BUSINESS AND POLITICS IN A CRIMINAL STATE: THE CASE OF EQUATORIAL GUINEA

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ABSTRACT

This article assesses the changing nature of the contemporary political economy of Equatorial Guinea. It provides an overview of the complex and dynamic web of elite rent-generation and explores the extent to which the development of an oil industry has contributed to a monoculture of accumulation. It is concluded that, despite the oil windfall, other, ‘illicit’, modes of elite rent-generation persist and have even intensified.

DUBBED THE KUWAIT OF WEST AFRICA, the former Spanish colony of Equatorial Guinea has experienced extremely rapid growth as a result of the discovery and exploitation of major offshore oil reserves.1 Less enviable, the country has a well-deserved reputation for gross human rights abuses and corruption. Whilst accumulation centring on a tiny elite is widespread on the African continent, the concentration and nature of the activity have had particularly adverse consequences in Equatorial Guinea. Indeed, in his classic account, Small is not Always Beautiful, Max Liniger-Goumaz suggests that the closest comparable examples can be found in the former clan dictatorships of Latin America, including the Duvaliers’ Haiti, the Somozas’ Nicaragua, Porfirio Diaz’s Mexico and Batista’s Cuba.2 Equatorial Guinea’s ‘family caudillismo’Nguemist regime matches or exceeds earlier Latin American manifestations both in rapacity and brutality; President Obiang Nguema Mbasago is regularly named as one of the worst despots in the world.3

This article analyses the political economy of Equatorial Guinea, which has been largely neglected in recent Africa-related research.4 It provides an

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2. Ibid.
4. Liniger-Goumaz’s classic account, Small is Not Always Beautiful, represents a standard — albeit dated — reference work on the subject. Other published studies include the similarly dated work by Randall Fegley, Equatorial Guinea: An African tragedy (P. Lang, New York, 1989). Robert Klitgaard’s Tropical Gangsters: One man’s experience with debt and decadence in
overview of the complex and dynamic web of elite rent-generation and explores the extent to which the development of an oil industry has contributed to a monoculture of accumulation.

The rise and entrenchment of Nguemism

In the closing years of colonial rule, Equatorial Guinea enjoyed a flourishing cocoa sector and significant growth, but this masked the persistence of a specific colonial tradition. The majority of the population remained locked in subsistence agriculture, with only a small minority integrated into the market economy; locals were largely confined to subordinate positions in public and private enterprises, with little prospect of upward mobility. Extensive use was made of migrant labourers from abroad.

In 1968, independence was attained, with Francisco Macias Nguema becoming the first President. After many years of loyal service in junior positions in the Spanish colonial administration, he was promoted to mayor of his hometown, Mongomo, in 1960. Later he was taken under the wing of the Spanish lawyer, Garcia Trevijano, who had close links with large Spanish and French financial interests. The latter funded Macias's election campaign for the presidency; although he won the election, his party performed poorly in the coterminous parliamentary elections. Undeterred, Macias filled the Council of Ministers with close relatives and other Mongomo associates; Francoism was succeeded by what has been referred to as Nguemism — rule by a small family elite.

In March 1969, an abortive coup was alleged to have taken place. Macias used this as an excuse to mount an extensive purge of both traditional leaders and qualified cadres; all political parties were fused into a United National Party.5 The constitution was suspended, with Macias assuming dictatorial powers.6 Macias neglected all functions of government other than internal security; almost all formal education ground to a halt, with most of the population being forced to revert to subsistence agriculture. The expulsion of most Nigerian contract workers and Spanish expatriates led to a 90 percent drop in GNP.7 At the close of his reign, one-third of the population had been killed or exiled.8 Finally, Macias isolated himself

5. Liniger-Goumaz, Small is Not Always Beautiful.
in a bunker near his home village, and began murdering increasing numbers of his own family.9

In 1979, his nephew, Teodoro Obiang Nguema, Commander of the National Guard and Military Governor of Fernando Po, overthrew Macias. Obiang’s brother had recently been murdered at his uncle’s behest, which may have prompted the coup. Obiang initially pledged to put an end to the excesses of the Macias years, although few exiles were willing to risk returning; he retained Macias’ constitutional arrangements until 1980, facilitating his entrenchment of power. Civilian Nguemism was replaced by military Nguemism.10 A new constitution was introduced in 1982, with legislative elections being held in 1983; multi-party politics was technically legalized in 1991, in response to Western pressure. However, Obiang remained committed to entrenching his personal authority and that of the clan. Despite claims of acting as a ‘liberator’, his coup represented less of a revolution than the reconstitution of Nguemism.

Recent elections: reaffirming Nguemism

Obiang won 97 percent of the vote in the 1996 presidential elections, a performance that was repeated in those of December 2002.11 On the eve of the latter elections, the principal opposition candidate, Celestino Bacale, withdrew, citing threats of violence.12 As with preceding ones, the elections ‘were marred by widespread fraud’.13 Parliamentary elections were last held in 1999. Whilst new elections are due to be held in 2004, there is little sign that they will allow for a greater degree of political competition. The ruling Democratic Party is headed by one of Obiang’s brothers. Despite a stated commitment to a secret ballot, in many locales voting took place in public. In others, ballots were opened and ruling party officials voted on behalf of others with impunity.14 Opposition parties continue to boycott the House of People’s Representatives owing to commonplace electoral irregularities, the latter including an inflation of population estimates — from an estimated 500,000 to over one million — in order to facilitate ballot stuffing.15

Opposition political parties: challenging Nguemism?

