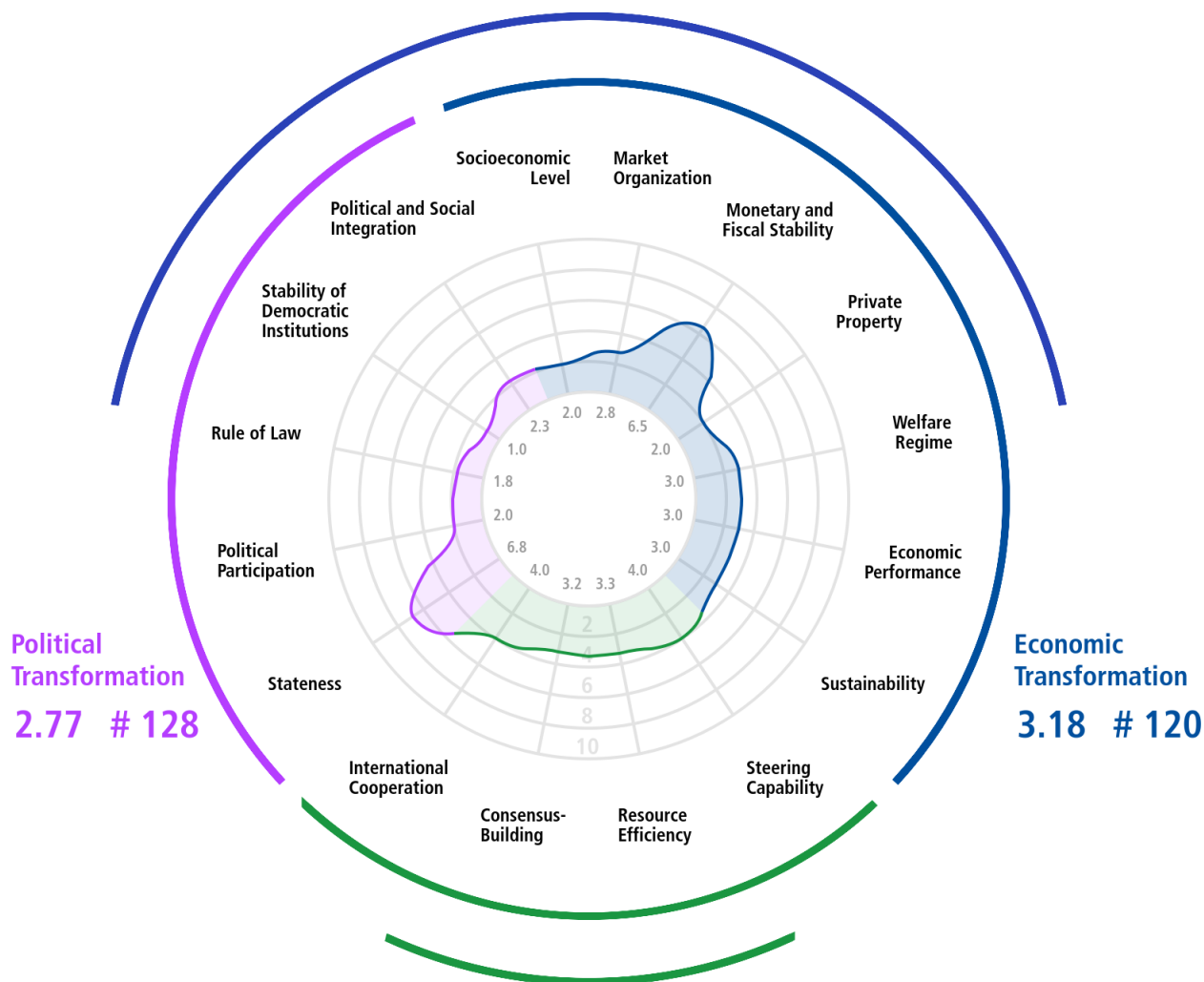


# Equatorial Guinea

## Status Index

**2.97 # 125**

on 1-10 scale out of 137



**Political Transformation**  
**2.77 # 128**

**Economic Transformation**  
**3.18 # 120**

## Governance Index

**3.33 # 114**

on 1-10 scale out of 137

This report is part of the **Bertelsmann Stiftung's Transformation Index (BTI) 2022**. It covers the period from February 1, 2019 to January 31, 2021. The BTI assesses the transformation toward democracy and a market economy as well as the quality of governance in 137 countries. More on the BTI at <https://www.bti-project.org>.

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**Key Indicators**

Population	M	<b>1.4</b>	HDI	<b>0.592</b>	GDP p.c., PPP \$	<b>17942</b>
Pop. growth <sup>1</sup>	% p.a.	<b>3.4</b>	HDI rank of 189	<b>145</b>	Gini Index	-
Life expectancy	years	<b>58.7</b>	UN Education Index	<b>0.467</b>	Poverty <sup>3</sup>	% -
Urban population	%	<b>73.1</b>	Gender inequality <sup>2</sup>	-	Aid per capita \$	<b>47.2</b>

Sources (as of December 2021): The World Bank, World Development Indicators 2021 | UNDP, Human Development Report 2020. Footnotes: (1) Average annual growth rate. (2) Gender Inequality Index (GII). (3) Percentage of population living on less than \$3.20 a day at 2011 international prices.

## Executive Summary

President Teodoro Obiang Nguema Mbasogo turned 78 on June 5, 2020. He is the longest serving (non-monarchical) head of state in the world. The ruling Essangui clan from the town of Mongomo showed no signs of ceding its enduring grip on the country's political and economic life. Since the mid-1990s, when significant offshore oil discoveries were made by American firms, Mobil and United Meridian Corporation, the regime abandoned the marginal steps it had made toward democratization and market liberalization and set aside incipient cooperation with multilateral development institutions such as the World Bank. Instead, the ruling clan transformed the country into a veritable rentier state, confiscating oil revenues, and employing patronage and clientelism to ensure the longevity and enrichment of the rentier class. However, the collapse of oil prices in 2014, depleted oilfields, and COVID-19's impact on both people and markets has threatened the regime's longevity. Unfortunately for the citizens of Equatorial Guinea, the regime made promising attempts to reboot the hydrocarbons sector and succeeded in securing critical loans from the IMF to shore up its finances. Little transpired in the review period to suggest that real and substantive steps had been taken to develop either the principles of democracy or the tenets of a free market economy.

In December 2019, the IMF stepped in to offer an Extended Fund Facility (EFF) totaling over \$300 million, which was made conditional on the government's achievement of fiscal balancing, and efforts to diversify the economy away from hydrocarbons toward dependence on tax revenues derived from agriculture, downstream energy (e.g., petrochemicals), fisheries and tourism. Even though President Obiang recognized as early as 2010 that the country would have to diversify its economy, little to no improvements to non-hydrocarbon sectors or the stifling business climate have been made. The president's son, Minister of Mines, Industry and Energy Gabriel Mbagha Obiang Lima, successfully bolstered his efforts to establish a gas mega hub in the country, focusing on midstream and downstream gas infrastructure. In the past, efforts to develop new oil blocks have been disrupted by the president's likely successor, also one of his

sons, Vice President Teodoro Nguema Obiang Mangue (Teodorín), who was convicted on charges of corruption in France and has faced years of international criticism for his profligate spending (despite the country's estimated poverty rate of 70–80%).

