among its leading oil producers. Nigeria, in particular, boasts vast reserves and has historically been a major player in the global oil market (Auty 1990). In the past two decades, commercial-quality oil sources have been found in or off the coasts of Senegal, Gambia, Sierra Leone, Liberia, Ghana, and Sâo Tomé and Principe. In addition to oil, Africa possesses substantial natural gas reserves, with states like Nigeria, Algeria, Mozambique, Egypt, and Libya emerging as key players in the global gas market. Coal also remains a significant source of energy in Africa, particularly in countries like South Africa, Mozambique, Botswana, Zimbabwe, Tanzania, Nigeria, Zambia, and Malawi, where it is used for electricity generation and industrial processes (Gary & Karl 2003).

Oil and gas revenue has been instrumental in driving economic growth, funding infrastructure projects, and supporting government budgets in many African regions, especially from the East African Rift Valley and West Africa's Gulf of Guinea. Minerals account for an average of 70% of total African exports and about 28% of gross domestic product (ANRC 2016: 3). The extraction of raw materials constitutes the majority of the income of, for instance, Angola, Botswana, Equatorial Guinea, Namibia, South Africa, and Zambia (Shaxson 2007).

However, the presence of abundant natural wealth has not always translated into prosperity for African nations. Many resource-rich countries in Africa have grappled with a range of challenges that are commonly referred to as the resource curse and that include the decline of the public sphere, corruption, economic volatility, social unrest, and ecological degradation. This article delves into the multifaceted dimensions of the resource curse in Africa's energy sector, especially in oil production in the Sub-Saharan region, and examines its historical roots, causes and effects, contemporary manifestations, policy implications, and institutional responses.

/// The Resource Curse and the Dutch Disease as Subjects of Academic Debate

The resource curse, also known as the paradox of plenty, is a controversial concept and has been examined and questioned for decades by many economists, policymakers, and scholars. It refers to the counterintuitive

situation where countries rich in natural resources, especially petroleum, alluvial diamonds, and other minerals (as well as timber, cocoa, and fish) often experience slower economic growth, higher levels of poverty, greater political instability, an increased risk of civil war, and autocratic political regimes.

The concept of the resource curse was first articulated after the Cold War, in the 1990s, when Richard Auty, Jeffrey D. Sachs, Andrew M. Warner, and Terry Lynn Karl empirically showed that states that were heavily reliant on natural resources, including in Africa, achieved worse growth outcomes than their counterparts (Sachs & Warner 1995, 1997; Karl 1997; Auty 1993). According to Auty (1993), a country can be considered to be affected by the resource curse if at least 8% of its GDP is generated by the mining industry, and at least 40% of its export earnings are obtained from the sale of raw materials. On the other hand, as Karl describes in *The Paradox of Plenty* (1997), the resource curse has stricken countries at many different levels of heterogeneous development. She closely examines five states: Algeria, Nigeria, Indonesia, Iran, and Venezuela. In these regions, dependence on oil led to disproportionate fiscal reliance on petrodollars and public spending, at the expense of statecraft. Oil booms, which create the illusion of prosperity and growth, actually destabilise regimes by reinforcing oil-based interests and further weakening state capacity.

At the heart of the theory of the resource curse lies the older concept of the Dutch disease. This term was coined by *The Economist* in 1977. The Dutch disease is an economic phenomenon that occurs when a country experiences a sudden influx of revenue from natural resource exports, leading to adverse effects on other sectors of the economy, particularly manufacturing and agriculture (Wijnbergen 1984). The Dutch disease gained prominence when the Netherlands experienced a sharp appreciation of its currency, the Dutch guilder, following the discovery of natural gas reserves in the North Sea. The influx of revenue from gas exports produced an increase in the value of the guilder, making other exports less competitive on the global market. As a result, the Dutch manufacturing sector suffered a decline in competitiveness, leading to job losses and economic restructuring (Torvik 2001; Matsen & Torvik 2005).

In the scholarly literature at the turn of the twentieth to twenty-first century, the terms "resource curse" and "the Dutch disease" were often used interchangeably (Humphreys et al. 2007). For the purposes of this article, it was assumed that the resource curse embraces all the alleged negative effects of oil on development, while the Dutch disease refers

mainly to one aspect of the resource curse, the inflationary effect of a natural resource windfall.

