

WEST AFRICA'S SUSTAINABLE DEVELOPMENT AND UNITED STATES ENERGY SECURITY INTERESTS

**WITNEY W. SCHNEIDMAN
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The Global Sullivan Principles are intended to be a catalyst and compass for corporate responsibility and accountability. They are aspirational not apologetic, celebratory not punitive and voluntary not obligatory. The Global Sullivan Principles advance a development framework that enables businesses of all sizes and in all sectors to pursue their business objectives while being mindful and respectful of employees and the communities in which they operate.

GSP was developed by Reverend Leon H. Sullivan and a Core Committee of business leaders based on the experience of the Sullivan Principles. The Sullivan Principles constitute one of the earliest corporate codes of conduct that, between 1977 and 1994, made an important contribution to the peaceful dismantling of apartheid in South Africa. Signatories to the Sullivan Principles paid black and white workers equally, and integrated their changing and eating areas, among other actions that, at the time, were revolutionary in apartheid South Africa.

Shortly before his passing in 2001, Reverend Sullivan launched the GSP which consist of eight principles. GSP has particular relevance to the debate over sustainable development in West Africa and US energy security interests for several reasons.

One is that the American private sector increasingly is becoming a catalyst for economic development. This is illustrated by the fact that for every one dollar of official development assistance going to the developing world, there are four dollars of foreign direct investment. Put somewhat differently, in the 1970s, 70 percent of resource flows from the US to the developing world were from official development assistance. Today, 85 percent of resource flows from the US to the developing world are private, and 15 percent are public.

In the oil exporting nations of West Africa, this has had profound consequences. Over the last decade, American companies have come to understand that doing business in places such as Angola, Equatorial Guinea and Nigeria require social investments as well as commercial investments.

A second reason for the relevance of a code of corporate social responsibility is that it is apparent that any threat to the stability of supply is likely to be more internal than external.

A third rationale for social investments and a guiding program such as GSP is the fact that the oil producing governments simply do not have the capacity to respond to their

development challenges. Nigeria, according to a study released by Catholic Relief Services, received over \$300 billion in oil revenues over the last 25 years but has a per capita income of less than a dollar a day. Angola is emerging from a quarter century of civil war. And only in the last several years has Equatorial Guinea taken steps to improve governance.

Corporate social investments therefore can have a significant influence in countries working to ensure that oil wealth is being used to the benefit, as opposed to the detriment, of the people in the countries where the oil is being produced.

It is worth looking at several examples. In Angola, Chevron, an original endorser of the Global Sullivan Principles, in 2002 created a \$50 million Angola Partnership Initiative, pledging \$25 million to the effort. Key partners include UNDP, USAID and several NGOs. Programs funded by this initiative include job training and creation, micro-lending and programs designed to restart Angola's agricultural sector.

In Equatorial Guinea, Marathon has pledged to eradicate malaria on Bioko island over the next ten years, and all US companies in the country participated in an initiative led by Business for Social Responsibility in July that resulted in the creation of a social fund to which the government has allocated resources to invest in education, health, environment and women's projects among others.

Examples of important social investments extend outside the oil sector in West Africa. The Hershey Company, Cargill, Mars Incorporated and Nestle USA are providing financial support for the Initiative for African Cocoa Communities, as West Africa produces 70 percent of the world's cocoa crop. In Cote d'Ivoire, alone, cocoa provides the household income for the five million people living on the country's 600,000 cocoa farms. The Initiative for African Cocoa Communities is designed to increase farm family incomes, improve the health, safety and well being of cocoa farmers and their families, and support improved access to quality education as well as strengthened biodiversity and wildlife conservation.

The point, therefore, is that the American private sector is playing an increasingly active role in the development of the West African oil producers. Increasingly, social investments are a vital counterpart to commercial investments especially in oil producing countries, although this applies to the entirety of the Sub-Saharan Africa. This trend has been acknowledged and supported by USAID that created the Global Development Alliance. Over the last several years, GDA has leveraged approximately \$300 million into more than \$1 billion worth of private sector-led development. Not only is this trend stimulating NGOs to rethink partnership but it will make a vital contribution to the stability and productivity of this most important region.