As a result of the regime holding out for a brighter future in extractive economies run by tightly controlled state-owned enterprises, no transformations toward democracy and respect for human rights has taken place. The Democratic Party of Equatorial Guinea (Partido Democrático de Guinea Ecuatorial, or PDGE) has ruled the country for decades. Members of opposition parties, such as the Convergence for Social Democracy (Convergencia para la Democracia Social, CPDS) and Citizens for Innovation (Ciudadanos por la Innovación, CI), were subject to arrest and police violence in an atmosphere of oppression. COVID-19 has only exacerbated these trends. After the regime expelled a WHO representative for allegedly inflating case statistics, information on the regime's management of the crisis has been scant, save for first-person accounts that depict government neglect and wanton brutality to enforce lockdown restrictions, which themselves were most likely used to further silence dissidents and prevent assemblies. In March 2021, official numbers indicate a mere 6,329 cases and only 96 confirmed deaths since the beginning of the pandemic.

## History and Characteristics of Transformation

The legacy of authoritarian rule in Equatorial Guinea began with Spanish colonization but became entrenched and institutionalized after independence in 1968 when former President Francisco Macías Nguema was elected under circumstances that were entirely unpropitious for a pluralist government. From 1968 to his execution by his own nephew (current President Teodoro Obiang) in 1979, Macías embarked on a reign of terror in which up to an estimated 80,000 out of 300,000 citizens were murdered. After declaring himself president for life in 1972, the ethnic Fang president carried out systematic executions of ethnic Bubi separatists on the island of Bioko, as well as of political opponents and suspected coup plotters. Roughly one-fourth of the population fled to the West or neighboring countries, determined to escape unlawful arrest, torture and death.

This was the political environment in which President Obiang, now the continent's longest serving head of state, took the helm in a coup d'état in 1979. At the time, Obiang was the military governor of Bioko and director of the infamous Playa Negra prison, in which he oversaw countless human rights violations. As head of state, Obiang announced plans for a national reconciliation process. But despite making overtures at healing, he quickly consolidated his regime with the use of familiarly brutal state security services. The constitution of 1982 granted the president the authority to dissolve parliament and to make laws by presidential decree, in addition to uncontested power to name and dismiss cabinet ministers. The only apparent structural check on the personalization of power was the government's insolvency, which more or less forced the government to accept IMF technical assistance and negotiate a structural adjustment program in the 1980s. After the adoption of a medium-term adjustment

program for the period of 1988–1991, government finances stabilized, while growth stagnated. Oil exports began modestly in 1992, but with the discovery of the gigantic Zafiro field in 1995, the country enjoyed meteoric growth rates.

From 1996 onward, Equatorial Guinea became a paragon case of oil rentierism, including strong interaction with and support from mostly U.S. oil companies. No election since then has escaped allegations of fraud. Watchdogs such as Transparency International have counted the country as among the most corrupt in the world. Human rights abuses continued unabated as the country enjoyed good relations with key importers such as the United States (former Secretary of State Condoleezza Rice referred to President Obiang as “a good friend”). For instance, when the Bubi assaulted military bases in 1998, the regime arrested 550 activists and murdered 150 innocent civilians. Soldiers are reported to have raped and tortured residents of Malabo.

The Essangui clan’s tight grip on all political institutions and security services means that attempting coups has been the only realistic means of deposing the regime. In 2004, perhaps the most widely publicized attempted coup was thwarted by forces in Zimbabwe, leading to a long and intimate friendship between President Obiang and Robert Mugabe. Amnesty International raised doubts as to the prosecution’s evidence against the coup plotters, an ambiguity that has marked many of the dozen alleged coup attempts. In the same year, the U.S. Senate, in its own investigation, found that major oil companies Exxon Mobil and Amerada Hess had paid bribes to President Obiang’s family.

In 2011, constitutional amendments were approved by referendum (despite the actual text of the amendments being unavailable to voters) with two notable features: the creation of the post of a vice president to succeed the president in case of incapacitation and greatly enhanced executive control over the Senate. In 2016, President Obiang appointed his son, Teodorín, vice president in charge of national defense and security, despite his well-publicized prosecutions abroad. With the National Economic Development Plan: Horizon 2020 concluded in 2012 and the collapse of global oil prices in 2014, the stage was set for intra-clan conflict over the medium term, as many members of the regime voiced opposition to Teodorín’s eventual succession.

The BTI combines text analysis and numerical assessments. The score for each question is provided below its respective title. The scale ranges from 1 (worst) to 10 (best).

## Transformation Status

### I. Political Transformation

#### 1 | Stateness

In general, the state’s monopoly on the use of force is only weakly contested. There is a history of attempted coups (e.g., 2004, 2009 and 2017). As in previous years, the internal security services continued to be headed by Vice President “Teodorín” Nguema Obiang Mangué, the president’s favorite son and likely successor. The services are mandated by the 1991 constitution to exercise a high degree of monopolistic force and enforce all state laws. Although theft and burglary are common in population centers such as Malabo and mainland Bata, there is no organized criminal element or political opposition capable of competing with the state. This is not surprising given the country’s relatively tiny land area. President Obiang and the dominant clan from Mongomo have been in power for at least four decades, largely on the back of confiscated oil wealth. Patronage is extended by clan leaders to security personnel and schisms remain purely within the ruling family.

Increased and continued piracy in the Gulf of Guinea began to threaten hydrocarbon installations in 2020 when Nigerian pirates attempted to take Marathon Oil employees hostage, underlining the regime’s relative failure to combat offshore piracy. Teodorín attempted to use piracy as a pretext to militarize the sprawling Punta Europa hydrocarbon complex, which was rebuffed by the oil industry.

The regime has continued to use foreign mercenaries as security personnel, making its capacity to monopolize force problematic. In July 2017, it was revealed that for the past 20 years the regime had been hiring Russian and Ukrainian “specialists” as fighter pilots and ship commanders. In addition, President Obiang has relied on contingents of the Zimbabwean Defense Forces to thwart coup attempts and provide security for the Africa Cup of Nations, since the failed attempt to bring exiled opposition leader, Severo Moto, to power in 2004.

Question  
Score

Monopoly on the  
use of force

8

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8

o-o

1

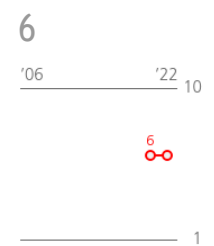
Zimbabwean forces were also used to secure the country after the failed coup attempt in December 2017. At the new year, the regime alleged that it stopped 30 foreign guerillas at the border, who had been hired by local opposition, notably the Citizens for Innovation (CI). Nevertheless, it is difficult to substantiate the regime's claim. The alleged coup has been used to detain and oppress civil society activists and members of CI.