It is symptomatic that, in the current works on post-colonial countries, researchers much more often use the term "resource curse" than the label "the Dutch disease." Early formulations of the resource curse focused mainly on the links between poor macroeconomic performance and abundance of non-renewable natural resources (Robinson et al. 2006). These analyses were conducted – it should be emphasised – by economists cooperating with the World Bank and the International Monetary Fund. The reports they prepared – at a time when a significant part of intellectuals believed in the concept of the end of history and the triumph of liberal democracy promoted by Francis Fukuyama (1992) – represented a perspective in which the issue of development was reduced to economic growth. Their interpretation highlighted the importance of free markets, individual entrepreneurship, and minimal government intervention in the economy. In this theory, if a country has abundant natural resources, it should leverage them to stimulate growth through free market mechanisms. Along with privatising state-owned enterprises and encouraging foreign investment, governments should minimise intervention and allow market forces to dictate the exploitation and commercialisation of resources.

According to recent surveys, natural resource dependence has a significant negative effect on the growth of GDP per capita, with a 10-percentage-point increase in the ratio of resource exports to GDP depressing average growth by 0.77–1.1 percentage points per annum. Curse-like outcomes are more likely to emerge from so-called point resources (e.g., oil fields and diamond mines) than from diffuse resources (fertile land) (Brunnschweiler & Bulte 2008b; Smith 2015). Nonetheless, in the scholarly works of the twenty-first century there has been a clear tendency to change the scope of the resource curse concept and to orient it towards socio-political issues (Kłosowicz 2017: 302–310). The theory has been expanded to identify the causal links between resource abundance and other outcomes, such as corruption levels, a lack of political, ethnic, or cultural freedom, and even military conflict. A "cursed" state tends to have a very low Human Development Index (a country scores a lower level of HDI the lower its average lifespan, education level, and gross national income per capita). African states have become useful examples to confirm the theory (Klare 2001; Ross 2004; Dunning 2009).

/// Correlation ≠ Causation: The Rentier State Concept

Among the resource-cursed Sub-Saharan African countries we find states such as Nigeria (oil, gas), Angola (oil, diamonds), the Democratic Republic of Congo (coltan, cobalt, diamonds, gold), Sudan and South Sudan (oil), Equatorial Guinea (oil), Chad (oil), Zimbabwe (gold, diamonds, platinum), and Gabon (oil, timber). A number of states, including Botswana (diamonds), Namibia (uranium, diamonds, gold, copper), Ghana (gold, oil, cocoa, bauxite), and South Africa (gold, platinum, diamonds, coal), seem to be protected from, or even blessed, by their resources (Jensen & Wantchekon 2004). These examples show that there is no simple automatism that turns natural resource wealth into a "curse." According to many researchers, the phenomenon does not inevitably materialise but is merely a probability (Boschini et al. 2004).

Several factors contribute to the resource curse in Africa's energy sector, including domestic institutional weaknesses and external pressures from multinational corporations and other international actors (Collier 2006). Nevertheless, most of the literature on African economics concentrates on internal factors: notably, the quality of social institutions (Mehlum et al. 2006) and the influence of the political context on the scale of the resource curse (Torvik 2002). Weak governance structures (Ross 1999) also often result in frauds (Leite & Weidmann 2002) and lack of transparency in resource management (Gylfason et al. 1999), which undermine the equitable distribution of energy revenues and foster social tensions (Wick & Bulte 2009). In assessing the scale of the curse, the timing of the discovery of raw material deposits seems to be crucial: a country will be heavily "cursed" when the discovery of the resource is made before accountable and democratic state institutions are established and consolidated.

These processes can be easily seen in the idea of the rentier state. This concept gained prominence in the 1970s and 1980s, particularly through the work of economists and political scientists studying the effects of oil wealth in the Middle East and North Africa (MENA) region. Scholars like Hazem Beblawi and Giacomo Luciani, in their work *The Rentier State* (1987), were instrumental in formalising the theory. They analysed how non-European states reliant on external rents (like oil or gas revenues) differ from those that primarily generate revenue through taxation. According to the concept of the rentier state, in countries that principally rely on rents from natural resources, rent-seeking creates a bias towards unproductive activities. The owners of natural resources have perverse incentives to use the rents for consumption

and short-term gain rather than investing them for long-term development (Shambayati 1994). What is more, government becomes autonomous vis à vis its population because it need not tax its citizens but can instead use rents to repress and co-opt opposition or fuel clientelist networks (which in the African context are often tribal [Yates 1996]). The resulting increased level of government autonomy and the politically motivated use of rents by the elite tends to weaken – and to "curse" – the state (Aslaksen & Torvik 2006).