There is a plethora of opposition parties, including the Convergence Party for Social Democracy (CPDS), the Popular Action of Equatorial Guinea (APGE), the Party for Progress of Equatorial Guinea (PPGE), the Popular Union (UP), the Progressive Democratic Alliance (ADP) and the Union of Independent Democrats (UDI). With the notable exception of the CPDS, most of these parties are aligned to the ruling grouping. In addition, the Progress Party (PP), the Independent Democratic Socialist Party (PIDS), the Democratic Republican Front (FDR) and the Movement for Auto-Determination of Bioka Island (MIAB) remain banned or unrecognized. Similarly banned is the National Movement for the Liberation of Equatorial Guinea (MONALIGE). The latter runs the outspoken radio station, Radio Exterior, which is based in Spain.

Arguably, the UP and the CPDS have made the most headway in the face of persistent attacks and efforts at co-optation. These two parties played a central role in forming the Front of Democratic Opposition (FOD), together with the PSD, PP, and ADP. In response, the authorities have periodically detained prominent CPDS leaders.16

The principal opposition parties remain severely hamstrung by a serious lack of resources (including information), the arbitrary arrests of key activists, and infiltration of Obiang loyalists.17 In early 2003, Obiang ‘tired of efforts’ to co-opt oppositionists. His government now consists of insiders, mostly from the dominant Esangui clan of the mainland Fang tribe. One of the few exceptions is the Prime Minister, who is an ethnic Bubi (from Bioka island).18

Senior to parliament and government, real power remains concentrated in the Family Council of Elders from the President’s hometown, Mongomo. Almost all members of the armed forces, which secure and interpenetrate the family elite, are recruited here.19 Real authority resides in both the hometown and the sprawling presidential area in Malabo. The latter includes the presidential palace and housing for senior government officials and their families and elite members of the security forces; it is heavily policed and abuts the notorious Black Beach prison.21 Meanwhile,  

19. Ibid.
20. Significantly, Obiang has had a second palace built close to the airport and the compounds for expatriate oil workers. However, the new palace seems to be uninhabited.
21. In a country renowned for unpleasant prison conditions, Black Beach is notorious for overcrowding, systematic torture and a lack of food and water and medical attention (Amnesty International, Medical care urgently needed for over 60 political prisoners: Equatorial Guinea’ (AFR 24/012/2002). (London, 2002)). Some prominent prisoners have been held in the presidential palace itself (see Bolender, ‘Blind eye on Africa’, 2003). On the beach itself,
key ministries such as Mines and Energy are housed in decaying buildings and are largely unguarded, underscoring the extent to which real power is centralized.

Securing Nguenism: the succession

There has been much speculation regarding the health of the President. He is rumoured to suffer, among other things, from prostate cancer and has also visited cardiology clinics in America. It is widely expected that his son, Teodorin Obiang Nguema (‘The Patron’), will be his successor. Teodorin is a regular visitor to Hollywood, where he has a commercial interest both in a rap music company (TNO) and in real estate, the former alone estimated to have cost some $25 million. Teodorin’s principal rival is the Secretary of State for Mines and Energy, Gabriel Obiang Nguema Lima, another of the President’s sons. However, there is considerable evidence to suggest that Teodorin remains the favoured heir. When in the country, he surrounds himself with a crew of bodyguards and hangers-on that is often bigger than that deployed by his father.

The dominance of the Family Council by Obiang and his sons has not gone without challenge, especially in view of the recent oil windfall. In December 2003, a number of other members of the Esangui clan, headed by Obiang’s half-brother, General Agustin Ndong Ona, tried to seize power. Ndong Ona, Obiang’s former Defence and Security Adviser, and a number of other alleged conspirators were jailed, while others fled into exile. The outcome confirmed the extent to which power politics remained a family affair.

An even more serious challenge to Obiang’s authority took place in March 2004. On Sunday 7 March, a chartered Boeing 727, that had ostensibly landed to refuel, was searched by the Zimbabwean authorities in Harare. Sixty-four passengers — all alleged mercenaries — were arrested, and a quantity of military material seized. Most were employees of a British Virgin Islands company, Logo Logistics, and many had been members of the former South African Defence Force’s Lusophone 32 ‘Buffalo’ battalion and had gone on to serve with the former security company, Executive


Outcomes (EO), and its successor, Sandline International. The Zimbabweans also arrested the co-founder of EO, Simon Mann, who had gone to the airport to meet the aircraft. It was reported that the alleged mercenaries had attempted to collect arms from Zimbabwe Defence Industries (ZDI). Initial reports claimed that they had been duped by the Head of ZDI, Colonel Tshinga Dube, whom they had earlier approached to purchase the weapons. Instead, the Colonel informed the authorities, leading to the arrest of the conspirators. Initial reports were also quick to blame long-standing opposition figure Severo Moto, and Lebanese entrepreneur Ely Calil, who, it was alleged, planned and funded the attempt to seize power; these claims were later reiterated by Simon Mann. Shortly after the Zimbabwe arrests, former 32 Battalion Commander (and Simon Mann associate), Nick du Toit, and 14 others were arrested in Equatorial Guinea, and accused of being involved in the conspiracy.