Equatoguineans become citizens by birth or naturalization and are thus subject to Equatoguinean jurisdiction when on its territory. Nevertheless, certain groups continue to be denied rights formally enjoyed by citizens. The autochthonous Bubi of Bioko Island have experienced repression since independence from the leading Mongomo ethnic Fang. Former President Francisco Macías Nguema was notorious for targeting the Bubi. Obiang continued the practice of oppressing the Bubi when he came to power in 1979. The Movement for Self-Determination of Bioko Island (Movimiento para la Autodeterminación de la Isla de Bioko, MAIB) is an illegal political party. The symbolic gesture of appointing a Bubi as prime minister ended in 2006. Few if any efforts toward granting Bubi full citizenship have been carried out since then. In addition, both political opposition and cultural advocates are routinely denied basic citizenship rights and are consistently jailed and beaten. According to the NGO Minority Rights, a Bubi indigenous peoples' rights organization, El Pueblo Indígena Bubi de la Isla de Bioko, reported to the United Nations in 2019 that the movements of Bubi remain strictly controlled by the authorities, with military checkpoints outside their villages. Permission to travel across the island of Bioko has to be sought in advance. These restrictions have effectively prevented the election of Bubi representatives, as Bubis have been unable to organize political gatherings. However, access to citizenship as such is not denied.

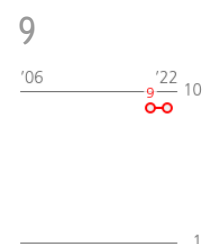
The Fang, who live on the borders of Gabon and Cameroon, routinely travel to those countries to visit family or partake in religious festivals. This complicates the concept of the nation-state.

Roughly 93% of the Equatoguinean population are self-proclaimed Christians, with the vast majority of them – an estimated 87% – subscribing to Catholicism. Five dioceses are established in the country, with the Vatican adding two in April 2017. The country is one of the most proportionally Catholic on the continent. Only an estimated 1% of the country are Muslim, while an estimated 6% observe purely indigenous cosmologies. A 1992 presidential decree declared a preference for the Roman Catholic Church and the Reformed Church of Equatorial Guinea. This preference is manifested by Catholic masses during national holidays. Though this does not preclude the right to believe in other faiths, Catholicism is taught and encouraged in public schools. Despite the questionable degree of church-state separation, however, official policy does not appear to be guided by Catholicism. Delays in registering other churches with the Ministry of Justice, Worship and

State identity



No interference of religious dogmas



Penitentiary Institutions are more due to bureaucratic inefficiency than real preference, while politicians are mildly encouraged to partake in Catholic observances.

According to World Bank data, 75% of the population has access to sanitation, which is very high by regional standards. However, less than half of the population has access to fresh water. Outside the main population centers of Malabo and Bata, people remain poor and lack access to even the most basic public provisions, such as water and reliable electricity. Due to corruption, ineptness, inefficiency and a lack of political will, few services function when there is no exogenous incentive, such as preparations for the Africa Cup of Nations, summits in Malabo, or prestige projects, like plans for a new mainland capital city in Djibloho. Despite capacity-building programs instituted by the IMF, little progress has been made in the efficiency of tax and customs administration. Tax evasion remains rampant. Public transportation is also routed for political reasons, as untold fortunes have been spent on underutilized roads in Malabo. Public health remains a serious issue. Despite highly publicized efforts to bring electricity to more communities countrywide, power outages led to hospitals being shut down, and even deaths, in Bata.

In September 2019, the Agence France Press (AFP) reported that Bata went without running water for three weeks, while the British analytics firm Cable claimed that the country had the slowest internet in the world.

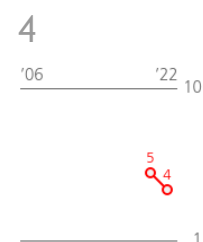
The coronavirus pandemic has exacerbated administrative failures, as the regime expelled the country's WHO representative in June 2020 for allegedly inflating infection statistics. Reports of ill-equipped hospitals and dangerously overcrowded schools have attested to the country's inadequate capacity to handle the crisis.

There is no reliable data that would allow for an assessment of the extent to which the state's capacity to collect taxes has improved, but the country has failed to meet Extractive Industries Transparency Initiative (EITI) requirements for membership.

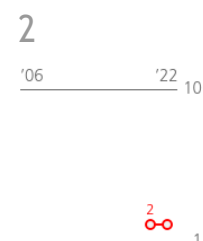
## 2 | Political Participation

Although Macías Nguema won the country's first and only competitive elections in 1968, Equatorial Guinea has never enjoyed free and fair elections since independence. Nor has it enjoyed a peaceful transfer of power. While free and fair elections are formally regulated by the National Electoral Commission (NEC), the NEC is headed by the interior minister, a member of the prominent Democratic Party of Equatorial Guinea (Partido Democrático de Guinea Ecuatorial, PDGE). Although the 1991 constitution calls for a multiparty republic, only one opposition party is legal, the Convergence for Social Democracy (Convergencia para la Democracia Social, CPDS). All other parties are allied to the governing PDGE, and together hold all 70 seats in the Senate (15 of which the president appoints,

Basic  
administration



Free and fair  
elections





constitutionally), 99 out of 100 seats in the lower Chamber of Deputies, and all the seats on the municipal councils. President Obiang won the presidential election of 2016 with a landslide of 93% of the popular vote. No reviews by the NEC or the judiciary have been undertaken. All elections are typically condemned by the EU, international human rights watchdogs and the U.S. State Department. The legislative elections of 2017 gave occasion to observe a few of the irregularities that have arisen during all nationwide elections since independence. Though regularly scheduled (with the exception of announced or arbitrary delays), elections are typically marred by state-sponsored intimidation, voter repression and unfair coverage.

The legislature has no meaningful role in Equatorial Guinea as the president, the PDGE and the ruling clan combine to wield autocratic power. Presidential decrees commonly override legislation. All key decisions are made at the cabinet level, which is dominated by members of the president's family. The PDGE has elected the president as its indefinite leader, while the PDGE and its strawman allies control every branch of government and permeate every agency in the bureaucracy. Confiscation of vast oil rents means that the regime is able to leverage patronage and neo-patrimonial networks to guarantee loyalty and execute its desired policies. International oil companies are also an important actor and tend to support the present regime.

Protection of associations such as unionization is guaranteed by the constitution, but this is rarely if ever enforced. The only effective union is the farmers' organization. The process of registering any kind of association is routinely met with bureaucratic and political hurdles. Political assemblies in particular are met with harassment or worse from the regime, which tolerates no challenges to its rule. In March 2019, Alfredo Okenve, the vice president of the Center for Studies and Initiatives for the Development of Equatorial Guinea (CEID) and former victim of state violence, was arrested shortly before receiving a Franco-German human rights award. On July 5, CEID's NGO authorization was revoked. In late February 2019, three members of the Citizens for Innovation (CI), the largest opposition group, were arrested and detained, while Joaquin Elo Ayeto, a member of the second-largest opposition group, Convergence for Social Democracy (Convergencia para la Democracia Social, CPDS), was arrested and tortured by police. In November 2020, a CPDS member was found dead, with many suspecting police involvement.

