The "Business" of State-Building: The Impact of Corporate Social Responsibility on State Development in Equatorial Guinea

JOSEPH KRAUS

My research lies at the intersection of several fields of study: political science, African studies, political economy, and international business. Using the Corporate Social Responsibility (CSR) projects of multinational oil companies as a jumping off point, I have explored the complex nature of Equatoguinean politics and analyzed the impacts that CSR projects can have in a highly authoritarian oil-rich developing country.

Oil companies operating in Equatorial Guinea have initiated two particularly interesting public-private partnerships with the government to improve the country's education and health systems. These projects – which focus on malaria eradication and revamping the educational system – are scalable to the national level, increasing their potential to impact the lives of ordinary Equatoguineans. Given the temporary nature of the companies' involvement in the country, they have made state capacity strengthening a key objective of their efforts in order to increase the chances of project sustainability.

Equatorial Guinea is a dynamic, fascinating, and contradictory country. Ranked as one of the richest countries in the world per capita, the majority of the country's 650,000 citizens continue to languish in poverty. Meanwhile, a relatively small minority of politically connected elite monopolize the spoils of the country's annual oil revenues, which totaled \$6 billion in 2008). Over the past two decades, this small country (the size of Maryland) enjoyed one of the fastest average annual economic growth rates in the world (20%+). While the government has slowly begun to invest in education and health, it continues to focus disproportionately on infrastructure, not people, and corruption and political patronage remain persistent problems.

All of this makes Equatorial Guinea a challenging and salient place for companies to invest in social projects, and for PhD students to conduct research. The CSR projects are beset by challenges related to corruption, lack of human capacity, weak state institutions, and a rigid hierarchical political structure. Despite these obstacles, the projects have made notable progress



in their efforts to improve social services. The malaria project, for instance, succeeded in reducing the prevalence of malaria infections in children age two to five from 42% in 2004 to 18% in 2008, and contributed to a 64% reduction in deaths in children under the age of five. The education project has outfitted 54 model schools with a new curriculum, pedagogy, and newly trained teachers. In April 2010, the project graduated its first class of 982 teachers from its new teacher-training institute.

Conducting research in Equatorial Guinea comes with its rewards and challenges. Despite the difficult political and economic realities they must endure, Equatoguineans celebrate life. Yet the very real pressures under which Equatoguineans live are ever present. I experienced first-hand a small piece of the daily intimidation and fear that confront Equatoguineans when

I was detained by security forces for five hours while attempting to speak with locals about my research. I was released and hope to defend my dissertation in the fall of 2010.

Joseph Kraus is a doctoral candidate in the Department of Political Science. His research was funded in part by the Center for International Business Education & Research (CIBER) at the University of Florida, the UF Center for African Studies, the UF Department of Political Science, and the Jeanne & Hunt Davis Fund.