However, the real situation soon proved to be somewhat more complex. Du Toit had established a company in Equatorial Guinea, Triple Option 610cc EG SA, in December 2003, in partnership with Armengol (Obiang’s brother and security service chief) and other senior members of the family. A retired South African Defence Force General with links to the operatives involved claimed that:

"...there is no way experienced operatives, such as Simon Mann, would have considered such an operation without the support of a substantial body of the local security forces... there is a way of doing such operations, we know how..."

It should further be noted that ZDI has a history of dealing with selected private security firms, and with shipping weapons to the Great Lakes region, the initial destination on the B-727’s flight plan. It is probable that Dube entered into the deal with Logo Logistics in good faith, but that higher authorities were tipped off by South African intelligence.

Informed commentators have suggested that the conspirators aimed to remove Obiang, and preferably Teodorin as well, blaming their deaths on yet another coup attempt by Severo Moto, whilst placing Armengol firmly in power. The exposure of the March conspiracy led to yet another coup attempt by Severo Moto, whilst placing Armengol firmly in power.
pogrom against foreign labourers and small businessmen, which culminated in the evacuation of most of the Ghanaian community. One of the alleged mercenaries has already died in Equatoguinean custody; a visit by the South African National Prosecutions Authority to the prisoners revealed that most of the others had seemingly been tortured. Again, the coup attempt underscored the domination of power politics by the family. It also revealed that the increased spoils of the recent oil boom have inflamed internal power struggles.

Economy and accumulation

The Macias years did much to destroy Spain’s economic domination of the country. In the early Obiang years, remaining Spanish interests were soon overshadowed by French incursions. In 1985 Equatorial Guinea joined the CFA zone, whilst a number of French business houses established themselves in the country.36 More recently, as Frynas details in this issue of *African Affairs*, French economic activities have been overtaken by the arrival of major US oil firms.

Most of the population survives through subsistence agriculture.37 The commercial sector remains very underdeveloped. A few larger companies owned by Spanish and Lebanese businessmen dominate the retail sector in Bata and Malabo. Outside this the sector is dominated by Cameroonians, who, together with Nigerian, Beninese, Togolese and Senegalese vendors, sell their wares from rented stalls in the main city markets, and control about 70 percent of retail marketing. Official government purchasing is carried out through domestic middlemen (linked to the ruling group).38

A number of aid programmes sponsored by the World Bank and the IMF were halted in 1993, ‘because of the government’s gross corruption and mismanagement’. Since then, the government has been trying to agree on a ‘shadow’ fiscal management programme with these two international financial institutions.39

There are many recorded instances where the African state has degenerated into a kleptocracy, characterized by the intense personalization of authority and the voraciousness of a small government elite and its core constituents. The Equatoguinean state, however, is relatively distinct on account of both the extreme personalization of authority and the government’s relationship with a range of legal, quasi-legal and criminal

36. Liniger-Goumaz, *Small is Not Always Beautiful*.
supporting enterprises. Indeed, it is one of the few African countries that ‘can be correctly classified as a criminal state’.  

The following sub-sections provide an introduction to the range of enterprises and activities that have emerged and reconstituted themselves over the past two decades and their relationship to the presidency and associated elites. This article represents a limited coverage of a very much more complex network: ‘businesses are, for the most part, owned by government officials or their family members’.

**Forestry:** The Minister of Forestry is the President’s son, Teodorin, the ‘Minister Responsible for Chopping Down Trees’. In early 2003, Teodorin lost the Environment and Fisheries portfolio but was more than adequately compensated by the addition of infrastructure to his Forestry Ministry duties.

Large-scale logging took off in the late 1980s. The Malaysian enterprise, Schimmer, was granted a 200,000 hectare concession in 1997. Schimmer has since scaled back its activities, but unsustainable logging remains a major problem. Other major players include ABM (an association of three Spanish companies), Sofega (Lebanese), A. Mongola (Spanish), Exfosa (Spanish) and Chilbo (North Korean). All companies have organized their activities on the lines of the commercial model developed by Schimmer, namely, through the operation of sub-contractors, benefiting from minimal taxes and other forms of regulation. One of the few developmental projects funded by the oil windfall has been the construction of a new road that opens up large areas of Rio Muni to commercial logging. In summary, the relationship between the Family Council and logging interests varies between outright ownership and control and a more indirect one, whereby the Nguemists ‘lease their land’ in return for a generous tithe.

**Toxic Waste:** For many years, there has been evidence of large-scale dumping of toxic waste on the remote island of Annobon (or Palagu). Transferred from Portugal to Spain in the eighteenth century, Annobon served as an important way station for shipping well into the nineteenth century; the inhabitants speak a Portuguese dialect, and are of mixed racial origin. During the Macias years, a large proportion of the island’s

44. CIA, *World Fact Book: Equatorial Guinea*.
45. Roitman and Roso, ‘Guinée-Equatoriale’.
46. Teodorin personally owns two logging companies.
population were abducted to Bioko, where they served as slaves on the plantations, replacing the Nigerian indentured labourers who had been forced out. The remaining Annobonese were abandoned to their own fate. Following the fall of Macias, an erratic ferry link was restored.