Assembly is more or less monopolized by the state, which actively pressures citizens to participate in government events and rallies. Nevertheless, government demonstrations are regarded as dangerous by the population, many of whom prefer to remain indoors and steer clear of public gatherings. The coronavirus crisis has only worsened an already pitiful civic landscape, with citizens met with brutality when caught outside their homes. According to the Global State of Democracy, a ban on public gatherings has remained intact since December 2020. While there

Effective power to govern

2

'06 '22 10

2 1

Association / assembly rights

2

'06 '22 10

2 1

have been no reports that restrictions have been unevenly or disproportionately enforced, the government has generally performed poorly with regard to the impact of pandemic-related restrictions on democratic rights such as the freedom of association and assembly.

Freedom of expression is also constitutionally guaranteed but not enforced in practice. Libel laws tend to be draconian and wielded by the regime to suppress dissent. Censorship is the norm, while even private television is owned and operated by the ruling family. Self-censorship is exercised by large portions of the population, including university academics, business leaders and journalists. Promotion within academia is conditional on loyalty to the regime. Foreign journalists are routinely searched and deported by security services. A few private newspapers and magazines exist but are circumscribed by fear and financial limitations.

On August 27, 2019, two journalists working for Asonga TV (a private station owned by Teodorín) were arrested in Bata, ostensibly for having interviewed a judge who had been suspected by the chief justice of the Supreme Court. The journalists were later released without charge. Equatorial Guinea ranked 165 out of 180 countries in the 2019 World Press Freedom Index (RSF).

### 3 | Rule of Law

Checks and balances are juridically guaranteed by the 1991 constitution and its 2011 amendments, adopted by referendum. Chapters I–V of Title 2 stipulate the powers of and limits on the executive, legislative and judicial branches of government. Each is declared independent. In practice, however, there is no effective separation of powers or system of checks and balances. The president is elected by universal suffrage and, according to the 2011 amendments, may hold office for up to two seven-year presidential terms. Nevertheless, President Obiang successfully ran for a fifth term in 2016, while the Constitutional Court affirmed that the amendments would not be applied retroactively. Given the president's longevity in office, all high-level judges, including those serving on the Constitutional Tribunal and the Supreme Court of Justice, have been appointed by President Obiang and ratified by parliament. The legislature, though nominally independent, is both constitutionally and politically circumscribed. Neither the Chamber of Deputies nor the Senate is constitutionally capable of removing the president, while the president enjoys the power to ratify board members in the Chamber of Deputies. The president also enjoys the power to appoint a number of Senators as national legislation sees fit (currently 15 of 70 senators) and has the constitutional right to dissolve the Chamber of Deputies. In practice, the president's Council of Ministers, parliament and the judiciary are tightly controlled by the ruling party and dominant clan from Mongomo. The judiciary, though nominally

Freedom of  
expression

2

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2

1

Separation of  
powers

2

'06 \_\_\_\_\_ '22 10

2

1

independent and differentiated, is beholden to the executive (and there are also rumors of corruption). In August 2020, the entire cabinet was reappointed after resigning en masse, presumably at the behest of the president. Experts concluded that this was a result of an internecine battle between Minister of Oil Lima and Vice President Teodorín, who wished to appoint a cabinet more hostile to his half-brother's interests.

According to the Global State of Democracy Index, the government declared a state of health alarm between March 31 and April 30, 2020. It was not approved by parliament. The resignation of the government was in part due to criticism of its management of the pandemic. After the lifting of most of the emergency measures, the president released a decree in December that reimposed restrictions on movement.

In addition to the serious problems with judicial independence described above, the president is constitutionally the highest magistrate in the nation and “guarantees the independence of the jurisdictional function” (Title 2, Chapter V, Article 92). Unfortunately, President Obiang has shown no impulse to strengthen the capacity of the judiciary, which is one of the goals set out in the Millennium Development Goals and National Horizon 2020 plan.

The December 2017 failed coup attempt gave the regime a pretext to arrest and detain its opponents with the use of the judiciary. In January 2019, a warrant for the arrest of 16 individuals was issued by the regime for purported financing of “terrorism and the proliferation of arms trafficking in Central Africa.” Individuals named included opposition members seeking asylum and William Bourdon, the founder of Sherpa which was responsible for the 2017 prosecution of Teodorín by the French justice system. Although told to appear in Malabo and face his charges, Bourdon declined the offer.

In May 2019, the Bata Provincial Court imprisoned 131 defendants for allegedly partaking in the December 2017 failed coup attempt. The trial judge refused to admit evidence pointing to the ruthless torture of the defendants, while independent observers including the American Bar Association (ABA) called it a “kangaroo court.”

In February 2020, it became known that a former president of the Supreme Court had gone into hiding to escape Teodorín's security forces. The former president had been fighting for judicial independence and refused to retract statements that were regarded as incendiary by the regime.

Independent  
judiciary

2

'06 '22 10

2

1

Officeholders who break the law and engage in corruption can do so with impunity and without adverse publicity. While there is no prosecution of office abuse in the country, several high-level corruption cases are pending in foreign countries.

Political patronage is so widespread and runs so deep that it has become institutionalized. Political office is so illicitly lucrative in the small oil state that it is awarded to those most loyal to the regime. Growing intra-clan factionalism has pitted those loyal to First Lady Constanca Mangué Nsue de Obiang and Vice President Teodorín against Oil Minister Gabriel Mbagá Obiang Lima. While the country lost its International Court of Justice case against France, which seized a mansion in Paris as part of its investigations into ill-gotten gains, Lima's close ally, Owono, attempted to force Marathon Oil to hire the services of a company run by a prominent PDGE supporter.

But Teodorín's abuses appeared to eclipse those of his half-brother. In September 2020, Teodorín forced his uncle Armengol Ondo Nguema into political exile based on allegations of corruption and then proceeded to confiscate his diplomatic passport. It was revealed later that this was in revenge for his uncle's disclosure of Teodorín's ties to Jeffrey Epstein. In the same month, Teodorín ousted the logging minister for, what experts claim, was the ministry's failure to contract Teodorín's companies.

Civil rights are granted by the constitution, which formally endorses the Universal Declaration of Human Rights, as well as the African Charter on Human and Peoples Rights. Article 13 of the constitution protects personal liberties, including the right to free expression and assembly, free movement, free association, free movement, as well as to the enjoyment of several due process rights. Alfonso Nsue Mokuy, the third deputy prime minister in charge of human rights, occupies a cabinet-level position. However, civil liberties in Equatorial Guinea are not protected by any mechanisms. Citizens are at the mercy of security forces, who routinely violate rights as basic as bodily integrity. Neither do citizens enjoy recourse in the courts. It is common, especially among members of the hapless political opposition, to be denied a judicial hearing and held without charge. Black Beach Prison on Bioko Island is notorious for extrajudicial torture. Open expression of LGBTQ+ sexual orientations, belonging to certain ethnicities or publicly expressing a political preference for a group other than the PDGE all expose individuals to violations of their civil rights. Since independence, the autochthonous Bubi of Bioko Island have experienced repression by the ruling Fang ethnicity from the town of Mongomo. Former President Francisco Macías Nguema was notorious for targeting the Bubi. Obiang, his successor since 1979, has maintained the practice.

