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LIBYA AND CÔTE D'IVOIRE: TWO COUNTRIES, ONE RESOURCE, DIFFERING APPROACHES

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Introduction

Crude oil is indubitably an important factor in global economic relations. It is a resource that even the global powerhouses such as the United States and China strive to procure and find themselves dependent upon. The value of crude oil only rises when its impending scarcity is taken into account, and that may be why it has become so much more than an economic factor. When crude oil is effectively exploited, it may allow a country with virtually no other strategic resources to become an influential regional or global power. As foreign policy is the sum of a country's actions in the name of its safety, strength and prestige, it only helps it to seek out ways to employ so many potential strengths in order to supplement foreign policy. This is how crude oil and foreign policy become interwoven.

The following paper attempts to prove how crude oil can and does impact foreign policy. To take this study a step further, crude oil is exhibited as a key factor in two simultaneously different and similar states' struggle for power and dominance. To that extent, Libya and Côte d'Ivoire can easily be juxtaposed. The existence of crude oil in both countries is an obvious prerequisite for any comparative analysis to take place, but each has a strategic position in their respective regions, and each has experienced and continues to experience

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internal strife. Nevertheless, they are completely different countries in most other respects. Thus, they offer two unique views on the matter and make any findings all the more believable.

The theoretical concepts of geopolitics and geoeconomics are used to shed more light on the various implications of having crude oil reserves and exploiting them. Their relation to foreign policy opens the paper, as they constitute the most theoretical portion of the paper. They are followed by an explanation of how crude oil ties in with foreign policy, the first step towards establishing a precedent for the use of crude oil as a weapon to gain political strength. A more practical section follows, one in which economic, historical and political data on each of the two countries are analysed separately. Finally, both countries are juxtaposed so as to determine their respective strengths, weaknesses, threats and potential in wielding crude oil as a tool in foreign policy. The paper is concluded with a brief prognosis of each country's potential for growth, or lack thereof.

Geopolitics and geoeconomics as theoretical concepts and their relation to foreign policy

Geopolitics has as wide an interpretation as it does influence. From a historical perspective, geopolitics became a nascent concept when Friedrich Ratzel coined the term *geographic determinism*. He explained that it is the inherent relation between a state's potential in the international relations arena and its widely understood geographic conditions. In Rudolf Kjellen's mind, a contemporary of Ratzel's, the geographic determinism inherent to geopolitics is '*the geographical influence on the behaviour of states*'[1].

Foreign policy is the sum of the actions taken by a state in order to protect its interests and achieve its aims, whereas the said policy is determined by, among others, objective internal determiners.[2] Geographic conditions such as topography, climate, technological advancement and natural resources are all examples of such determiners. Yet that is not a complete extent of foreign policy. It is also determined by subjective factors that are related to both the

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1 Tunander O., *Swedish-German geopolitics for a new century*, Review of International Studies (2001).

2 Molo B., *Podstawowe pojęcia i kategorie międzynarodowych stosunków politycznych*, *Międzynarodowe Stosunki Polityczne,* Krakowskie Towarzystwo Edukacyjne, Kraków 2008.

political and public inner workings of the state[3]. Foreign policy is crucial to the continued existence of a state and, having surpassed that fundamental need, its economic and political prosperity. It is potentially more complex in its functioning than geopolitics, as the former is a partially codified form of political activity, meanwhile the latter is a theoretical concept that strives to better explain the state of things as they are observed. They are not nonetheless entirely separate. They can and should be treated as two aspects of the study of a state's activity on an international scale.

It can thereby be suggested that foreign policy is related to geopolitics. Furthermore, the idea of the two concepts being interrelated is not a conjecture, but rather a reasonable link to be made and used for further analysis.

There is nonetheless another important theoretical concept that should be taken into account when analysing a state's foreign policy, and that is geoeconomics. It is a concept that apparently bridges the gap between the state's race for dominance in international relations and its ability to effectively make use of its resources. It diverges from the geopolitical focus on military might as the key for building strength and, perhaps more importantly, influence. The concept of geoeconomics indicates that the value of a state's resources exceeds the gains stood to be had by way of their stockpiling. Such tradeables can become an influential currency when properly allocated and exploited.

Geoeconomics could, at risk of oversimplification, be summarised in the following words: The skilful taking advantage of one's resources and building other actors' dependence upon them in order to parlay the clout gained from the ensuing economic relations.

When geoeconomics is observed through the prism of the definition above, a logical conclusion to be drawn is that geoeconomics, similarly to geopolitics, is tied to foreign policy, and vice versa[4]. Both concepts can delineate the path foreign policy is to take, be it strategic, aggressive, complacent, cordial or otherwise.

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[3] These are the subjective internal determiners of foreign policy. They are subjective, as they are anthropogenic factors that rely heavily on the opinions and activities of others, such as the activity of the political apparatus, societal stances like xenophobia or nationalism or even demographic indicators.

[4] Hirschman A., *National Power and the Structure of Foreign Trade*, University of California Press, 1945 Berkley and Los Angeles.

Oil reserves as a factor in foreign policy

Libya and Côte d'Ivoire are two African countries with the same resource – crude oil – ready for exporting, yet the former has not effectively done so despite its significantly greater reserves, meanwhile the latter is intensively striving to do so despite its comparatively meagre reserves.