In the 1980s, Obiang signed a number of agreements with British and US companies for the large-scale dumping of toxic and possibly radioactive wastes on the island and in adjoining waters. In March 1988, the Nigerian government sent a delegation to Equatorial Guinea to lodge objections against a deal with a French firm that entailed the dumping of a large consignment of chemical waste on Annobon. Two months later, a deal was made with Emvratex, located in Buckinghamshire, UK, and the US-based Axim consortium to accept 2 million drums of toxic chemical waste, again to be dumped on Annobon, in a 'large hole dug by convict labour'. Again, the Nigerians objected, fearing the consequences for the entire regional ecosystem. In return for a cash payment, the Equatorial Guinean government agreed to suspend the deal, although it made no commitment to abandon its interest in the trade.

In 1994, reports in the Swiss press alleged that the Obiang regime had made some $200 million from a deal entailing the dumping of both toxic chemicals and radioactive waste on the island. In the 1990s, a military blockade was imposed. A visiting German agronomist who managed to obtain access alleged that:

There are indications of storage of radioactive substances in the coast of Annobón (sic). The island is protected by the military, all the communications are cut. An urgent investigation of the injurious substance and the damages (to the environment) is necessary.

Whilst there are very few accounts available of the situation in Annobon in the 1990s, what little evidence there is points to epidemics of leukaemia, ulcers and abscesses among the population, as well as widespread malnourishment; the regime refused foreign offers of aid. Opposition movements have alleged that the results of toxic waste dumping have been catastrophic for the island's fauna and flora, as well as its inhabitants. An airstrip has now been built, with weekly flights from Malabo. However, there is little evidence of any serious effort to undo the ecological damage inflicted in

47. Apart from occasional forays from the military for the purposes of plunder and rape.
51. Dimah, Transboundary Shipments.
54. Monalige, Tam Tam de Alerta (newsletter) (Madrid, July 2000).
the 1980s and 1990s. Nor is there any evidence that toxic waste dumping has now ceased. Security on the island remains high. For example, in October 2003, a group of German amateur radio enthusiasts were subject to ongoing harassment, prior to being arbitrarily evicted from the island despite being in possession of the necessary permits.\(^55\) Whilst its revenue-generating capacity has now been overtaken by that of oil, toxic waste was of particular importance to the Nguemists in the leaner years of the 1980s and early 1990s; again, there was ‘land leasing’ in return for tithes.

**Drugs:** The Paris-based Geopolitical Drug Observatory (OGD) has classified Equatorial Guinea as a ‘narco-state’, a country where drug production or trafficking plays a central role in the economy and political life.\(^56\) The country has long had an unenviable reputation as a centre for the trafficking and re-exportation of drugs. Bayart alleges that the economy can best be described as interpenetrated by ‘unofficial, illegal and criminal activities’, citing the example of 20 Equatoguinean officials who were arrested with a large consignment of cocaine in their possession.\(^57\) Indeed, there is a considerable body of evidence pointing to the widespread involvement of Equatoguinean officials in drugs smuggling, under the cover of diplomatic immunity.\(^58\) For example, the Ambassador to France was arrested for heroin smuggling in 1990, and the Military Attaché to Nigeria (30 kg cocaine) and the Ambassador to Spain (32 kg cocaine) in 1991.\(^59\) However, their tactics seem to have improved since the 1980s when:

> ... one of Obiang’s top aides, who was fortunate to benefit from diplomatic immunity, was once stopped at New York’s JFK airport with a suitcase full of marijuana. The police had little trouble making the bust. The aide’s bag had a hole in the side, and he was trailing pot as he strolled through the terminal.\(^60\)

After his arrest and imprisonment for drug trafficking in Spain, the Minister of Information, Santos Pascal Bikomo, released a detailed account of the nature of the network surrounding the ruling grouping in 1997. He alleged that Obiang, his brother Armengol Ono Nguema and Teodorin directed operations personally.\(^61\) The country acted as a staging post for drugs operations, with cargoes being brought to and from Malabo and boats on the high seas by smaller vessels. On Bata, they were transhipped more

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\(^56\) *El Diario Internacional*, October 1994; see also Roitman and Roso, ‘Guinée-Equatoriale’.


\(^59\) Roitman and Roso, ‘Guinée-Equatoriale’.

\(^60\) *The Nation* (Nairobi), 22 April 2002.

openly; goods ‘for The Boss’ were allegedly exempt from customs control.62 Large quantities were allegedly distributed in Europe through shipments of tropical hardwood (via the Exfosa company) and cocoa and coffee (Casa Mallo and APRA), and smaller consignments by diplomats and ministers on official trips.63 Even more damningly, evidence was presented that a number of senior politicians and diplomats who had previously been arrested for possessing drugs were subsequently promoted by Obiang to state minister or secretary general in government ministries.64

Flags of convenience and pirate fishing: Under international law, the country whose flag a ship is flying is ultimately responsible for the vessel’s activity. Increasing numbers of fishing vessels are being placed under Flags of Convenience (FOCs) to escape regulation: they are then free to fish on the high seas or in the territorial waters of highly impoverished nations, with little prospect of being held to account for breaches of international conservation and fisheries management measures. Equatorial Guinea is one of the ten FOC countries with the greatest number of fishing vessels over 24 metres in length.65 Greenpeace has recently reported the existence of illegal tuna ships operating under the Equatorial Guinean flag. Whilst there is no evidence that the Nguemists are personally engaged in the industry, there is little doubt that countenancing and facilitating such activities have represented a useful source of revenue-generation.