Cosmetic gestures have been made since receiving IMF loans (presumably conditioned on satisfying the requirements for membership in the EITI), such as the release of CPDS' Ondo in April 2019 or the release of political prisoners in March 2020. But the United Nation's Universal Periodic Review in May 2019 resulted in

## Prosecution of office abuse

1

'06 \_\_\_\_\_ '22 10

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## Civil rights

2

'06 \_\_\_\_\_ '22 10

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roughly 200 recommendations on a wide range of human and civil rights issues. As hinted previously, anti-COVID-19 measures have merely been appropriated as a tool to further restrict the rights of Equatoguineans.

#### 4 | Stability of Democratic Institutions

Institutions from the national government to municipal councils and mayorships, nominally democratic institutions are de facto operated by the ruling PDGE, indefinitely led by the president. All political positions are considered pecuniary awards for party and clan loyalty. Failure to express loyalty is met with removal, or worse, oppression and imprisonment. The outlook for the future is not promising. The 2011 constitutional amendments created a new post of vice president, to which the president can devolve considerable power. In effect, this set up the country for a dynastic succession from President Obiang to his son, Vice President Teodorín.

Nominally democratic institutions do exist, but they are universally held to be illegitimate by all non-government political formations and diaspora groups. The government acts in the framework of these institutions, which are a facade of “electoral democracy.” An opposition does not exist within these institutions. In fact, opposition politician Severo Moto, leader of the banned Progress Party, operates a “government in exile” in Spain and was dubiously linked to the 2004 coup attempt. Moto has publicly called for more openness in government. Other diaspora leaders and proponents of democratization, particularly Tutu Alicante of U.S.-based Equatorial Guinea Justice (EG Justice), are held in high esteem by international human rights organizations and advocate on behalf of Equatorial Guinea before Western governments. Domestically, organizations such as CI and CEID deny the legitimacy of the country’s institutions at their own peril.

#### 5 | Political and Social Integration

The de facto single-party structure of the Equatoguinean political system ensures a high degree of political stability, which reduces fragmentation, polarization and voter volatility. The PDGE formally competes with several other parties, almost all of which are separate in name only and remain allied to the ruling clan. The party system is socially rooted to the extent that it co-opts subnational elites through clientelistic practices, but the same practices limit the extent to which the party is sensitive to the social interests of the population. Nevertheless, large numbers of Equatoguineans are captured by the PDGE’s rhetoric and endow President Obiang with god-like status.

Performance of democratic institutions



Commitment to democratic institutions



Party system



Community organizations of 10 to 20 members and a select few NGOs are the only associations that act in any capacity to mediate between society and the political system. With the exception of one, unions are not permitted in practice, despite legal protections, and professional associations are closely monitored by the regime. This virtually ensures the dominance of the ruling clan and atomizes whatever collaborations would otherwise occur in society. Business interests are the best organized pressure groups in the country, especially foreign businesses that collaborate with the ruling dynasty's scions. Except for cooperation with these businesses, no collaboration is visible.

The regime is authoritarian in nature. There is no survey data available to determine the extent of citizens' approval of democratic norms and procedures.

There are no public opinion surveys to measure solidarity and trust among citizens, but frequent police arrests and vigilante behavior indicate that social capital is very low. Non-government associations are scarcely autonomous and closely monitored by the regime so as to root out political dissent and social movements that might threaten the regime's longevity. However, the majority of Equatorial Guinea (on Bioko, Annobón, Corisco and Rio Muni) consists of small towns where people rely on one another every day for food, safety, amusement, etc. Towns have informal modes of civic self-organization – multiple annual festivals, naming celebrations and funerals, birthday parties, etc. Thus, there is the essential human trust that neither “civic self-organization” nor public opinion polls can capture.

Interest groups

2

'06 \_\_\_\_\_ '22 10

\_\_\_\_\_ 2 1

Approval of democracy

n/a

'06 \_\_\_\_\_ '22 10

\_\_\_\_\_ n/a 1

Social capital

3

'06 \_\_\_\_\_ '22 10

\_\_\_\_\_ 3 1

## II. Economic Transformation

### 6 | Level of Socioeconomic Development

Despite boasting the highest GDP per capita on the African continent during the review period, the country suffers from poor and, on occasion, substandard levels of socioeconomic development vis-à-vis its sub-Saharan counterparts. Equatorial Guinea ranked 145 out of 189 countries in the 2019 HDI (0.592), a drop of one place since 2017 (0.582), despite the marginal improvement. To combat this, the government has pledged to diversify its revenue portfolio from hydrocarbons to other sectors with a greater number of forward and backward links, including fisheries, tourism and telecommunications. According to the IMF's End-of-Mission press release in February 2020, however, IMF staff urged the government to respect the agreed timelines, which were "key to achieving the objectives of the program in the macroeconomic, economic diversification, governance, and anti-corruption areas."

Despite efforts by the World Bank and the IMF to improve the government's capacity to collect data, statistical capacity remains low, which hampers efforts to raise the socioeconomic level of the general population. No recent poverty statistics are available, though the World Bank states the rate was 76.8% in 2006. Other indicators suggest that no improvement has been made. In 2015, only one out of four newborns were immunized against polio and measles, while only one in three was immunized against tuberculosis. Life expectancy and infant mortality were reportedly worse than the regional average, while half the population is estimated to be without potable water. In 2012, it was revealed by UNESCO that only 60% of six to 12-year-olds were attending school. According to the IMF, social spending is projected to increase from a modest 2% of GDP in 2017 to 2.4% of GDP in 2018.

Despite the absence of recent and reliable data on pertinent indicators (e.g., Gini Index, GDI or poverty rates), the country faces staggering levels of inequality. Equatorial Guinea suffers from a dual economy, with a political and social elite surrounding the regime amassing personal fortunes and the majority subsisting on agriculture. The World Bank Country Survey 2017 reports that 40% out of 146 respondents from the public and private sectors agreed that education should be prioritized to further development, indicating that access to education in mainland Rio Muni remains low. Of respondents, 40% agreed that agricultural and rural development would reduce poverty, while only 23% agreed that economic growth would do the same. Women also face exclusion from economic opportunities. The World Bank Doing Business Report 2018 found significant levels of gender

Question  
Score

Socioeconomic  
barriers

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discrimination in hiring. Since Equatorial Guinea bans pregnant girls and adolescent mothers from attending public schools, it is safe to assume that gender discrimination is rampant and unchecked.