Crude oil is a commodity of unquestionable importance, as it influences not only a country's own energetic security, but perhaps more importantly – a country's political sway among other actors on the international relations arena. This fact can be proven based on the example of Saudi Arabia, a country with little political sway within the traditional meaning. It has not ideated any global initiatives, and it is seen as backward when compared to the liberal West due to the underdeveloped human rights infrastructure. Shortcomings notwithstanding, Saudi Arabia is capable of changing the tide of political events with a simple change in crude oil supply, as was evidenced by the oil shock of 1973–1975, when Saudi Arabia placed an embargo on the US for issuing emergency oil reserves to Israel, then entrenched in the Yom Kippur War. The panic that ensued in the States as a result of that one decision made by a country in control of substantial crude oil reserves was enough to nearly freeze the economy of the global superpower, i.e. the United States[5]. Another noteworthy example is that posed by Venezuela, a state with internal dysfunctionality so extensive that the term: *failed state* does not seem to be hyperbole. Yet, Venezuela has the greatest crude oil supply in the world, surpassing even Saudi Arabia in its global share of crude oil reserves[6]. This does not prove the statement that crude oil reserves are a determinant of foreign policy, but the fact that Venezuela was permitted to enter Mercosur should. As the preeminent intergovernmental trade organisation of Latin America, Mercosur promotes free trade, fewer barriers, lower trade and customs tariffs, but also integration and human rights protection. Meanwhile, Venezuela was permitted to join Mercosur as a member in spite of president Chavez being outspoken in his distaste for Mercosur's neoliberalist trade ideals, the same ones that are the backbone of Mercosur's foundation. The reason why Venezuela was permitted to enter is simple, as it boils down to the country's supply of crude oil. The country was therefore able to leverage its significant crude oil reserves

5 *Oil Shock of 1973-74*, "federalreservehistory.com", source: https://www.federalreserve-history.org/essays/oil-shock-of-1973-74 [accessed: 28th March 2021].

6 *Oil reserves by country, source:* https://www.worldometers.info/oil/oil-reserves-by-country/ [accessed: 28th March 2021].

in order to join the trading bloc seen as the world's fourth largest, which proves that crude oil is a determinant of foreign policy. What must also be said is that Venezuela only managed to remain an active member until 2016, when it was suspended. Were we to analyse this from the geo-economic perspective, crude oil was exploited strategically in the years leading up to Venezuela's accession to Mercosur in 2006. However, from a more geopolitical perspective, Venezuela failed to practice the most advantageous foreign policy in order to maintain its position. The internal problems functioning within the country could not be overcome by strategic resource leveraging alone.[7]

The examples of Saudi Arabia and Venezuela also serve to prove that crude oil is extremely volatile in its political nature; a direct result of it being a commodity whose price is determined exclusively by supply, demand and geopolitical events[8]. Therefore, crude oil reserves alone will not be singularly responsible for a state's growth in power. That sort of conclusion could be reached if a very binary approach to geopolitics were to be taken, one where crude oil is a resource whose abundance can determine the potential to become a powerhouse. This would, perhaps, hold true if geographic determinism were the governing force in the battle for strength. Abundance is only the starting point for a series of actions, from the effective allocation of resources to their strategic exploitation on a regional and even global market. This is where geoeconomics can come into play, and how geopolitics and foreign policy become interwoven. Where geopolitics is focused more on the reality of things and its repercussions, foreign policy strives to apply real conditions to its strategic decision-making process. Finally, geo-economic thought is what makes crude oil a strategic resource in the first place.

That is how crude oil is both a geopolitical factor and a foreign policy factor and device. What requires further explanation is how the state itself impacts the value of crude oil. This area is under the jurisdiction of foreign policy, as the political system and existing political climate in the state are what affects how well reserves of crude oil can be exploited to the state's benefit. This brings us to the matter at hand in this article – how Libya and Côte d'Ivoire's policies and internal situations have impacted their potential to grow in power via crude oil export.

Using examples that are diametrically different, we have established that crude oil is a determinant of foreign policy. We have also seen that

[7] Brown K.L., *Venezuela Joins Mercosur: The Impact Felt around the Americas,* Law and Business Review of the Americas, Vol. 16. No. 1, article 6, 2010.

[8] *How Geopolitics Can Influence Markets*, CFA Institute Research Foundation, 2020.

reserves alone do not determine the efficacy of this determinant, as a state's internal political determinants of foreign policy are equally important. These suppositions will enable a better understanding of the value of crude oil in Libya and Côte d'Ivoire.

