



**Anatomy of Resource Wars**  
**Michael Renner**<sup>1</sup>

**Session 2: Resources and Sources of Conflict**

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There is an array of linkages between environment, resources, conflict, and security. In my talk, I will focus on conflicts that arise out of a context of contested resource wealth.

In several countries, abundant non-renewable resources such as oil, metals and minerals, diamonds and other gemstones—but also a nominally renewable resource like timber—have helped fuel devastating conflict. A conservative estimate suggests that in at least one quarter of the conflicts during the 1990s, resource exploitation has played a role in either triggering or exacerbating violence.

Various armed factions in civil wars, including government forces, are financing their weapons purchases and operations through “resource looting”—taking possession of them illegally and selling them via gray and black markets.

The plundering of resources in war zones has been accomplished in a number of ways:

1. Armed factions have seized existing stockpiled raw materials
2. They have themselves engaged in mining and logging in areas they control
3. They have pressed civilians into resource extraction at gun point
4. They have “taxed” those engaged in resource extraction, or sought to extract ransom before allowing the passage of commodities to their intended markets.
5. And in some cases, warlords and governments have awarded illicit concessions to companies of questionable reputation

Corrupt governments, rebels, and warlords have made billions of dollars from resource exploitation in war zones, securing an ample supply of arms and enriching themselves. In a vicious cycle, the spoils of resource extraction fund ongoing warfare, and the continued state of violence provides opportunity, cover, and legitimation for continued resource looting. Even where conflicts come to an end, illegal networks often continue to exploit resource deposits.

In these cases, abundant natural resources have turned out to be a curse: triggering a torrent of arms trafficking, H.R. violations, humanitarian disasters, and environmental destruction.

The human cost of these conflicts has been appalling:

- More than 5 million people were killed in resource-related conflicts in the 1990s, & as many as 20 million driven from their homes.
- Critical social needs (nutrition, health, education) have been trampled in the process, worsening the lack of human development already plaguing many of these countries.

**Environmental Impacts**

Many resource-related conflicts are being fought in areas of great environmental value—areas that still have largely intact forests and are biodiversity hotspots.

Because much resource extraction in war zones occurs illegally, and because miners and loggers are intent on exploiting resources before they might lose control over an area, they have no incentive to conduct their operations in a responsible manner. Their primary interest is in raising funds for weapons purchases or quick self-enrichment. The following examples are illustrative:

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<sup>1</sup> **Michael Renner** is Senior Researcher and Project Director for *Vital Signs*, Worldwatch Institute

Democratic Republic of the Congo: The plundering of resources has led to severe deforestation, and decimation of elephant and lowland gorilla populations. Two of the country's national parks (both on UNESCO's list of World Heritage Sites: Kahuzi-Biega and Okapi Wildlife Reserve) have sustained particularly severe damage.

Nigeria: Oil production has translated into health problems and impoverishment for local inhabitants that have traditionally lived from fishing and agriculture. Fish catch and farm yields have declined drastically. Oil spills and poor industry practices have exacted a heavy toll in the Niger Delta, Africa's largest wetlands area (which harbors extensive mangrove forests and provides habitat for a number of unique plant and animal species).

Borneo (Indonesia & Malaysia): Unsustainable logging has resulted in soil erosion, silted streams, diminished biodiversity, and unprecedented floods and droughts. Fishing and hunting grounds of the indigenous population (the Dayak) have shrunk dramatically or become increasingly polluted.

Bougainville: Wastes dumped from copper mining damaged one fifth of the island's total land area, decimated harvests of food and cash crops (cocoa, bananas), contaminated rivers, and depleted fish stocks.

### **Types of resource wars**

It is possible to distinguish several types of conflicts, in terms of their major driving factors:

1. In some cases, the pillaging of resources allows wars to continue that were triggered by other factors—initially driven by grievances or ideological struggles.

This is what happened in Angola, Afghanistan, and Colombia:

- ∅ Once the superpower patrons phased out their support for combatants in Angola in the late 1980s, the combatants financed themselves increasingly through oil revenues (government) and diamond sales (UNITA rebels).
- ∅ The roots of conflict in Afghanistan go back to the Soviet invasion of 1979. Opium and heroin trafficking helped finance the anti-Soviet mujahideen and the subsequent civil war. It also bankrolled the Taliban, whereas their opponents relied on sales of gemstones.
- ∅ In Colombia, the civil war has been fueled and complicated by drug trafficking (coca/cocaine) and oil money.

2. In other cases, it was the lure of lucrative resources that served as an incentive for governments, warlords and criminal entrepreneurs to initiate violence, in order to gain or consolidate control over such resources.