Economic indicators		2017	2018	2019	2020
GDP	\$ M	12200.9	13097.0	11417.3	<b>10021.9</b>
GDP growth	%	-5.7	-6.2	-6.0	<b>-4.9</b>
Inflation (CPI)	%	0.7	1.3	1.2	<b>4.8</b>
Unemployment	%	8.1	8.0	8.0	<b>9.2</b>
Foreign direct investment	% of GDP	2.5	3.0	4.0	-
Export growth	%	-3.8	-5.7	-12.3	<b>-9.0</b>
Import growth	%	8.3	6.2	-16.0	<b>-7.8</b>
Current account balance	\$ M	-	-	-	-
Public debt	% of GDP	36.2	41.2	43.0	<b>48.9</b>
External debt	\$ M	-	-	-	-
Total debt service	\$ M	-	-	-	-
Net lending/borrowing	% of GDP	-2.1	0.1	1.9	-
Tax revenue	% of GDP	6.0	6.2	9.3	-
Government consumption	% of GDP	23.6	23.4	25.0	<b>29.1</b>
Public education spending	% of GDP	-	-	-	-
Public health spending	% of GDP	0.6	0.6	-	-
R&D expenditure	% of GDP	-	-	-	-
Military expenditure	% of GDP	1.1	1.1	1.3	-

Sources (as of December 2021): The World Bank, World Development Indicators | International Monetary Fund (IMF), World Economic Outlook | Stockholm International Peace Research Institute (SIPRI), Military Expenditure Database.



## 7 | Organization of the Market and Competition

The government has no real incentive to protect the integrity of the free market, as the oil industry has dominated the economy since the 1990s. In 2019, oil and other hydrocarbons maintained dominance. The IMF program estimated that hydrocarbons comprised 97% of total exports (with crude oil accounting for roughly 69%), 80% of government revenue and 43% of GDP. A handful of state-owned enterprises (SOEs), such as GEPetrol and Sonagas, dominate an economy with extremely limited spillover to non-hydrocarbon sectors. With a productive decline of the largest oilfields, however, the country has taken marginal steps to improve its business climate and receptiveness to private investment. Even so, structural impediments to competitive markets remain.

The country has neither the institutional capacity nor the infrastructure to realize free entry. The World Bank Doing Business 2020 reports that in 2019, a total of 16 procedures were still required to register a business, among the highest number in the world. While registration fees for all the procedures were reduced to 59.1% of GNI per capita from 101% previously, this still prevents the vast majority of the population from registering a business. In 2019, the government announced a new seven-day administrative process to establish a business. Nonetheless, the country only improved to 178th in the starting a business subindex.

Provisional, structural and infrastructural hurdles remain, despite marginal improvements. Minority investors are not well protected; owners are not forced to disclose purchases to shareholders, discouraging private investment and capital formation. Also, in addition to high registration fees, new businesses could still expect to wait 106 days to obtain electricity and to pay 892% of GNI per capita (a slight improvement) for a connection, due to infrastructural and administrative weaknesses. Oil companies typically provide their own generators and are removed from larger agglomerations. Informal employment is high, according to IMF estimates, around 40% of total employment. Lastly, the Dutch Disease plagues the country, as prices in Malabo either mirror or rise above those typically found in OECD metropolises. Due to all the above, Equatorial Guinea remains a hostile environment for a free and fair market.

Although Equatorial Guinea is party to the Organization for the Harmonization of Business Laws in Africa (OHADA), there is no effective agency that actively enforces competition laws. As a member of the Economic and Monetary Community of Central Africa (CEMAC), Equatorial Guinea has a regional competition regime without any formal authority. The public sector is so dominant that it forms a monopoly, while no private concerns in the non-hydrocarbons sector have reached a level of capitalization high enough to compete with key sectors.

Market  
organization

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Competition policy

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In 2008, the government established a working party on membership in the WTO, but no progress has been made toward this objective. Equatorial Guinea retains observer status and is among the few dozen countries in the world that are not members. Neither is the country party to the EITI, having had their candidacy rejected in 2020.

Equatorial Guinea is, however, a member of CEMAC and recently ratified the African Continental Free Trade Area pact, which went into force on January 1, 2021. These memberships require the nominal harmonization of a variety of import and export tariffs, in addition to a common VAT, instituted in 1999. In December 2019, the IMF approved a generous \$280 million three-year extended fund facility (EFF), after concluding the final review of the country's unfunded Staff-Monitored Program, which had begun the year before. Little data has been forthcoming with regard to the country meeting its loan conditions.

Significant and arbitrary obstacles remain in place that serve to promote government SOEs owned and operated by the ruling family, and which also produce the bulk of the 47% of GDP derived from trade. Local content laws are both vague and arbitrarily enforced. In September 2018, the government threatened to ban oil and gas companies that did not implement a 2014 Ministerial Order stipulating that local companies and individuals be contracted "wherever possible." Since the largest private firms are also owned and operated by members of the ruling clan, it is reasonably presumed that the ruling family aims to force foreign firms to purchase their own services. In December 2020, it was revealed that Teodorín had attempted to acquire the sprawling yet aging Zafiro oilfield for the national oil company GEPetrol, despite interest from foreign companies. The regime routinely gives preferential treatment to oil firms from countries that are willing to overlook its corruption and human rights abuses.

Free trade zones only appear to exist at significant ports for hydrocarbon consortiums. Although the IMF now runs a formal program with the country, the outlook for future liberalization remains grim.

Though strong in some respects, the country's banking sector has become exposed due to the oil crisis and the resulting economic recession of the past few years. The banks remain well capitalized, increasing their capital-to-assets ratio from 11.8 in 2014 to 18.0 in 2019, well above international standards. In its mission report of February 2020, the IMF exhorted the government to better enforce regulations and work toward clearing domestic arrears.

In addition, the banks' value of non-performing loans (NPLs) to their total portfolios increased from 16.8% in 2015 to 48.8% in 2019. Due to the sharp decline in oil prices beginning in mid-2014 and the subsequent coronavirus crisis, the government has been forced to draw down its deposits at the Banque des États de l'Afrique Centrale (Bank of Central African States, BEAC) in order to clear

Liberalization of  
foreign trade

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Banking system

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domestic arrears, much of which have been owed to construction companies. In line with Central African Banking Commission regulations, banks do not provision against these NPLs in the expectation that the government will repay them, despite public debt rising from 6% of GDP in 2013 to an estimated 43% of GDP in 2020.

## 8 | Monetary and fiscal stability

As a CEMAC member, Equatorial Guinea uses the CFA franc as a currency, which is pegged to the euro and to a large extent influenced by decision-making in the euro zone. Another important factor is the monetary policy of the BEAC, the central bank of the CEMAC countries, which is located in Yaoundé, Cameroon. According to the IMF, BEAC policy aims to maintain price stability and strengthen the external position of CEMAC members.

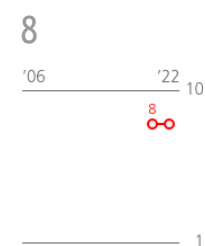
Owing to the country's membership in the CEMAC, there is no clearly defined national policy regarding price stability or foreign exchange. As CEMAC countries are mainly oil exporters (with the exception of the Central African Republic), suffering the economic repercussions of low oil prices from mid-2014, the IMF began to put pressure on all of them from 2015 to shift their economic policies to anti-inflationary austerity elements that follow IMF rules. Equatorial Guinea, however, has had no formal agreement with the IMF. Among the IMF's suggestions in its 2018 Country Report (which followed its SMP) was limiting government expenditures on unrealistic projects, almost all of which serve to enrich the ruling family. The real effective exchange rate stood at 102.0 in 2019.