Arms and aircraft of convenience: In the early 2000s, the country became a centre of the aircraft operations of the notorious Tajiki-Russian arms trader, Victor Bout.66 The core of Bout’s weapons smuggling empire is his Trans-Aviation Network Group (TAN), the principal African subsidiary of which is Centrafrican Airways. Bout has been linked with

62.  Ibid.
63.  Labrousse, *La drogue, un marché de dupes*. Allegedly, the suspiciously large amounts of baggage carried by the President on official trips abroad have also been known to contain drugs (Bikomo, ‘Guinea Conexion’).
64.  Bikomo, ‘Guinea Conexion’.
66.  *Inter alia*, this included the registration of at least four Ilyushin freighters (*JP Airline Fleets International 1999–2000*, London). Bout was born in Dushanbe, Tajikistan in 1967; Farsi was his first language. He holds five passports, two of which are Russian and one Ukrainian. US sources allege that his wife’s father, ‘Zuiguin’, at one time held a high position in the KGB, perhaps even as high as a Deputy Chairman. Bout himself is an ex-KGB major rumoured to have good contacts with the Russian and Ukrainian mafias. He regularly changes the spelling of his name in an effort to confuse investigators; one such spelling is ‘Victor Butt’. He started his air operations in 1993 when he bought 10 Antonovs, one Ilyushin and a Mi-8 helicopter at Cheliabinsk airport ‘for peanuts’, according to Valery Spurnov, a former civil aviation inspector (*Guardian*, 17 April 2002). By early 2002, his fleet had expanded to about 60 aircraft (*ibid.*).
smuggling weaponry to the former UNITA rebels in Angola, the Taliban, the Sudanese government, and, more recently, to the Rwandan-backed rebels in the Democratic Republic of Congo, returning with cargoes of tropical hardwood and gems.67

Previously based in the Central African Republic, Bout was tried in absentia by the Central African authorities in early 2000; whilst he managed later to get the charges reversed, the Centrafrican Airways office was closed.68 In 2001, he shifted more of his operations under the Centrafrican umbrella, flagged in Equatorial Guinea. Valerii Naido,69 a former Bout pilot and his ‘number two’ in southern Africa, has also opened a company called CET Aviation in the country. The United Nations has alleged that he is also involved in an agency that formally registers planes under the national flag.70 These developments would reflect Bout’s increasing interest in outsourcing important functions and in delegating tasks to sub-contractors.71 Michael Harridine, an alleged Bout associate, through a UK company based in Kent, ‘Aircraft Registration Bureau’, ‘offers a full range of services on the Equatorial Guinea Civil Aircraft Register, which includes: creation of a company name; air operator’s certificate (no restrictions); full aircraft/company documentation; ferry permits and crew validations’.72 Again, the relationship between the Nguemists and the Bout network is largely a facilitative one, providing the room in which specific forms of activity can flourish in return for ‘licensing’ and other fees.

**Forced labour and labour bureaux:** During the Macias years, large numbers of Annobonese were enslaved to work on the plantations in Bioko. Whilst some of the excesses of this period were ended following Obiang’s seizure of power, considerable controversy continues to surround labour practices in the country. According to the US State Department 2002 *Country Report on Human Rights*, prisoners are routinely used as workers by officials and as labourers on construction projects without any remuneration. There have been allegations of judges using prisoners as domestic workers.73 Equatoguinean law does not prohibit trafficking in people; the country has become both a transit point and a destination for trafficked peoples.

69. This name may be a deliberate mispelling.
71. Ibid.
Children are trafficked to service the urban labour markets of Malabo and Bata, mostly from Benin and Nigeria; working hours are long and physical abuse endemic. In addition, the country serves as a way station for trafficked labour to Gabon. Women are also trafficked from Cameroon, Benin and Nigeria to serve as prostitutes.74 The massive influx of foreigners into the highly segmented petroleum sector has led to the proliferation of prostitution. Belonging to a network associated with the ruling elite allows access to a favourable soliciting location and freedom from arbitrary arrest.

Labour rights are severely restricted: only one trade union, the Small Farmers’ Syndicate (OSPA), legally exists, whilst strikes are banned.75 The CPDS has attempted to register its Syndicated Workers Union (UST), to little avail. The independent Independent Syndicated Services has also been denied registration despite meeting all legal requirements. The abuse of worker rights is particularly problematic in the case of the oil industry.76 There is a minimum wage in place whereby ‘private sector companies outside the energy sector or other foreign companies must pay a minimum wage of CFAF 75,000 ($100) per month, and all other organizations, including the government, must pay a minimum wage of CFAF 50,000 ($67) per month’.77

Oil and transparency: The development of the oil industry and its effects have been described by Jędrzej George Frynas in this issue. But one particular aspect of the oil boom needs to be explored further: transparency.