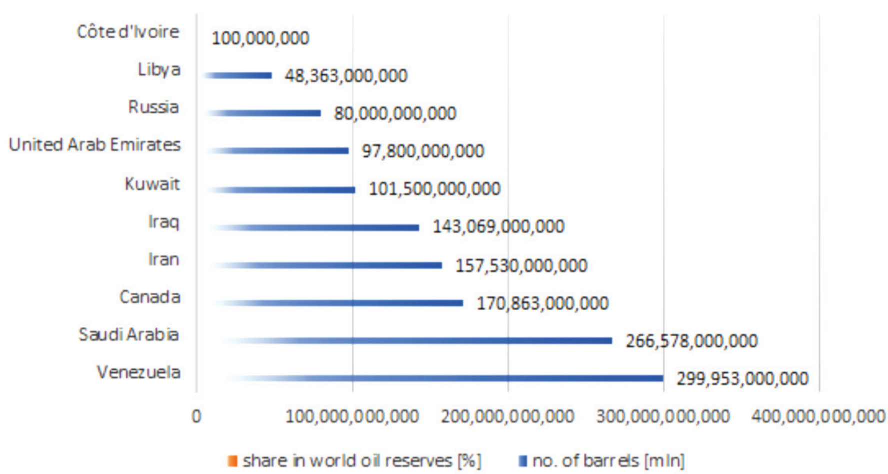
Crude oil in Libya's foreign policy

Crude oil production and export

Figure 1 represents Libya's global share of crude oil. According to the data, Libya is perhaps not positioned to be the global leader in crude oil production and export. Nevertheless, it is in a unique position, as from the geopolitical standpoint, it is somewhat removed from the explosive past that links the West and many Arabian countries. The breakout and considerable length of the Cold War should attest to the desire of countries like the United States to minimize their dependence on Russian oil. Taking those factors into account, Libya seems more likely to be seen as an important exporter of crude oil. Vast deposits of high quality crude oil, known also as sweet oil, reside under the surface of Libyan ground and waters. The abundance of Libya's crude oil reserves is tremendous, and were the potential resulting from such substantial reserves to be wielded with prowess, Libya would be a true powerhouse.

Figure 1

Global crude oil reserves, 2016



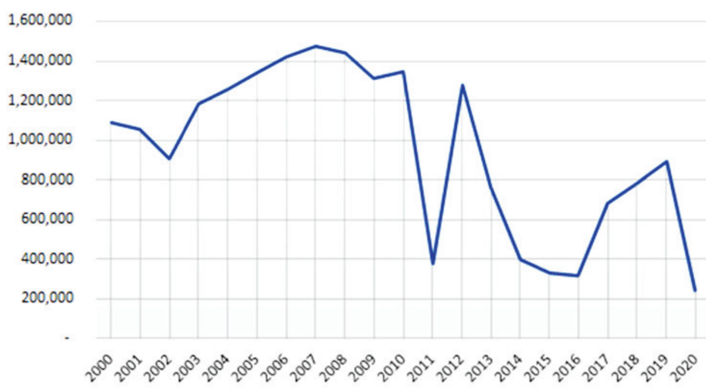
Source: wordlometers.com

This was not known until 1959, when crude oil of a surprisingly high quality was found by an American company currently named Exxon. Prior to that, Libya had a very profitable oil-licencing policy. Companies drilling oil would pay taxes equal to 50% of their profit, as well as an additional charge for drilling in Libyan territory. From the initial year of discovery, much more exploration was done, until additional, equally impressive reserves were found. The economy was able to benefit from this, and Libya's global position decidedly changed. It is believed today that Libya acts as a counterbalance for oil production and oil prices across the world, and numerous factors such as ease of access or premium quality make it a desirable resource[9].

Desirability and potential notwithstanding, there is one caveat to Libya's advantageous position. In order for crude oil to benefit the Libyan economy and be used strategically as a tool in foreign policy, there needs to be a system in place. Yet one thing that Libya lacks is a stable political system. From the moment it gained independence in 1951 all the way to our present day, not only has Libyan oil production experienced plummets and peaks in an oscillating fashion, but so too has its government. Many of the crises occurring in the country seem to be reflected in the production and export of crude oil, as is represented by Figure 2.

Figure 2

Yearly average number of barrels per day [bpd] in the years 2000–2020



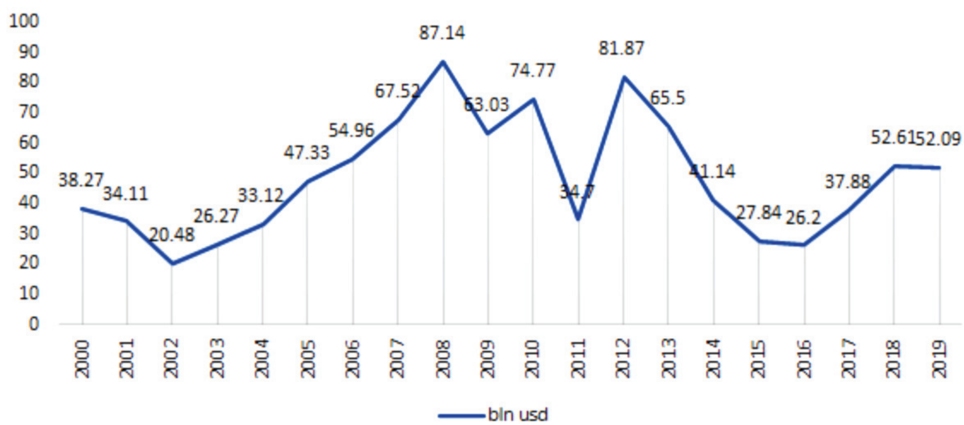
Source: fred.com

[9] *Libyan oil: Prospects for stability and growth*, Apicorp Energy Research, Vol. 03 No. 14 | November 2018.