It is possible to observe that the resource curse is not a universal law – some rentier states suffer from it but others escape it. Just because many resource-rich states struggle does not mean resources are the cause of their problems. It is easy to confuse correlation with causation during analysis of the resource curse in rentier states. Moreover, many scholars and economists argue that the concept of the rentier state is flawed or overly simplistic, for several reasons. Many rentier states are democratic and well-governed (e.g., Botswana), and many authoritarian countries exist without resource wealth (e.g., Zimbabwe). It should also be stressed that the original rentier state theory was created before globalisation reshaped economies. Today, resource-rich states invest in sovereign wealth funds to stabilise their economies; they engage in international markets and trade, and face pressure from international organisations to adopt better governance (among other countries, Ghana). Perhaps there is a post-colonial and Orientalist stereotype hidden in the theory of the rentier state – stressing the importance of internal factors and marginalising the negative influence of colonial history and the role of foreign actors (states and corporations), which are currently reproducing the neocolonial logic of exporting raw materials from the Global South to the Global North.

/// Social, Economic, and Environmental Implications

Creating a catalogue of the effects of the Dutch disease and resource curse may give the impression that the causes of these phenomena are being reconstructed – the resource curse could strengthen negative processes and accelerate the deterioration of public institutions.

Economically, resource-rich countries often exhibit lower levels of economic growth, higher levels of poverty, and greater volatility in income and expenditure patterns compared to resource-poor states (Brunnschweiler & Bulte 2008a). The resulting limited degree of diversification of resource-rich economies produces dependence and is the major reason for the high macroeconomic vulnerability of these economies (Karl 2007). Moreover,

resource-rich countries frequently suffer from declining terms of trade shocks (Atkinson & Hamilton 2003). Overdependence on energy exports can also lead to volatility in government revenues, fiscal instability, and reduced incentives for investment in other sectors of the economy (Ding & Field 2005). Additionally, higher public investment is often provided for economically questionable projects. Particularly large and prestigious projects (so-called white elephants) belong to this category (Robinson & Torvik 2005). Furthermore, the dominance of extractive industries in the energy sector can crowd out investment in renewable energy and other alternatives, perpetuating dependence on fossil fuels.

Because resource booms raise the value of staying in power, unaccountable policymakers are tempted to create unproductive public sector employment. Instead of being used for social and educational programmes or economic diversification, oil and gas revenues are often siphoned off through embezzlement, bribery, and illicit financial flows (Gylfason 2001). This undermines public trust, exacerbates inequality, and perpetuates cycles of poverty and underdevelopment (Hodler 2006).

Socially as well, the resource curse can exacerbate inequalities, marginalise vulnerable populations, and fuel grievances and conflicts over resource control and distribution (Bulte & Damania 2008). The scramble for control over valuable resources, such as diamonds in Sierra Leone or oil in South Sudan, has fuelled civil wars and regional-ethnic conflicts, leading to immense human suffering and displacement (Alao 2007). The state crisis related to the resource curse also strengthens authoritarian regimes, as, for instance, in Equatorial Guinea (Ross 2001).

The debate on natural resources as a motive for social violence has been dominated by the juxtaposition of a "greed and grievance" hypothesis that segments of the population or regions might feel deprived of the benefits of resource-related income and therefore take up arms (Coller & Hoeffler 2001). Typically, grievance is associated with secessionist upsurges in the regions of Cabinda in Angola, the Niger Delta in Nigeria, Katanga in the Democratic Republic of the Congo, Ambazonia in Cameroon, and Casamance in Senegal.