The manner in which oil earnings are spent remains an official ‘state secret’.78 The Equatoguinean government has ‘reacted coolly to the idea’ that firms doing business in the region should disclose full details regarding payments made to governments.79 Official tax rates on oil export revenues are 20 percent, rather less than usual for an oil exporting country; however, this would not include under-the-counter payments.80 As noted earlier, the Secretary of State for Mines and Energy, Gabriel Obiang Nguema Lima, is a son of the President. The Deputy Minister for

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74. Ibid.
75. The Equatorial Guinea Trade Union operates underground.
78. Africa Confidential, 7 February 2003; see also Médecins Sans Frontières, ‘Written statement submitted to the UN Commission on Human Rights, 50th Session (9th Item on Agenda)’ (New York, 2000).
Economics and Finance, Rosendo Otogo, is the President’s cousin. This helps to maintain secrecy.

There have been growing demands by anti-corruption groups such as Global Witness for a full investigation as to the involvement of leading US oil firms in the payment of $300 million into a private US bank account said to be controlled solely by Obiang.\footnote{Other sources have suggested that the sum is as much as $500 million. See \textit{The Independent} (London), 11 May 2003.} A \textit{Los Angeles Times} investigation alleged that both ExxonMobil and Amerada Hess had been depositing a large proportion of the country’s energy earnings into the account.\footnote{\textit{Los Angeles Times}, 20 January 2003.} The oil firms implicated have refused to comment on the matter, whilst the Equatorial Guinean spokesman responded that ‘we can use the money as we see fit’.\footnote{Ibid.} The account is held at the Dupont Circle branch of the Riggs Bank in Washington, DC; details were accidentally disclosed during a speech by the President’s brother-in-law (and ambassador to the US).

Global Witness charged that:

\begin{quote}
President Obiang appears to have taken advantage of a rash of secret deals with US companies to privatise his country’s oil wealth to support his brutal regime and his extravagant personal spending.\footnote{The Independent (London), 11 May 2003.}
\end{quote}

As the Frynas article in this issue suggests, the dominant Esangui clan is heavily involved in the state oil industry. Hence, oil has provided the family network with both direct sources of business activity and income and indirect royalties.

Again, the country’s new-found oil wealth has accorded a certain respectability to the state, despite estimates that 80 percent of oil revenues accrue directly to less than 5 percent of the population, those linked to Obiang Nguema’s inner circle.\footnote{Roitman and Roso, \textit{Guinée-Equatoriale}.} The oil companies have failed to provide any check on Obiang’s activities as he ‘defies criticism of human rights and corruption’; indeed, a number of oil firms have assisted in improving his image, \textit{inter alia} by hiring Bruce McColm’s Institute for Democratic Strategies think-tank/lobby group. The Obiang regime now pays him directly: ‘according to its latest non-profit tax form, the IDS spent $223,000 in 2000, of which all but $10,000 went toward its Equatorial Guinea work’.\footnote{Africa Confidential, 7 February 2003.}

\textbf{Other forms of accumulation: } Equatorial Guinea also has a reputation as a centre for money laundering.\footnote{G. Clinton, ‘Equatorial Guinea’, \textit{New Internationalist}, \textbf{265} (1995).} Again, there is some evidence that humanitarian aid is commonly misdirected: Médecins Sans Frontières has
charged that ‘the only goal’ of people connected with the ruling clan is to ‘divert humanitarian aid (and other international revenue) and enrich themselves illegally’.\(^8\) However, whilst donors regularly threaten to withdraw — and, in some cases, actually do so — the Nguemists have been relatively successful in garnering overseas assistance from a range of different national governments, variously playing on Cold War rivalries, French-Spanish rivalry, and, more recently, the desire for oil concessions.

Finally, owners of independent commercial enterprises have to pay not only party membership fees, but also what amounts to protection money to the elite in return for various ‘services’. When the owner of a prominent restaurant, the *Mesa Verde*, fell out with a very senior government official in August 2003, a bomb went off in the restaurant, severely burning the owner, who was the sole occupant at the time. This example underscores the extent to which the discovery of oil seems to have failed to diminish the network’s interest in exploring other, more dubious, forms of influence and revenue-generation.

Securing accumulation: the coercive state apparatus

The Interior Minister is Clemente Engongo Nguema. However, until the March 2004 coup attempt, considerable power resided with the Director of National Security, Armengol Ondo Nguema, who presided over a repressive state apparatus that has an extremely bad reputation. A 1999 State Department report ‘alleged that Armengol in at least one instance personally directed security forces to urinate on prisoners, kick them in the ribs, slice their ears with knives and smear oil over their naked bodies to attract stinging ants’.\(^9\)

The Equatoguinean prison system makes little provision for food, or meeting any other of the prisoner’s basic needs.\(^10\) Whilst family members may provide them, these may be — and frequently are — arbitrarily withheld. Prisons often lack working toilets and drinking water.\(^11\) Torture is routinely employed to extract confessions.\(^12\) Major centres of torture seem to be the Bata police station, Black Beach Prison, and, formerly, the headquarters of the Moroccan guard. From the family inner circle to the poor, Equatorial Guineans live in fear of arbitrary detention, harassment, beatings and the seizure of personal property. The government generally

\(^8\) Médecins Sans Frontières, ‘Written Statement submitted to the UN Commission of Human Rights’.