From the early 2000s till 2010, i.e. in the years of relative stability in the political system, crude oil production steadily increased. However, 2011 brought a complete reversal of the situation. Instead of rising, oil production plummeted. This can be explained through the prism of politics, as that was the year the populace rebelled against their long-standing leader, Muammar Gaddafi. A visionary, who had long been an enemy to the West, yet maintained firmly that oil was the way to build a strong Libya, Gaddafi was also disliked by many of his citizens. This was proven when protests in Benghazi quickly spread nationwide, and a new rebel-led government, the National Transitional Committee, was recognised by the EU and NATO as Libya's official representative in foreign affairs. Attempts to bring back order to a collapsing system notwithstanding, the man who had been accused of human rights violations and embezzlement was found murdered in mid-October of 2011. What followed were not the time of peace and prosperity, but an era of internal warring and instability. It is at this moment that we can clearly prove how susceptible to internal strife crude oil exportation can be. Up to 2011, the average annual number of barrels being produced per day had been on an upward trend, as per Gaddafi's vision. GDP was also on the rise and seemed to be positively correlated to crude oil export, a fact that is lent credence by the majority share that crude oil exportation has in Libya's overall exports.

Figure 3

GDP in Libya in the years 2000–2019



Source: tradingeconomics.com

The relation between foreign policy and crude oil

In the years 2000 to 2011, Gaddafi's foreign policy experienced a pro-Western shift. This can be explained by the US-Iraq war and how Saddam Hussein, another anti-Western politician with radical ideals, was dispatched. Hussein's demise may have proven to Gaddafi that acting out against the West could lead to a degradation of internal prosperity. What is more, foreign relations between Libya and the West had been on a downward spiral due to Gaddafi's aggressive character and unwillingness to cooperate. The most far-reaching of Gaddafi's acts against the powers of the West were two terrorist incidents in 1986 and 1988, the consequences of which were debilitating to Libya's growth for close to two decades. They occurred at a disco in Berlin and onboard a plane flying over Scotland, respectively, and among the victims were citizens both British and American in nationality. Gaddafi's government denied allegations that placed blame for the attacks in Libyan hands, and the growing conflict escalated when two Libyans were taken into custody for investigation. The United States retaliated against Libya, as did Great Britain. Libya, which since the day Gaddafi took power had been becoming more nationalised, now went on the offensive against the West.

The subsequent years saw a steady decline in Libyan-American and Libyan-British relations, with ambassadors being called back from Libya, further bombings occurring and economic sanctions being imposed. It was not until the early 2000s that the situation took a turn for the better, when the United States and Libya began to mend their relations following Libya's decision (1999) to surrender the two men suspected of the '86 bombing in Berlin. The warming of relations continued in the following years, resulting in a lifting of sanctions, a diplomatic visit by the British Prime Minister, Tony Blair, in 2004, and finally – full restoration of diplomatic relations between the US and Libya in 2006.

Throughout all those years of political sanctions and uncertainty, decreased crude oil exportation and a subsequent drop in GDP ensued, as foreign companies had halted their investing in Libyan crude oil. This is understandable, as fears of a further degradation in the situation would have been enough to cause distrust on behalf of the oil drilling companies. Crude oil ties in with this situation in two ways: it was one reason why it took so long to impose sanctions in the first place, but it was also the reason why GDP stagnated so much in the period during which sanctions were in effect (Figure 3).

More noticeable, though, is how the Libyan economy drew to a halt after the upheaval of 2011 and Gaddafi's death. One era came to an end, a new one began. Similar to new governments formed in the wake of the Arab Spring, the National Transitional Council that had been formed by the rebels was the one to organise an election, and a new order was to be set. In the end, however, the NTC and the incipient government, chaired by the General National Congress (GNC), were not successful in establishing peace and order. In 2014, unrest was still prevalent, and a united Libya never emerged. The GNC was not widely accepted, with one of its opponents inciting a new rebellion. It was in 2016 that General Khalifa Haftar, leading the Libyan National Army (LNA), made a resonant move against the Tripolitanian government and seized control of oil export terminals in eastern Libya[10]. The seizure could not be deemed non-aggressive, and tensions had been on the rise since then. There was nonetheless talk of a potential ceasefire in 2020, though it quickly re-escalated into conflict[11]. Nowadays, Libya is divided into multiple camps, with two dominant ones: the UN-backed Tripoli in the northwest, and the LNA-backed Derna in the far east. The latter is in charge of a significant part of Libya, and supplements its military might with soldiers from the Russian Private Military Company, Wagner Group[12].

What is interesting is the main resource being fought over by the two warring sides in the Libyan civil war, and that is crude oil. If crude oil is responsible for such a significant portion of Libyan exports (95%) and if it has so direct an influence on GDP, how can it not be crucial to control as much of Libya's crude oil reserves as possible in order to gain a strategic advantage on the arena of international relations?