Environmentally, the extraction and combustion of fossil fuels and the exploitation of other natural resources can contribute to air and water pollution and lead to ecological degradation, deforestation, loss of biodiversity, and greenhouse gas emissions, with the consequent exacerbation of climate change undermining the long-term sustainability of ecosystems and the livelihoods of local communities and indigenous populations.

/// Trying to Overcome the Resource Curse: Case Studies

Lifting the resource curse requires a multifaceted approach that addresses economic, political, and social factors. Several African countries have attempted to address the resource curse through innovative policy measures and governance reforms – with varying degrees of success. Three African states – Nigeria, Angola, and Ghana – were chosen to illustrate the resource curse phenomenon and the models of growth adopted by their governments.

These three countries share several similarities in terms of their economic structures and historical contexts, as well as the challenges they face. Nigeria (area 923,768 sq. km., pop. 237 m, real GDP $1.275 tn [CIA 2024c]), Angola (1,246,700 sq. km., pop. 37 m, real GDP $266.249 bn [CIA 2024a]), Ghana (238,533 sq. km; pop. 35 m, GDP $229.639 bn [CIA 2024b]) are influential within their respective regions and play key roles in regional organisations like ECOWAS (Economic Community of West African States), SADC (Southern African Development Community), and the African Union (AU). Nigeria and Angola are members of the Organisation of the Petroleum Exporting Countries (OPEC).

These three states are endowed with significant natural resources, whose export determines their economic stability. All three countries exhibit a high degree of dependency on a limited number of commodities for revenue, which exposes them to global price fluctuations. As stated earlier in this article, Nigeria is known for its oil and gas reserves, Angola has substantial oil and diamond reserves, and Ghana is rich in oil, gold, and cocoa. Each state has a colonial past that shaped its current political structures, its post-independence development, and the activity of international corporations in the extraction and export of its raw materials. Despite their resource wealth, all three nations face economic challenges, including poverty, unemployment, and infrastructure deficits. Each country has experienced political instability, coups, civil unrest, and authoritarian governance at different points in their histories. They are all currently navigating democratic processes, albeit with varying degrees of success.

/// Nigeria: A Postcolonial Resource Curse

Nigeria, a former British colony, is often referred to as the "Giant of Africa." It is the continent's most populous nation and a significant player in the global fossil fuels market. The discovery of commercial oil reserves in

the Niger Delta region in the 1950s marked the dawn of Nigeria's oil industry and set the stage for rapid economic development fuelled by oil revenues. The extraction of oil has transformed the Nigerian economy from dependency on agriculture to dependency on oil (it can therefore be said that one resource curse has replaced another). Oil revenues became the primary source of government revenue, foreign exchange earnings, and economic growth (Traub-Merz & Yates 2004).

It is not easy to find the answer to the question of who was and is responsible for the shape of the oil industry in Nigeria. Since the country gained independence the oil industry has been dominated by several groups of stakeholders: the Federal Government of Nigeria and foreign oil companies – Shell, Mobil, Chevron, Nigeria Agip Oil Company, and Elf Petroleum Limited (Idemudia & Ite 2006). The Federal Government, by virtue of decrees and laws, such as the Land Use Act of 1978 and the Petroleum Act of 1969, remains (nominally) the only authority that can legitimately enter into negotiation and grant concessions for oil exploration to international and local oil firms. Nigeria joined OPEC in 1971; six years later the Nigerian National Petroleum Corporation (NNPC) was established to manage the joint venture between the Federal Government and foreign multinational corporations. However, the NNPC is usually described as being fraudulent and vulnerable to political control. The NNPC has been accused of diverting billions of dollars through shady deals (Frynas 2000).

While Nigeria's oil boom brought about significant social and even cultural benefits (according to Andrew Apter, oil wealth allowed for the strategic construction notions of national and African culture [Apter 2005]), it also precipitated a range of challenges. One of the most pronounced impacts of oil dependency is instability and volatility, and Nigeria's economy became highly susceptible to fluctuations in global oil prices. Periods of oil booms were often followed by busts characterised by symptoms of the Dutch disease: fiscal deficits, inflationary pressures, and currency devaluations (lately this situation arose, e.g., in 2014–2016). Moreover, Nigeria's heavy reliance on oil exports led to the neglect of other sectors of the economy, and also fuelled gargantuan nepotism and favouritism, which became a part of the domestic cultural landscape (Smith 2008). Multinational companies have been annually implicated in bribery scandals to secure oil contracts, as can be read in reports prepared by state agencies such as the Independent Corrupt Practices Commission (the ICPC, founded in 2000, targets public sector corruption) and the Economic and Financial Crimes Commission (the EFCC, established in 2003, investigates financial crimes).