\(^10\) Médecins Sans Frontières, ‘Written Statement submitted to the UN Commission of Human Rights’.


\(^12\) *Ibid.*
fails to prosecute members of the security forces involved in extrajudicial killings.\textsuperscript{93} In both 1995 and 1997 exiled opposition leader Severo Moto Nsa\textsuperscript{94} was sentenced in absentia to long periods in imprisonment for high treason, after ill-starred attempts to infiltrate the country.\textsuperscript{95} In 1997 a serious coup attempt was quashed with Angolan assistance. In 1998 and 1999, a wave of arbitrary arrests of ethnic Bubis took place. Amnesty International charged that the 1998 wave was prompted solely by ethnic prejudice\textsuperscript{96} following the crushing of a separatist revolt on Bioko Island. Detainees were subject to beatings with electric cable, whilst some had their ears cut off.\textsuperscript{97}

In March 2002, Obiang launched a major purge, characterized by mass arrests, allegations of torture and public denunciations ‘as awful as those in the 1970s’ by the Macias regime.\textsuperscript{98} Obiang claimed that the arrests were in response to the uncovering of a ‘diabolical’ coup plot.\textsuperscript{99} The arrests included founder members of the underground FDR and a leader of one of the factions of the registered Popular Union party, CPDS leader Placido Miko,\textsuperscript{100} as well as 150 retired or active members of the armed forces, their partners and children; most were from the Mongomo district.\textsuperscript{101} Sixty-eight were later convicted of attempting to overthrow the government, and were imprisoned at Black Beach. During the trial, it was evident that prisoners were suffering from dislocated elbows and wrists, severe lumps and other evidence of torture.\textsuperscript{102} In September 2002, it was announced that at least one of the prisoners had died, his heavily scarred corpse indicating systematic torture. It has also been alleged that other prisoners had their ears cut off.\textsuperscript{103} In July 2002, every security officer at Bata airport was arrested for allowing a leader of the opposition Popular Union to board a flight to Gabon.

In addition to alleged opposition supporters and members of ethnic minority groupings, immigrants from the African mainland are a favourite target for regular arbitrary police round-ups. A focus of Obiang’s particular

\textsuperscript{93.} Ibid. See also International Bar Association, ‘Equatorial Guinea at the Crossroads’ (2003), www.ibanet.org.
\textsuperscript{94.} Moto is now head of the Madrid-based Equatorial Guinean ‘government in exile’.
\textsuperscript{95.} Africa Confidential, 29 August 1997.
\textsuperscript{96.} Afol, Oslo, 13 August 2003. Ethnic Bubis were also subjected to arbitrary harassment, beatings, rape and destruction of their property. Amnesty International, ‘Equatorial Guinea: A country subject to terror and harassment’.
\textsuperscript{97.} Amnesty International, ‘Equatorial Guinea: A country subject to terror and harassment’.
\textsuperscript{98.} Africa Confidential, 19 April 2002.
\textsuperscript{99.} Financial Times (London), 20 April 2002.
\textsuperscript{100.} Sometimes spelled Mico.
\textsuperscript{101.} Other estimates have put the number of detainees at 144 (Bolender, ‘Blind eye on Africa’); Amnesty International, ‘A parody of a trial in order to crush the opposition’ (AFR 24/01/2002) (London, 2002).
\textsuperscript{102.} US Department of State, Country Reports on Human Rights Practices.
\textsuperscript{103.} Ibid.; Amnesty International, ‘Medical care urgently needed for over 60 political prisoners Equatorial Guinea’ (AFR 24/01/2002) (London, 2002); Bolender, ‘Blind eye on Africa’.}
ire is Cameroonians, possibly owing to the presence of Equatoguinean exiles in that country. In a speech in 2000, Obiang called for:

\[\ldots\text{each and every one of you to carry a machete, sticks and batons to hit those thieves so that they go away.}\]

Checkpoints are in place throughout the country, outside the major urban areas. Not only do these restrict the movement of opposition figures, but also police manning them routinely subject passers-by to searches and extortion. All publications are subject to censorship. The only private radio station, Radio Asongo, is owned by Teodorin, whilst the only TV station is owned by Obiang himself.

There is no evidence that the country’s appalling human rights record has troubled the major Western investors on the island. Indeed, a highly coercive environment may be a good one in which to do business. As one visitor remarked:

\[\text{You have to go there. It’s ever so pretty. Other than the fact that they beat people up rather a lot, it’s really nice.}\]

Levels of crime in Malabo are very low, owing to the omnipresence of both uniformed and plain-clothes members of the security forces and the brutal nature of the punishments meted out. The government has built lavish — and heavily guarded — villas for hosting visiting oil executives; today most expatriate oil workers are housed in segregated compounds.