The most recent years of the Libyan civil war may be the key to cementing the truth of crude oil's weight in foreign policy. Years of internal warring came to a tentative close in mid-November of 2020, in large part due to the efforts of the UN in the region. Tentative, because the reverberations of the years of domestic warring can still be felt in Libya, and April saw some of the biggest oil producing companies, Sirte Oil Co. and Arabian Gulf Oil Co., forced

10 Oyeniyi, Bukola A., *The History of Libya*, Greenwood, California 2019.

11 *Fleshing Out the Libya Ceasefire Agreements, Crisis Group Middle East and North Africa,* Briefing N°80 Rome/Brussels, 4 November 2020, source: https://reliefweb.int/sites/reliefweb.int/files/resources/b080-libya-ceasefire-agreement-2.pdf [accessed: April 18th 2021].

12 Allahoum R., Chughtai A., *Libya mapping areas of military control*, "aljazeera.com", source: https://www.aljazeera.com/news/2020/7/27/libya-mapping-areas-of-military--control [accessed: April 18th 2021].

to drastically cut down on oil production due to severe underfunding by the government. Such issues are apparently not new, as Figure 2 clearly shows that fluctuations are not new in Libyan oil production. More resounding, however, is the fact that general Haftar went so far as to sacrifice national revenue for a strategic move in domestic and foreign policy. Days before the International Berlin Conference, meant to seek out a peaceful solution to the crisis in Libya, the Petroleum Facilities Guards froze the country's crude oil production by closing facilities in Sidra, Ra's Lanuf, Briga, Zuetine, and Hariga. Such a move bears striking similarities to Saudi Arabia's play in the previous century, and it only strengthens the premise that it is, indeed, a weapon when wielded by the right men.

Crude oil in Côte d'Ivoire

Crude oil production and export

Although Figure 1 brought to light how minor the oil reserves of Côte d'Ivoire are compared to those of Libya, its export accounted for 7% of its total exports in 2019[13]. Côte d'Ivoire has the privilege of owning the best-operating oil refinery in the entire region of Sub-Saharan Africa, known officially as the Societte Ivorienne de Rafinnage (SIR). It has succeeded in accumulating considerable wealth in part thanks to its exploitation of crude oil, even with such minor reserves as Côte d'Ivoire's 100 m barrels, which give it the 70th position on the list of world oil reserves ranked by country[14]. In the late 2000s it was quite promising that Côte d'Ivoire's neighbours, Ghana and Nigeria, both had significant oil reserves in the depths of their territorial waters. In spite of a large part of Ivorian waters being heretofore unexplored, an educated guess was taken that Ivorian waters held further supplies of oil[15]. The problem, though, is that exploration in the country's oil fields may not

13 *Côte d'Ivoire Imports and Exports*, "Trendeconomy.com", source: https://trendeconomy.com/data/h2/CoteDIvoire/TOTAL, [accessed: 31st May 2021].

14 *Côte d'Ivoire Oil Reserves, Production and Consumption*, "wordlometers.com", source: https://www.worldometers.info/oil/Côte-d-ivoire-oil/#:~:text=Oil%20Reserves%20in%20C%C3%B4te%20d'Ivoire&text=C%C3%B4te%20d'Ivoire%20holds%20100%2C000%2C000,5.4%20times%20its%20annual%20consumption [accessed: 31st May 2021].

15 *Côte d'Ivoire Energy Sector, 70478 v1.*

increase in speed in the nearest future, as a major oil company announced its decision to halt its exploration in 2016. Lukoil, a significant Russian oil and gas producer, declared that the exit from Côte d'Ivoire was one of many exits from countries with unstable political scenes. This only confirms how fickle crude oil exportation can be, as it can only be a source of prosperity if the state's political climate is not so chaotic as to make production and exportation impossible, or at least problematic.

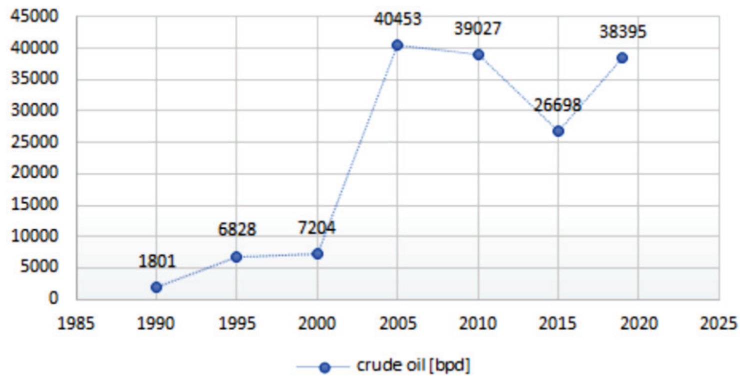
The other side of the Lukoil coin is that Côte d'Ivoire was, in fact, able to attract Russia's attention. Clearly a part of Russia's ambitions to become a powerful player in Africa by leveraging its companies, exploring crude oil in Western Africa was an attempt at building a presence in the region. This is a different approach to the use of crude oil as a tool in foreign policy, but it deserves some attention. Here, it is not only the state that holds crude oil reserves that is exploiting its resources to strengthen its position. It is also a powerful external player that has chosen a potential regional powerhouse as its strategic partner in order to establish a presence in the area. The strategy is none other than geo-economic in nature, as it evidently focuses on building relations on an economic level in order to achieve mutual benefits.