Nigeria is the 140th least corrupt nation out of 180 countries, according to the 2024 Corruption Perceptions Index published by Transparency International (CPI 2025).

In Nigeria, income distribution has deteriorated to such a degree that 90% of the oil revenue accrues to 1% of the population. The rentier state syndrome has fostered a culture of rent-seeking and patronage in this multiethnic country. Apart from the frequent changes of power in Nigeria, which occur through coups d'état and counter-coups (in 1966, 1966, 1975, 1976, 1983, 1985, 1990, 1993), politically connected elites siphon off oil revenues through embezzlement, bribery, and illicit financial flows, depriving the populace of essential services and infrastructure. Furthermore, the concentration of power and wealth in the hands of a few people (usually members of a tribe from the northern part of the state) has fuelled social inequality (Sala-i-Martin & Subramanian 2003; McFerson 2009).

Environmental degradation and social unrest are clearly visible in the Niger Delta region, where oil extraction activities have led to pollution, ecological degradation, and conflict over resource control. This region is suffering from crumbling administrative and social infrastructure and services, high unemployment, deprivation, and abject poverty. The inhabitants of the Niger Delta region, who are members of tribes such as the Ijaw, Ogoni, Kalibari, and Igbo, demand greater benefits from oil production (Ibeanu 2000; Watts 2007).

The Nigerian authorities have made attempts to solve these problems, but most have been unsuccessful. In 2003, the government signed up to the global Extractive Industries Transparency Initiative (EITI) to promote prudent management of revenues from its abundant natural resources to reduce poverty. The EITI Act was passed into law in 2007. Its governing body is the National Stakeholder Working Group, which consists of representatives from civil society, government, oil companies, communities, and the media. The effectiveness of this institution leaves much to be desired (Idemudia 2009). Similarly, Nigeria's Excess Crude Account, which was established in 2004 by the federal government, is a kind of sovereign wealth fund in which resource revenues are invested offshore, with the intent of stabilising the country's economy and smoothing out the impact of price volatility in oil exports. Its effectiveness has been undermined by the failure of many state governments to ratify the federal Fiscal Responsibility Act (Oshionebo 2017). Currently, Nigeria continues to face the daunting task of restructuring its petroleum-based economy, whose revenues have been squandered through corruption and mismanagement.

/// Angola: On the Path of Transformation

Nestled on the southwestern coast of Africa, Angola is one of the better resource-bestowed countries in the world, with oil, gold, iron, copper, manganese, timber, fish, and a varied agricultural basis. Conversely, its journey towards sustained economic growth has been riddled with complexities, ranging from a tumultuous history of conflict to heavy reliance on oil and diamond exports (Lújala et al. 2005).

As a Portuguese colony, Angola was underdeveloped and impoverished. Its main export was coffee. The story of Angola's oil industry begins, as in the case of Nigeria, in the late 1950s, when European geologists identified the potential for oil in Angola's offshore waters. In 1966, the first major commercial oil find was made at the Cabinda enclave, which lies separated from the rest of Angola by the Democratic Republic of the Congo, and is inhabited by members of the Bakongo ethnic group, whose native language is Kikongo. This discovery marked the beginning of Angola's fast journey into oil production and the perceived effects of the Dutch disease (Ferreira 2006).

Following independence from Portugal in 1975, the Angolan oil industry underwent a period of nationalisation as the newly formed government sought to assert control over the natural resources. A national oil company, Sonangol (Sociedade Nacional de Combustíveis de Angola), was established in 1976, based on the departing SACOR, the Portuguese oil concessionaire under the colony (Oliveira 2007). The onset of a brutal civil war between the Popular Movement for the Liberation of Angola (Movimento Popular de Libertação de Angola, MPLA) and the National Union for the Total Independence of Angola (União Nacional para a Independência Total de Angola, UNITA) faction plunged the country into turmoil, disrupting oil production and exploration activities. MPLA controlled the oil, and UNITA controlled the extraction of diamonds (Billon 2001; Sypeń 2005).