Critics have charged that the UN’s decision to stop human rights monitoring in Equatorial Guinea in April 2002 in response to pressure from member states was prompted solely by oil concerns. ‘The Corporate Council on Africa in Washington, DC has now categorized the country as a ‘fledgling democracy’. In 1998, US special forces launched an initiative to give training to Equatorial Guinean troops in small unit tactics, navigation, light infantry skills, reconnaissance and medicine. Meanwhile, the French have trained a new service, the Gendarmerie.'
The oil windfall has given the ruling elite considerably more money to spend on security, and this has led to an influx of international private security firms. Two years after an initial application to overhaul the security forces was rejected, Virginia-based Military Professional Resources Incorporated (MPRI) was given permission to submit an assessment for assistance; ostensibly this focused on improving the coastguard services. However, the terms of the contract remained confidential, and subsequently, MPRI’s brief was greatly expanded. MPRI has now completed its initial assessment for a National Security Enhancement Plan (NSEP), which includes the creation of a small mobile land force.

The NSEP was based on the findings of ‘an integrated team of defence, security, and Coast Guard experts’ commissioned to provide a detailed set of recommendations to the government of Equatorial Guinea ‘concerning its defence, littoral, and related environmental management requirements’. Thereafter, the implementation of the NSEP began. Its stated aims are to provide a more effective basis for an army than the current ‘one or two thousand’ soldiers who have access to a couple of patrol boats and aircraft, and a handful of heavy weapons. US security advisers have become a visible presence in Malabo, as have US-manufactured police cars.

The use of private security firms has helped plug the gap in security expertise left by the departure of the notorious Moroccan Guard in 2000. The latter had arrived in the country six weeks after the coup that brought Obiang to power. One of their first duties was to execute Macias, a task Equatoguineans shrank from on account of his reputed magical powers. In 1981, they played a central role in a staged coup attempt that was a pretext to eliminate potential opponents. Soon, Obiang came ‘to govern under the shadow of his Moroccan guard’, a guard that played a central role in the apprehension and torture of key opponents. However, whilst dependent on them, Obiang may have come to resent their role, which was secured by relatively modest cash pay-offs and diplomatic support for the Moroccan occupation of Western Sahara. Access to considerably greater financial resources has enabled him to make a final payment to settle and
close the contracts and make security arrangements elsewhere, under terms that entail fewer personal compromises. However, whilst the guard has formally withdrawn, the Moroccans maintain a small presence at its former quarters.121

Nonetheless, the use of US consultants holds risks of its own; it is unlikely that the March 2004 conspiracy would have been attempted had the plotters not been confident of (at the very least) the acquiescence of the American ex-special forces ‘advisers’ present on Malabo.122

Finally, there is considerable evidence that the Mongomo elite maintain their grip on authority through claims of supernatural power, practices initiated in the Macias years. The state radio has recently announced that Obiang ‘is in permanent contact with the almighty . . . like God in heaven with all power over men and things’.123 Hence, Obiang ‘can kill anybody without going to hell’.124

**Interlocking accumulation:** The Family Council provides the environment in which a number of partner organizations associated with the state elite can flourish. The Council — often coercively — reconciles rival factions and manages the core functions of accumulation. Together with surrounding family networks, it is interpenetrated by the military and paramilitary security apparatus, which underpins and secures its dominance; more than two decades after the Obiang coup, Nguemism retains a military flavour. Any developmental activities that fail to provide an immediate pay-off are neglected; the government has degenerated into little more than the centre of a large and dynamic set of activities that, in some instances, are illegal in terms of international law.

These activities are bound together with ties that range from outright ownership (logging companies and labour bureaux) and control (oil revenues), to the collection of what amount to tithes from operators engaged in dubious activities (pirate fishing and arms smuggling). Not all these activities are taking place at any particular moment; forms of accumulation adapt and are reconstituted in response to changes in the external environment.

Crucially, the oil windfall has not led to the emergence of a monoculture of accumulation. The inflow of substantial amounts of petro-dollars seems to have done little to diminish the elite’s appetite for petty trafficking and extortion. Whilst some activities may have declined or ceased, others, such

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121. *Afrol*, Oslo, 10 January 2000.
122. It has frequently been alleged that Simon Mann has had close links with MI6. There is little doubt that the looming Riggs Bank scandal — the Obiang account has been the subject of a recent FBI investigation — and the Hollywood antics of Teodorin, have sparked concern in certain circles close to the Bush administration, given Obiang’s worsening health.
as logging, FOCs and job agencies, are flourishing. Indeed, the latter sector seems to have been revitalized by the oil boom. At the same time, the prospect of richer pickings has proved corrosive to family unity, as borne out by recent coup attempts. Figure 1 depicts the range of activities, both ongoing and former, associated with the network.

**Conclusion**

The discovery of oil has opened up hitherto undreamed of avenues of accumulation for the Equatoguinean state elite. However, this does not seem to have resulted in the abandonment of a number of other well-established forms of rent-generation. Despite oil and oil rents, other, ‘illicit’, modes of accumulation persist and have even intensified, bound together by a web of patronage, ownership and tithing. Nor is there any evidence
that the discovery of oil has led to better governance. Despite impressive
growth rates, the bulk of the population remains locked in a subsistence
mode of existence. Indeed, the oil windfall has greatly strengthened the
coercive state apparatus, and is likely to further entrench the authority of
the ruling Esangui clan, periodic internal squabbles notwithstanding.