The one caveat is that these relations require a certain level of stability, and that is something that Côte d'Ivoire has been lacking for around two decades, starting from 1999, not long after the death of the man who had ruled unceasingly for 33 years. Félix Houphouët-Boigny was unarguably the founder of Côte d'Ivoire's political system, yet the state he left behind upon his death was not equipped to self-govern peacefully. Ethnic conflicts led to subsequent presidents fighting amongst each other, and there was even a brief period of incarceration for one of the former presidents, Henri Bedie. To add fuel to the fire, the destructive wave of the Arab Spring doesn't seem to have avoided Côte d'Ivoire, as 2010-2011 was a tumultuous year filled with internal warring amongst presidential candidates. That same year, unsurprisingly, caused a sudden drop in crude oil production.

All the political turmoil did not limit itself to the realm of politics, and crude oil production seems to have reflected that truth (Figure 4). Minor growth was recorded in the years 1990-2005, with skyrocketing growth in the years 2000–2005. But all the years of civil warring that followed impacted the efficiency of the country's oil exportation, and they did not go unnoticed by foreign investors who became wary of the situation. That is, after all, why Lukoil chose to back out of doing business in Côte d'Ivoire.

Figure 4

Ivorian crude oil production, 1990–2019



Source: IEA oil information 2020

Crude oil leveraged in ivorian foreign policy

It has been mentioned before that Russia was at one time interested in exploring Ivorian oil reserves. That interest was part of Russia's strategy to establish its presence in Africa, and it coincidentally allowed certain countries, such as Côte d'Ivoire, to reap the benefits of that interest.

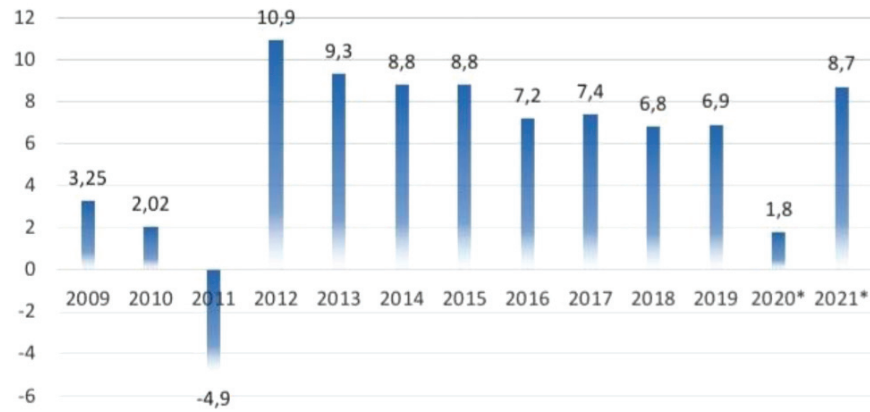
This is related to the notion that crude oil can be used as a tool of foreign policy, and in more ways than one. Yet Côte d'Ivoire's strategy is not limited to distant, transcontinental actors. In fact, Côte d'Ivoire has an additional advantage in that it is the second largest economy in West Africa and has more advanced oil refineries than some of its neighbours, such as the more oil-rich Nigeria. Its economic growth has systematically outsped most other Sub-Saharan countries, and many African countries in general. This is shown in Figure 5, which depicts a growth trend that surpasses most modern European countries.

The fact that SIR is so technologically advanced compared to some of its neighbouring counterparts means that Côte d'Ivoire has something that, potentially, is even more valuable than resources themselves – the tools to process those resources. SIR is a state-owned refinery, one that, judging by the $660 m loan it was granted in 2019, is reasonably well funded[16].

[16] *Ivory Coast's SIR Oil Refinery receives $660 million loan from AFC*, "Energy Capital & Power", source: https://energycapitalpower.com/2019/01/09/ivory-coasts-sir-oil-

Figure 5

GDP Growth in Côte d'Ivoire in the years 2009-2020



Source: worldbank

Established not long after the initial discovery of crude oil reserves in the 1980s, the height of its activity did not come until after 1992, when oil production in Côte d'Ivoire finally sped up. From that moment on, SIR has maintained its national monopoly on oil refining, however, it does not limit itself to Ivorian oil. In fact, it receives oil from neighbouring countries such as Cameroon, Angola and Nigeria, the leader in terms of oil production in West Africa[17]. This means that, were Côte d'Ivoire's oil reserves to run out in the near future, there is a valuable asset to be perceived in its oil refining industry. It stands to reason that outside further exploration, there is a great advantage in terms of economic growth, and it lies in the potential to expand Côte d'Ivoire's oil refining facilities. Crude oil would then become a means to an end as opposed to a strategy on its own, yet it unquestionably would make certain actors more dependent upon Ivorian oil refining.

refinery-receives-660-million-loan-from-afc/#:~:text=Ivory%20Coast's%20SIR%20Oil%20Refinery%20receives%20%24660%20million%20loan%20from%20AFC,--January%209%2C%202019&text=The%20development%20finance%20institution%20Africa,oil%20refinery%20in%20West%20Africa [accessed: 1st June 2021].