Despite the challenges posed by the long civil war, Angola's oil industry began to recover and expand in the 1990s, buoyed by peace agreements and increased foreign investment. International oil companies, including Chevron, ExxonMobil, Total, and British Petroleum, played a significant role in the revitalisation of Angola's oil sector, investing in exploration, production, and infrastructure (Ferguson 2005). However, it should be emphasised that the influence of international companies on domestic politics in Angola is much smaller than in Nigeria.

Throughout the 1990s and 2000s, Angola witnessed a series of significant offshore oil discoveries in its deepwater blocks, including the prolific Kwanza Basin and the ultra-deepwater fields off the coast. These discoveries catapulted Angola into the ranks of Africa's top oil producers, attracting billions of dollars in investment and positioning the country as a key player in the global oil market. Angola joined OPEC in 2007. The state exports 90% of its crude oil, mostly to the United States, China, and Brazil (Isaksen et al. 2006).

During this period, the main economic agents became the presidency (including José Eduardo Van-Dúnem dos Santos, president of Angola from 1979 to 2017, his family, and his powerful and mostly unelected officials); Sonangol and Endiama (Empresa Nacional de Diamantes – the national diamond company); the ruling party, the MPLA; the Ministry of Finance and a few other ministries; "the generals" (who made large profits during the war and continue to do so); and the "Empresarios de Confiança" (the oligarchs, often from old MPLA families, with their monopolies and oligopolies) (Hodges 2001; Amundsen 2014). The role of the MPLA nomenclature, the importance of the former presidential family, and the petrification of this network in the organisation of crude oil exports seem to be the main differences between Angola's situation and the situation of the oil industry in the Nigerian rentier state – which is a much less stable system, marked by the stigma of coups d'état, struggles between ethnic groups, and the aggressive policies pursued by international companies (Munslow 1999; Hodges 2004).

Present-day oil revenues are a critical source of income for the Angolan government. Nevertheless, the country's heavy dependence on oil exports has also exposed it to the volatility of global oil prices, highlighting the need for economic diversification and for eliminating corruption at the highest levels of government (Isaksen et al. 2007). Angola is the 121st least corrupt nation out of 180 countries, according to the 2024 Corruption Perceptions Index published by Transparency International (CPI 2025). The state, owing to the activity of the Direcção Nacional de Prevenção e Combate à Corrupção (The National Directorate for Preventing and Combating Corruption, DNPCB), has seen a significant improvement in its position in this ranking – by seventeen places since 2015. Since President João Lourenço took office in 2017, there has been a push to fight corruption, especially targeting high-profile figures, such as former President José Eduardo dos Santos's family members. Isabel dos Santos (Africa's richest woman and daughter of the former president) and her brother, José Filomeno dos Santos ("Zenu"), have faced investigations for corruption

and embezzlement. In recent years, Angola's oil earnings are better controlled through a budget process, as well as by the Ministry of Finance and the Central Bank.

Angola has undertaken efforts to diversify its economy and reduce its reliance on oil revenues. Initiatives such as the National Development Plan (Plano de Desenvolvimento Nacional, NDP) and the Economic Diversification Support Technical Assistance Project (Programa Apoio à Diversificação Económica de Angola, PADE) aim to promote non-oil sectors, including agriculture, manufacturing, and services. These diversification efforts are not only imperative for enhancing economic resilience but also for fostering long-term growth (in particular, in Cabinda) and reducing vulnerability to external shocks. As Angola's oil industry continues to evolve in this way, the country will face both opportunities and challenges on the road ahead (Hammond 2011).

/// Ghana: How to Avoid the Resource Curse

Resources were one of the main reasons for the colonisation of Ghana, as evidenced by, among other things, the name of this country from the period of British colonisation: the Gold Coast. As one of Africa's fastest growing economies, Ghana has made significant strides in recent years, attracting investment, fostering innovation, and driving socio-economic growth. Ghana's journey into oil production is quite short in comparison to oil production in Nigerian and Angolan history. It began when Ghana had already undergone a political transition, the political system was stable, the risk of political upheaval was minimal, and subsequent general elections were held in accordance with democratic procedures.

