

## Obama's Africa Affair: Oil, Minerals and Markets

- By [John Feffer](#) \*
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*US policy toward Africa has translated into holding the door open for multinationals to extract the continent's wealth.*

[Barack Obama](#) is definitely “into” [Africa](#). As much as possible in a world riven by multiple crises, the [US](#) president has made the continent a focus of his policymaking. Turning his own [Kenyan](#) heritage into a personal bridge to the region, he has visited Africa three times as president — in 2009, 2011 and 2013. Obama has touted his administration's multi-billion dollar initiatives such as [Power Africa](#) to bring electricity to millions of homes, a fellowship program for young [African](#) leaders, and the continuation of efforts to fight HIV-AIDS and other infectious diseases. At a time when criticism is mounting about the way the president is handling the rest of the world, Africa is shaping up to be Obama's major [play](#) for a legacy.

Earlier this month, to better position this effort, Obama welcomed delegations from 51 African countries to [Washington](#) for an unprecedented summit. As part of its press blitz, the White House [released](#) a fact sheet that detailed all the State Department's high-profile programs, including support for democracy in [Nigeria](#), an expansion of civil society activity in [Liberia](#), and an open government initiative in Sierra Leone. Many of these initiatives are indeed admirable, and I can imagine State Department staffers grumbling that the media focus on Ebola and [Boko Haram](#) has left no space for these more upbeat stories.

But don't be fooled by all the talk of Obama's special relationship with the continent or all the snazzy new entrepreneurial initiatives, or the commitment to democracy reflected in his [statement](#) in [Ghana](#) a few years ago that “Africa doesn't need strongmen, it needs strong institutions.” Most of US policy toward Africa, alas, is business as usual. Yes, the president is “into Africa.” But more often that has translated into facilitating the entry of US businesses into Africa, so

they can do what outsiders have done for centuries: extract the continent's wealth.

Strip away all the modern PR and prettified palaver and it's an ugly scramble for oil, minerals and markets for US goods. Everyone wants a piece of Africa: drooling outsiders, corrupt insiders, cynical middle men. "We kind of gave Africa to the Europeans first and to the Chinese later, but today it's wide open for us," General Electric Chief Executive Jeffrey Immelt [said](#) at the summit, inadvertently providing a compact definition of neo-colonialism. And for all the talk of good governance and transparency, the political status quo of "guided democracy," with a sprinkling of genuine dictators, provides the presumed stability and secure access to resources that the US government, the Pentagon's Africa Command and businesses like General Electric value.

### **The "Ethical" Friend**

First, let's dispense with the nonsense that [China](#) is the only country that behaves with no scruples when siphoning everything of value from Africa. The State Department's Johnnie Carson [provided](#) an unvarnished US perspective in a Wikileaks cable: "China is a very aggressive and pernicious economic competitor with no morals." Well, It's true that China has developed a reputation for dealing with dictators like [Robert Mugabe](#) in [Zimbabwe](#), failing to hire local workers or purchasing local materials, and engaging in horrendous labor rights [abuses](#) in the mines it runs.

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But China's relationship is evolving. It is Africa's leading trade partner, and a million [Chinese](#) are living in the continent. "A growing number of Africans say the Chinese create jobs, transfer skills and spend money in local economies," writes the rarely China-friendly *Economist*. "African democracy has so far not been damaged. China turns a blind eye to human-rights abuses, but it has not undermined democratic institutions or conventions."

The US, meanwhile, presents itself as Africa's *ethical* friend. It likes to point to the [Dodd-Frank Act](#) to prove that US businesses are scrubbing their supply chains of unethical purchasing. The Act requires companies to disclose their payments to governments and contains specific provisions, requiring producers to make sure they're not buying "conflict minerals" from armed groups in [Congo](#).

But the first requirement hasn't been implemented, and the second provision has produced decidedly mixed results. "The first round of conflict mineral investigations was due June 2, but only 6 percent of audited companies satisfied adequate compliance standards," [reports](#) one watchdog organization. "Worst of all, of the nearly 1,000 enterprises that submitted reports pertaining to conflict minerals, 94 percent failed to validate their suppliers' sourcing tactics."