This is what happened in Sierra Leone and Liberia, and—to a degree—the Sudan and the Democratic Republic of the Congo:

- ∅ In Sierra Leone, RUF rebels started a civil war in order to grab control over diamond-rich parts of the country. RUF was supported by Charles Taylor in Liberia, who himself started a civil war in his own country with the aim of enriching himself by exploiting timber and other natural resources.
- ∅ In Sudan, the discovery of oil was a major factor in re-igniting the civil war between the central government and the South. The government has used a scorched earth strategy to de-populate and control oil-rich areas.
- ∅ The opportunity to loot the DRC's enormous natural wealth was a major factor in triggering the 1998 war.

3. Conflict has also erupted in several countries where the benefits of oil extraction, mining, and logging projects accrue almost exclusively to foreign investors and a small domestic elite, while the social and environmental burdens are borne by local communities.

Resource extraction itself is the source of severe tension and conflict in numerous cases, often involving indigenous populations.

Cases where large-scale violence has broken out include:

- Ø Nigeria's Niger Delta (oil)
- Ø Aceh and West Papua in Indonesia (natural gas / timber), and
- Ø Bougainville/Papua New Guinea (copper).

4. As global demand for fuels, minerals, water, and other primary commodities continues to rise rapidly, disputes over ownership and access to resources are multiplying. Major powers are increasingly likely to support repressive local governments, engage in a "jockeying" for access vis-à-vis other importers, and even intervene to secure "their" supplies of raw materials.

This is particularly true for oil. Major importing nations may increasingly jostle over access to oil.

Ø Unlike Europe, over the last decade, the US increased its oil imports by 65 percent. The United States now imports more than half of its oil (up from one-third in 1985); and will import a projected two-thirds by 2020.

Ø China's oil consumption and imports are surging. Since 1993, demand has outpaced domestic production, which now covers only about 60 percent of consumption.

The United States, has gone to great lengths to maintain its domination over world oil, and particularly its influence over the Persian Gulf region. The Middle East accounts for 30 percent of worldwide production, more than 40 percent of exports, and 65 percent of global reserves.

Competition is heating up over access to the Caspian oil and gas resources, between the United States, Russia, and China. This rivalry is expressed in part in competing export pipeline plans, but the United States and Russia have also sought to strengthen their influence by stationing troops in the region.

### **Resource Curse and Poor Governance**

Why are some countries susceptible to resource conflicts? A combination of economic and political factors helps explain why some are more likely to experience violent conflict.

Some economies grow overly dependent on one or a handful of primary resources. This is particularly the case if they fail to diversify and to stimulate human skills that could lessen this dependence.

- Oil- and mineral-dependent countries tend to do poorly in terms of human development, scoring very low in health and education achievements.
- They also suffer from extremely poor governance characterized by weak public services and institutions on one hand, and widespread corruption and patronage systems on the other.

This deepens divisions in society—fault lines among different ethnic groups and communities that rulers often foster and manipulate in a divide-and-rule fashion. The upshot is a pervasive lack of economic and political opportunities. Gaining control over a lucrative resource represents one of the few available tickets to wealth and power.

Resource royalties enable political leaders to maintain a hold on power, because they are an easy source of funds for weapons purchases and for building an apparatus of oppression.

Still, in such conditions, discontented and aggrieved groups turn increasingly to protest and perhaps violence, and ruthless warlords and criminal entrepreneurs, who sense an opportunity for pillaging, will be tempted to use violence to achieve their objectives.

The resort to violence is facilitated by the massive proliferation and easy availability of weapons, particularly small arms. Small arms are the weapons of choice in virtually all of today's civil wars: they are cheap, widely available, easy to smuggle, and easy to use.

### **Connections**

Resource-based conflicts in far-flung parts of the world seem far removed from concerns of people in Europe or North America. But there are very important connections:

#### Globalization:

The enormous expansion of global trade and the associated multiplication of trading and financial linkages have made it relatively easy for warring groups to establish transportation and marketing networks that facilitate the movement of conflict commodities from war zones to industrial countries. These networks are partly legal, partly illegal.

Lax border controls, and complicit companies have made it possible to bypass international embargoes and other control attempts— such as they exist—via diverse smuggling routes.

It is clear that a number of businesses carry a degree of responsibility for the resource wars. This responsibility ranges from:

- an active role (in which companies are directly and knowingly involved in illicit resource exploitation),
- to a silent complicity (in which firms do business with repressive regimes because of lucrative contracts),
- to a passive enabling role (in which few questions are asked by companies down the supply chain about the origin of raw materials).

#### Consumption:

The resources over which so much blood is being shed have consumers in the richest countries as their final destination, no matter how complex and circuitous the networks of delivery are.

It is this strong demand for commodities (and the consumer products made from them) that makes illegal resource exploitation so lucrative. International trade in 22 key commodities more than doubled in value since 1970; this growth was principally due to rising volume, since world market prices have been weak for most commodities.

Natural resources will continue to fuel deadly conflicts as long as consumer societies import and use materials irrespective of where they originate and under what conditions they were produced. More broadly, this will be the case as long as industrial countries continue on an economic development path that is so highly energy- and materials-intensive.

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