Discovery of the Jubilee Field, off the coast of the Western Region, was made in 2007 by a consortium led by Tullow Oil. Commercial production started in 2010. This discovery was a significant milestone for the country, unlocking vast reserves of crude oil estimated at over one billion barrels. Subsequent discoveries of oil and gas in fields such as Tweneboa, Enyenra, and Ntomme further solidified Ghana's position as a key player in the local oil market. It is worth adding that in 2008 the Ghanaian government signed a Memorandum of Understanding with the Norwegian government, with an initial focus on managing the Jubilee Field. The partnership is concentrated on avoiding the effects of the Dutch disease and thus on judicious management of the revenues from fossil fuels for

the overall benefit and welfare of all Ghanaians (Gyimah-Boadi & Prempeh Kwasi 2012).

The advent of oil production has had a profound impact on Ghana's economy, contributing to GDP growth, government revenue, and foreign exchange earnings. Ghana's oil sector has also attracted foreign investment and technology transfer, fostering collaboration between international oil companies and the Ghana National Petroleum Corporation (GNPC), a state agency. This collaboration has resulted in capacity building and knowledge transfer (Tsatsu 2022).

While Ghana's oil production has brought about numerous benefits, it also presents challenges and risks that must be carefully managed. The volatility of global oil prices poses a significant risk to Ghana's fiscal stability, revenue projections, and macroeconomic management. In response to these challenges, Ghana has implemented a range of governance mechanisms and institutional frameworks to ensure accountability in regard to oil revenues. The Petroleum Revenue Management Act (PRMA) of 2011 governs the allocation, management, and utilisation of oil revenues. In accordance with the guidelines of the PRMA, up to 70% of revenue from oil should be transferred to the annual budget. The remaining 30% is to be split into two funds: the Ghana Stabilisation Fund, which was set up to cushion against price shocks caused by the high volatility of oil prices or by unexpected drops in the production of oil, and the Ghana Heritage Fund, which is intended to serve future generations after the resources have been depleted. Since its inauguration in 2011, the Public Interest and Accountability Committee, which is responsible for the efficient management and use of petroleum revenues, has recorded numerous successes (Kopiński et al. 2013). The effectiveness of these programmes is much greater than that of similar institutions in Nigeria and Angola. It should be added that the ruling party and the president's circle have a much smaller degree of influence on raw material policy in Ghana compared to Nigeria and Angola.

The government has also strengthened regulatory frameworks for the extractive industries, enhancing transparency in revenue collection. Initiatives such as the Ghana Oil and Gas for Inclusive Growth programme aim to enhance the socio-economic impact of oil production by promoting local community engagement (Gyampo 2010). The EITI in Ghana is supported by many institutions, including the World Bank, the International Monetary Fund, the African Development Bank, the European Bank for Reconstruction and Development, and many nongovernmental organisations. The EITI aims to publicise company payments in exchange for the

use of natural resources and to provide full accounts of government revenue (Siakwah 2017).

Ghana has established a strong institutional, democratic framework that gives it a chance to escape the resource curse. The Ghanaian economy is fairly diversified (it is largely based around cocoa production); the political system appears stable. Ghana is the 80th least corrupt nation out of 180 countries, according to the 2024 Corruption Perceptions Index reported by Transparency International (CPI 2025). The activities of the Commission on Human Rights and Administrative Justice (the main anti-corruption agency, established under the 1992 Constitution) and the Economic and Organised Crime Office (which specialises in financial and economic crimes, including money laundering and fraud) are assessed positively by Ghanaian society. The country has created a dynamic civil society (Polus 2013). The economic stability achieved recently also suggests that the state will be able to avoid the resource curse.

/// Conclusion: Searching for the Antidote

Scholars have different arguments as to the curse's specific mechanics. There are various explanations as to how resource-rich economies become less diversified and how this economic homogeneity affects the breakdown of the public sphere. Discussion of the topic continues and still generates noticeable emotions. For example, in *The Licit Life of Capitalism: US Oil in Equatorial Guinea* (2019), anthropologist Hannah Appel suggests that the concept provides cover for those company practices that divert oil profits away from Africa and exacerbate local economic inequalities. The legitimacy accorded the theory also permits corporate actors to reiterate longstanding tropes about the inherent pathologies of African states and economies. Rather than focusing on corruption, Appel argues that much of what sustains capitalism is "licit" – meaning legally permissible, even if ethically questionable. In the broader perspective, she challenges the idea that capitalism is a system of free and fair markets, and she shows how colonial legacies, corporate law, and financial practices allow international oil companies to extract wealth while minimising accountability. Moreover, according to Appel, external efforts to reform the industry's excesses are premised on liberal utopias about a kind of state and civil society that simply does not exist in Africa.