More successful has been the reduction of local inflation since 2014, when it stood at 4.3%. From 2015 to 2019, the rate has varied from 0.7% to 1.7%, which is consistent with a steady drop in government expenditures.

The country's macro stability is highly vulnerable to challenges of any kind caused by national or international developments in the oil sector. This was underscored by the oil booms of the 2000s and the ensuing downturns, which occurred in 2009 and again from mid-2014. As a result of the oil crisis, the current account balance has steadily decreased from a surplus of \$529 million in 2013 to a projected \$1 billion deficit in 2020. While reserves had been drawn down in the past to finance the deficit, loans from the IMF and African Development Bank will provide up to \$600 million. The Economist Intelligence Unit reports that while the external deficit remained relatively stable at an estimated \$1.4 billion in 2020, debt service has climbed steadily to an estimated \$430 million in 2020 (up from \$332 million in 2017). The total reserves, however, were almost completely depleted, dropping from roughly \$4.6 billion in 2013 to \$36 million in 2020.

The government's short-term response has only recently begun to tackle IMF conditions: government expenditure fell from 27.8% of GDP in 2016 to an estimated 20.8% in 2020, a slight uptick from 2019 thanks to the pandemic. And net

### Monetary stability



### Fiscal stability



public debt remained high at roughly 40% of GDP in 2020, though it is projected to decrease in line with IMF conditions. With only a slight rebound in oil prices projected over the medium term, along with the country's aging oilfields, Equatorial Guinea faces dire macroeconomic conditions. Not only are reserves depleted, but no other stabilization mechanism exists to maintain the country's external position.

According to the IMF, fiscal policy has experienced two large shocks: the coronavirus and lower oil prices. Regarding the latter, Equatorial Guinea faces a large fiscal revenue shock, given that hydrocarbons accounted for more than three-quarters of fiscal revenues. To address this shock, the government has postponed the execution of non-priority capital expenditures, identified savings to non-wage current expenditures and financing sources, urged public enterprises to cut personnel and other costs, and continued implementing plans to strengthen the tax administration.

To address the coronavirus crisis, the government approved various measures in 2020. In order to address the revenue side, in addition to measures to ease social effects, the authorities provided in 2020 some targeted and temporary support to the private sector (estimated to cost 0.3% of GDP), including halving withholding tax rates, and delaying tax payment deadlines for small and medium-sized firms, and reducing electricity bills.

According to the national development plan, the country's medium-term objectives are to diversify away from export-led growth in oil extraction to gas production, petrochemicals, tourism, fisheries and agriculture. Though gas production remains the most promising and realistic venture, significant revenues are not expected for at least a few years. The eventual construction of the country's most promising joint venture, the much-publicized Fortuna floating LNG facility, made halting progress. Key investors have backed out for lack of interest and a glut in global supply.

## 9 | Private Property

Land acquisition, benefits, use and sale are all difficult to realized and poorly regulated. According to the World Bank's Doing Business 2020, six procedures were required to register private property in Malabo in 2019 (the regional average), but with fees accruing to a staggering 12.5% of the value of the property. Demonstrating the extent of the country's predatorial bureaucracy, 4% to 5% of the fees are for registration alone, while 3% of the value of the property is charged for simple notarial services.

In the Doing Business Quality of Land Administration Index, Equatorial Guinea scored four out of 30, falling well below the regional average (nine out of 30). No electronic databases are maintained to keep track of encumbrances or record maps with specifically defined plots. When this information is available, only interested

Property rights

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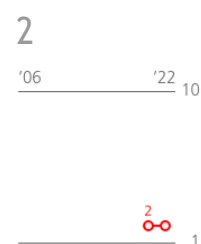
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parties and intermediaries may consult it, and they are likely to find that not all properties are formally registered or even mapped. Furthermore, no independent agency exists to verify identity documents, which means that litigation in case of disputes remains highly costly and inefficient. In addition, no dispute resolution mechanism exists for those who engage in good-faith land transactions based on erroneous information (which is quite likely). Foreigner investors are not permitted to own land in the country, only to lease it from the government. Married women also face significant obstacles to exercising the right to own land.

As recounted above, SOEs and private firms run by the ruling family dominate the relatively small national economy. Private businesses are only very arduously and expensively established, while access to credit is extremely rare for the vast majority of the population, as there is no credit bureau coverage. When credit is available, credit information is sparse and low in depth. Further discouraging private enterprise is the regime’s arbitrary and frequent non-compliance with international agreements on the resolution of disputes. While privatization is legally permitted, there is no privatization program in place and obstacles conspire to prevent private capital formation outside that controlled by the regime. Legal safeguards are largely ineffective given the deficient functioning of the judiciary.

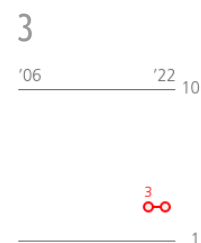
Private enterprise



10 | Welfare Regime

Social welfare legislation for the small number of employed Equatoguineans is reasonable. Earnings-adjusted old-age and disability insurance, work injury insurance, sickness and maternity leave, and even family allowances are provided through a pay-as-you-go and state tax-and-redistribute mechanisms. Outside the groups targeted by family allowances, allowances for the unemployed are nonexistent. It is unknown how large this portion of the population is.

Social safety nets



Evidence suggests that the country’s social welfare regime, however, is not effective. Life expectancy in 2016 was among the world’s lowest at 58.4. Public expenditure on health care was abysmally low at 0.6% of GDP in 2017. Public schools lack proper facilities and exhibit extremely high dropout rates.

To address the social effects of the coronavirus crisis, the government approved various measures in 2020, including a broad emergency health spending package (1.0% of GDP), according to the IMF. Additional spending on education and social assistance (0.4% and 0.3% of GDP, respectively) were initiated for the most vulnerable and plans envisaged to gradually expand cover to approximately 15% of the population. Implementation seems problematic, however. Many citizens attest to having never received a handout or any assistance.

Although legal provisions are in place to protect all people on Equatoguinean territory, structural discrimination is rife. In addition to women having unequal de facto rights to land ownership and the ban on pregnant schoolgirls and adolescent mothers attending public schools, female literacy (90.7%) in 2010 lagged behind male literacy (97.2%). The official female labor force in 2017 remained steady at 36.6%, which is very low even by regional terms.

The most egregious problem is female enrollment in schools. According to the World Bank in 2020, the ratio of females to males in secondary schools was 0.7, while the figure dropped to 0.5 for tertiary education. Along with abysmally low gross enrollment ratios (26.1% for secondary school and 1.9% for tertiary school), the country was among the most unequal in the world.