17 Serge-B. Adiko, Kemalov R.A., *Development of the Petroleum Refining in the Republic of Côte d'Ivoire – Primary Processing of Refining*, International Journal of Engineering & Technology, 7 (4.36) (2018) 991–996.

The differences and similarities between Libya and Côte d'Ivoire

It has been made clear by now that Libya and Côte d'Ivoire possess vastly differing crude oil reserves. One country is a globally recognised, big time exporter experiencing serious internal conflict and regular production issues. The other barely registers on the global oil reserves ranking, yet still exports its minor reserves to its neighbours (and also experiences internal conflict on a regular basis).

Libya and Côte d'Ivoire clearly have certain similarities, but it is their differences that can help better understand how crude oil is used strategically in these areas. It is important to begin with the scope of their crude oil's influence.

In 2019, crude oil exports accounted for as much as 85.7% of Libya's total exports, reaching a sum of $22.5 bn. In that same year, Côte d'Ivoire's petroleum exports accounted for 7.4% (refined oil) and 6.85% (crude oil) of total exports, giving a 14.25% total share in export at a value of $1.96 bn[18]. The latter country cannot hold a candle to the former in terms of sheer scale and profit. Differences notwithstanding, there is a reason why each of the countries has a strategic role in their respective regions, and crude oil plays a role.

First and foremost, Libya is in greater danger of failure, as the stakes are higher and the international interference is greater. Libya is a minefield of underlying strategic warfare, and at this point its oil can be seen as a tool of foreign policy. The warring sides of the civil war fight over it and sabotage each other's production of oil in order to undermine their political standing. At the time of writing this paper, the on-going tentative peace talks that have been in progress since at least October 2020 are once again being thrown into chaos due to the reluctance to withdraw foreign mercenaries. This reluctance comes not only from the warring factions, but also from external players such as Russia[19], who hopes to build its position in Africa by way of investing in both Libyan and Ivorian oil.

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[18] *Cote d'Ivoire, Libya*, "OEC", sourced from: https://oec.world/en/profile/country/civ [accessed: June 3, 2021].

[19] Wagner Group has been stationed in Libya and other war torn African countries for many years now, making those countries increasingly dependent on Russian military assistance. It is a problem that is currently a global issue, as Private Military Companies (PMCs) are largely underregulated, barring the Montreux Document of 2008. Initiated by the Red Cross, the convention was meant to curb the uncontrolled proliferation of PMCs and their interference in internal affairs, yet its effectiveness is arguable.

This begs the question whose foreign policy is crude oil a tool of. It appears that more hands pull the strings that machinate the African oil market and political scene. An idea that has been quietly formulating throughout this paper is brought to the forefront: a country's resources serve not only that country's position in the geoeconomics capacity, but can also be surreptitiously fought over by countries that are only indirect actors.

The next field of comparison is the impact of oil export on GDP growth. Once again, Libya seems to be at a disadvantage in this regard, as such a significant portion of its total exports is tied to oil and fluctuations in oil production and export seem to be reflected in its GDP growth trends. The export balance in Côte d'Ivoire, on the other hand, is more cacao-heavy. As crude oil plays an overall smaller role in trade, changes in oil production do not have a visible impact on GDP. In some ways, Côte d'Ivoire is in a better position as its exports are more varied, from cacao and petroleum to gold, cashew and rubber[20]. This diversification means that that smaller level of dependency can protect the country's interests by decreasing the degree to which changes in the oil market and changes in relations with other countries can affect trade.

In spite of the evidence, it is not entirely easy to assess which of the countries better utilises its crude oil as a tool of foreign policy. It cannot be ignored that neither of the countries is politically stable. In 2020, Côte d'Ivoire experienced internal conflict when president Ouattara changed the constitution to make his third presidency possible. In that same year, Libyan oil production came to a halt when general Haftar acted out against the Libyan peace conference in Berlin. Yet both countries are in the position to gain more if they build a stable environment that is inviting for investors. Crude oil is highly dependent on both internal and external factors, and so any hope for a profitable future lies in attracting investment, a formidable challenge for Côte d'Ivoire, and fostering peace, a feat Libya has been struggling to achieve for more than a decade at this point.

Perspectives for the future

The future of both Libya and Côte d'Ivoire hangs in the balance. Neither is ready to achieve a level of regional hegemony, though Libya seemed to be on that path in the early 2000s, back when Muammar Gaddafi was in charge.

[20] *Ibidem.*

But the situation is not as bleak as it may sound, and considerable efforts could lead to the fruition of either country's ambitions.

For Libya, that path requires, above all, an end to the civil war. This will become clearer in the near future, as peace talks continue and concessions are made. It seems that the political climate in Libya is still shaped by aggression, and it may be that crude oil will not be produced in quantities large enough to lead to rapid growth in the near future. This means that stability must come first.

For Côte d'Ivoire, the matter is rather one of ability. Though the system is slightly more stable, investors are at times uncertain of the political system. Thus, Côte d'Ivoire would also benefit from an improved system, one that is more transparent and engenders less uncertainty as to the continued functioning of the state.