Certainly, works like *The Licit Life of Capitalism* make interesting theoretical contributions to the anthropology of capitalism in the non-European

world. However, taking Appel's perspective into account does not mean rejecting the resource curse theory or the Dutch disease and rentier state concepts. She demonstrates that rather than focusing narrowly on economic growth as a determinant of the resource curse, studies should also consider the role of local factors, social inequalities, and ethnic, race, gender, and class relations. A comparative analysis encompassing the historical, economic, cultural, and tribal context of how Nigeria, Ghana, and Angola have implemented their raw materials policy seems to legitimise using the resource curse theory to describe the transformation of postcolonial economic systems, especially the energy sector.

Currently, fossil fuels shape Africa's economic stability more than ever. These resources play a central role in the formation of the continent's development trajectory, driving economic growth and improving living standards. The resource curse remains a formidable challenge for many African countries, with far-reaching implications. In the countries where one-party dominance or outright authoritarian rule prevails – as in Angola, Cameroon, Equatorial Guinea, Gabon, and Ethiopia – oil wealth will further entrench it. And where democratic systems are slowly gaining strength, where the risk of a coup and the escalation of civil war is still noticeable – as in Nigeria and the Democratic Republic of the Congo – oil wealth will test the quality of the state institutions. The risk of the resource curse appears to be lowest in countries where the discovery of rich raw material deposits occurred after the political transformation, in politically stable regions, such as Ghana.

Addressing the resource curse in states such as Nigeria, Angola, and Ghana requires a comprehensive and multifaceted approach that tackles the underlying drivers of the phenomenon. Key policy responses should include diversified industrialisation, the strengthening of governance and the rule of law, improved social welfare, and investing in human capital (Diamond & Mosbacher 2013). Undoubtedly, African nations must first of all invest in diversifying their economies beyond natural resources. Promoting sectors such as agriculture, manufacturing, and services can create new sources of income and employment, and reduce dependency on volatile commodity markets. Countries should establish sovereign wealth funds in which the state can invest resource revenues offshore (e.g., Botswana's Pula Fund has been successful in managing both long-term investments and stabilisation [Kopiński 2005; Czernichowski et al. 2012]). The resource revenue should first be distributed to the citizens and then taxed back by the state as a means of reducing the mismanagement of natural

resource revenue and introducing accountability into relations between the state and society (Humphreys & Sandbu 2007).

The development of partnerships between governments, civil society, and the private sector, with investments in education, healthcare, and skills training, can empower citizens and reduce poverty and inequality. A well-educated and healthy workforce is essential for driving economic growth. African nations should prioritise sustainable resource management practices that minimise environmental degradation and protect the rights of indigenous communities. This may involve implementing regulations, enforcing ecological standards, and fostering dialogue with stakeholders.

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/// Abstract

The aim of the article is to examine the resource curse – a phenomenon where resource-rich countries paradoxically experience economic underperformance and social instability – in Africa, especially the Sub-Saharan part of the continent. In the introduction, the energy sector and the oil-rich states in Africa are described. The article then analyses academic discussions on the use of concepts such as the "resource curse," the "Dutch disease," and "rentier states," and the entanglement of this debate in postcolonial relations between the Global North and the Global South. Next, the causes and social, economic, and environmental implications of the resource curse in Africa's energy sector are outlined. Drawing on multidisciplinary perspectives from history, economics, political science, and development studies, the article explores the complex interplay of factors that contribute to the resource curse phenomenon in three illustrative African countries: Nigeria, Angola, and Ghana. In summary, the key policy responses – the possible "cure" for the resource curse – are characterised.

Keywords:
resource curse, Dutch disease, fossil fuels, oil, Africa, Angola, Nigeria, Ghana

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