Dodd-Frank, in any case, affects only a small fraction of US business dealings with Africa. Let's look at the larger category of foreign direct investment (FDI). For all the high-minded talk, the US and China have exactly the same record when it comes to FDI and governance. Both receive a score of -.1 in a Brookings [index](#) that puts Japan on top in terms of directing FDI toward more accountable governments (.5) and [France](#) at the bottom (-.3) for basically not giving a *merde*. In other words, both the US and China go where the return on investments is most promising, regardless of political environment.

Then there's the question of arms sales. No doubt China's deliveries to [Sudan](#) and Zimbabwe are unacceptable, and its sales of small arms definitely fuel conflicts in the region. But according to a Norwegian [study](#) of the period 1989 and 2008, the US provided more military assistance in dollar value to dictators in Africa than China did. In the last few years, Washington has made [sales](#) to the following unsavory governments in Africa: [Algeria](#), [Cameroon](#), [Chad](#), [Egypt](#), Equatorial Guinea, Niger and Nigeria.

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Since 2001, [writes](#) Nick Turse: “The United States has steadily increased its military footprint, its troop levels, and its missions on the continent — from night raids in Somalia and kidnap operations in Libya to the construction of a string of bases devoted to surveillance activities across the northern tier of Africa.” The State Department alone [devoted](#) \$15 billion to security operations in Africa from 2005-12, while the Pentagon has lavished a larger but unknown sum on its counterterrorism operations in [Mali](#), Niger, Nigeria and elsewhere. The results have been less than inspiring: coups, collapsed states and burgeoning terrorist organizations. China, meanwhile, has built roads, made friends on all sides of conflicts, and positioned itself for the long game.

### **The Same Old Relationship**

The Obama administration wants us to understand that, like China, it is transforming relations with Africa. “We do believe we bring something unique to the table,” National Security Advisor Ben Rhodes recently [said](#). “We are less focused on resources from Africa and more focused on deepening trade and investment relationships.”

That sounds nice. But it’s not actually true. The leading trade partner for the US in Africa is Nigeria, and the leading American import is oil. In 2013, the US [imported](#) from Africa \$26.3 billion in crude oil, \$3.2 billion in precious stones, and nearly \$1 billion in ores such as titanium. That represents 77% of all imports. The remainder is largely raw materials such as cocoa beans, rubber and unroasted coffee beans.

Of course, trade is a two-way relationship. As the US Trade Representative Michael Froman [said](#) at the summit:

*“The United States has benefitted from AGOA [the Africa Growth and Opportunity Act] as well, not just from the stability that comes with increased global prosperity, but also from the market opportunities that accompany Africa’s rise. Since 2000, US exports to sub-Saharan Africa have increased fourfold, from \$6 billion to \$24 billion. Last year, these exports helped support nearly 120,000 American jobs.”*

In an ideal world, what's good for Africa is also good for America. But too often, these economic deals preserve the same old inequitable relationship.

Consider the new agricultural initiatives. At the summit, the US [announced](#) billions of dollars more in agricultural assistance to Africa. Although some of the funds will go to support local farmers growing food for domestic consumption, like sorghum, most of the money comes in the form of pledges by corporations like Coca Cola to source from Africa. Farmers make up two-thirds of the [workforce](#) in Africa. The challenge is to make their farming more sustainable. Tying farmers into volatile market relationships with immense multinationals is a spin of the roulette wheel, not a sure way of lifting Africa out of its dependency on the outside world.

Because of its “resource curse,” Africa’s oil and minerals and coffee beans have profited a narrow elite that has served as the middlemen to outsiders. This curse has undermined democracy and embedded corruption into the very circulatory system of the continent. If we were really “into Africa,” we would work to ensure that these resources benefit the largest number of Africans possible.

Some of what the Obama administration has done points in the right direction. But it is overwhelmed by the more powerful plays of the Pentagon and the multinationals. The president should be reining in these powerful players rather than opening the door wider for them to get into Africa. Only if this happens can the resource curse become a resource blessing. It's the rare country such as Norway that has accomplished this feat. But if Obama can help make this happen for Africa, his legacy would indeed be secure.



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