While stability is being ensured in both countries, modernisation is required. Neither Libya nor Côte d'Ivoire are entirely equipped to maximise the potential of their oil producing and refining markets. Some facilities have been damaged due to internal warring, and there have been instances of power outages due to disruptions in power supply. Furthermore, Nigeria, Côte d'Ivoire's neighbour and regional rival, hopes to build a more modern refinery to reduce its need to outsource refining to Côte d'Ivoire. This is where foreign investors can play a role; yet, once again, a decrease in instability is required for this to happen.

Obstacles aside, both countries can still find ways to make their crude oil a more valuable tool than it currently is. The awareness of oil's bargaining value is there; it needs only to be properly understood and applied. It is not simply the total oil reserves a country has, but its ability to exploit them. In this case, we return to the idea of foreign policy and its innumerable determinants. Crude oil's economic and political weight is largely dependent on internal, subjective determinants such as the political system and activity of foreign policy officials. These would be able to market crude oil in such a way as to attract the attention of foreign investors, therefore potentially improving another internal, though objective determinant – economic potential.

Finally, the geopolitics and geoeconomics of this case need to be taken into account. The reason why a country like Côte d'Ivoire is even appealing as a crude oil exporter and exploration region, is the same reason why Libya has so much backing from Western, African and Middle Eastern countries – their oil is a means to an end, which strives to build a greater political and economic presence in the international relations arena.

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Libya and Côte d'Ivoire: two countries, one resource, differing approaches

Abstract

In modern international relations, resources such as crude oil play a key role as a bargaining chip in trade and politics. It can therefore be stated that it can be effectively wielded as a tool in foreign policy. Yet each actor that has access to crude oil must conceive of its own strategy to effectively use that resource. The article focuses on Libya and Côte d'Ivoire as two examples of vastly different approaches to the idea of crude oil as a geoeconomic resource.

It introduces the topic with an explanation of how geopolitics and geoeconomics differ, yet it then focuses on how crude oil production and trade can be an expression of foreign policy. The following chapters elucidate how the concept of building status and prestige through crude oil is dependent upon various factors. It begins by expounding on the historical aspect of crude oil production in the eponymous countries. It continues on to analyze economic and statistical data on crude oil reserves and production, as well as additional key indicators such as GDP growth and political stability.

These factors, analyzed in tandem, provide a foundation for understanding how the political situation in Libya and Côte d'Ivoire can influence crude oil production. Furthermore, they allow for a crucial point to be made in the following chapters of the article. Namely, crude oil export can be a highly effective means of building economic relations and, consequently, political prestige. However, the article leads to an important conclusion in addition to this. This process of crude oil exploitation can only be carried out if and when the internal political climate of a country allows for it, as ineffective and crisis-addled governments are ineffectual in how they conduct their foreign policy.

Keywords: crude oil, foreign policy, geoeconomics, Libya, Côte d'Ivoire, political stability

Libia i Wybrzeże Kości Słoniowej: dwa kraje, jeden zasób, różne podejścia

Streszczenie

W nowoczesnych stosunkach międzynarodowych zasoby takie jak ropa naftowa odgrywają kluczową rolę w handlu i polityce. Można zatem stwierdzić, że jest ona skutecznym narzędziem polityki zagranicznej. Każdy podmiot, który ma do niej dostęp, musi jednak opracować własną strategię skutecznego jej wykorzystania. W artykule skupiono się na Libii i Wybrzeżu Kości Słoniowej jako dwóch przykładach bardzo różnych podejść do koncepcji ropy naftowej jako zasobu geogospodarczego.

Przedstawiono i wyjaśniono w nim, w jaki sposób geopolityka i geoekonomia różnią się od siebie, a następnie omówiono, jak produkcja ropy naftowej i handel nią mogą być wyrazem polityki zagranicznej. W dalszych rozdziałach wyjaśniono, w jaki sposób koncepcja budowania statusu i prestiżu poprzez ropę naftową zależy od różnych czynników. Rozpoczęto od objaśnienia historycznego aspektu wydobycia ropy naftowej w tych krajach. Dalej, przeanalizowano dane gospodarcze i statystyczne dotyczące rezerw i wydobycia ropy naftowej, a także dodatkowe kluczowe wskaźniki, takie jak wzrost PKB i stabilność polityczna. Czynniki te, analizowane wspólnie, stanowią podstawę do zrozumienia, w jaki sposób sytuacja polityczna w Libii i Republice Wybrzeża Kości Słoniowej może wpłynąć na wydobycie ropy naftowej. Ponadto, pozwalają one na poruszenie kluczowej kwestii w kolej-

nych rozdziałach artykułu. W szczególności, eksport ropy naftowej może być wysoce skutecznym środkiem budowania stosunków gospodarczych, a co za tym idzie, prestiżu politycznego. Jednakże, artykuł ten prowadzi dodatkowo do ważnych wniosków. Proces wydobycia ropy naftowej może być przeprowadzony tylko wtedy, gdy pozwala na to wewnętrzny klimat polityczny danego kraju, ponieważ nieskuteczne i dotknięte kryzysem rządy nie są w stanie prowadzić swojej polityki zagranicznej.

Słowa kluczowe: ropa naftowa, polityka zagraniczna, geoekonomia, Libia, Wybrzeże Kości Słoniowej, stabilność polityczna

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