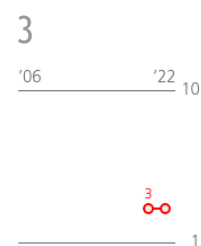
Regional foreigners, especially immigrants from Cameroon, have for years faced legal and personal discrimination, in addition to arbitrary arrests. President Obiang's decision to close the Cameroonian border in December 2017 under the pretext of the alleged coup attempt is likely to have been in part inspired by a desire to halt immigration, as the border was not reopened until mid-2018. In 2019, Cameroon criticized the country for constructing a border wall, which was not halted until 2020.

## 11 | Economic Performance

The country's overall economic performance is extremely dependent on the prices and domestic production of hydrocarbons, which comprised roughly 80% of GDP throughout the 2000s, but now comprise only 40% as a result of the oil price collapse and the coronavirus pandemic. The oil price collapse resulted in the price of Brent crude oil falling from \$93 a barrel in June 2012 to \$47 a barrel in June 2017 as the country's total oil production has fallen. Exxon Mobil-operated Zafiro, among the country's oldest and largest reserves, has aged considerably, with output dropping to 90,000 barrels per day in 2020. GDP has fallen in tandem with lower goods exports, dropping from \$5.7 billion in 2016 to \$2.5 billion in 2020, while GDP per capita (PPP) dropped from \$36,288 in 2012 to \$29,341 in 2015 to \$19,327 in 2019. Given the country's strong population growth and shrinking income from oil revenues, per capita GDP has decreased rather consistently over the last decade.

Despite steep annual GDP contractions, unemployment has remained constant over the years at roughly 6.9% in 2020, which highlights both the small size of the formal sector with respect to the informal, as well as the persistently dominant share of government expenditure in the formal sector (20.1% of GDP in 2017 compared to 20.8% of GDP in 2020). Public debt therefore rose from only 6.1% of GDP in 2013 to 28.1% in 2015 to 41.1% in 2019. Dependence on capital-intensive industries has meant that little improvement in chronic budget deficits has been achieved and the country's tax revenues as a percentage of GDP remain among the lowest in the world (8.7% in 2012 and 6.1% in 2018). The IMF's EFF approval in 2019 emphasized that significant improvements need to be made in collecting taxes and diversifying the economy.

### Equal opportunity



### Output strength





Punctuating the country's hyper-dependence on hydrocarbons, gross fixed capital formation – the value of domestic investment on fixed assets – dropped precipitously from 41.1% of GDP in 2012 to 13.2% of GDP in 2019, the latter figure being among the lowest in the world. With oil extraction becoming less and less productive, the country has been relying increasingly on imports. The current account balance stood at \$529 billion in 2013, while it is projected to be -\$1 billion in 2020. This volatility does not bode well for output projections. Despite the fact that primarily due to a growing gas industry, foreign direct investment (FDI) increased steadily to 4.1% of GDP in 2019, Equatorial Guinea continues to struggle with typical resource curse issues. Given its dependence on the gas industry, the country's economy has been hit hard by the reduced global demand for hydrocarbons that has resulted from the pandemic.

Local inflation, however, remained low at 1.2% in 2019.

## 12 | Sustainability

With 58% forest cover, the country is among the most biodiverse in the world. A system of national parks nominally helps to ensure that 194 species of mammals, 418 species of birds, 91 species of reptiles and 3,250 species of plants are allowed to thrive. As a member of the Commission of Central African Forests (COMIFAC), a contributor to the Fund for Climate Change in Africa (FCCA) and a relatively recent member of the United Nations Environment Program (UNEP) and the Convention on the Conservation of Migratory Species of Wild Animals (CMS), the country advertises itself as taking an active role in ecological conservation. Its lofty plans to advance ecological tourism are joined by publicized promises to focus on wind, solar and marine energy, as announced by the Ministry of Fishing and Environment and the Ministry of Mines, Industry and Energy. To the latter's credit, the Hydrocarbons Law requires that all extractive companies conduct environmental impact assessments (EIA) and take an active role in conservation.

Despite the government's self-promotion, however, the country appears to have favored meeting one sustainable development goal (SDG) at the expense of another. SDG7 calls for both universal access to affordable, reliable and modern energy services in addition to substantially increasing the share of renewable energy in the domestic global energy mix by 2030. Electrification has been a significant policy priority for the regime. Yet it has come mostly in the form of non-solid fuels such as natural gas. UNEP found that in 2015 there had been no progress on wind power, and that the latest electricity assessment (2012) found that national electrification had reached 66%, 43% of which was in rural areas. While 25% of rural areas used non-solid fuels, this figure was 91% for urban areas. Due to the substantially increased rate of gas-fueled electricity generation, renewable energy usage dropped from 80% of total energy consumption in 1990 to just 7.8% in 2015.

Environmental  
policy

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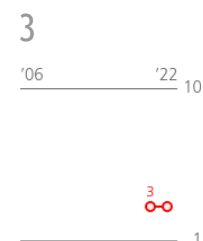
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Statistics on educational output and government support are few and far between (given the regime’s tight-lipped nature), but the data available paint a gloomy picture of public underinvestment. Though the country enjoyed a relatively high literacy rate of 94.4% in 2010, the U.N. Education Index gave the country a score of 0.467, which was on par with the regional average at the time. The country enjoys a high rate of primary school attendance, according to some reports (statistics vary widely). However, public schools suffer from high dropout rates and low graduation rates. The World Bank reported that in 2018, only 26% of children of secondary school age were attending school, while the percentage for university-age youth attending university was 1.8%. The U.N. Education Index 2019, which measures average years of schooling, gave Equatorial Guinea a value of 0.467, which is now low in relation to both the global and regional averages.

Many issues invariably stem from abysmal levels of public financing and a repressive atmosphere caused by government intimidation and self-censorship at the university level. Though no verifiable data are available on either budget or R&D outlays, the Pulitzer Center reported that in 2009, a meager 1.97% of the national budget was spent on education. In a 2016 UNESCO workshop at which officials from the National University of Equatorial Guinea (Malabo and Bata) were in attendance, UNESCO determined that the main challenges to the government’s goal of advancing biosphere and climate change research were “the lack of financing and infrastructure for research” and “the lack of human resources for R&D.”

Education policy /  
R&D





## Governance

### I. Level of Difficulty

The pursuit of good governance in Equatorial Guinea is constrained by certain structural factors, beyond the corrosive effects of public corruption. Geographically, Bioko Island, which hosts the country's capital city of Malabo (population near 190,000), is 250 kilometers from the country's largest city of Bata (roughly 250,000) on the Rio Muni mainland. Five to six flights per day connect the two cities, but the most affordable connection is via ferry, which takes five to ten hours to make the trip in one direction. In addition, movement within Rio Muni is impeded by poorly drained dirt roads, which are regularly flooded by tropical rains. The islands in the Corisco Bay, especially Annobón, together inhabited by only slightly over 5,000 people, are rarely serviced by ferry. The country's geography itself makes public accountability and governance difficult.

Poverty and disease also play a primary role in limiting the reach of government. While three-quarters of the population are estimated to live below the poverty line, the country suffers a particularly high rate of HIV infection. UNAIDS estimated that in 2019, approximately 65,000 (7%) adults aged 15 to 49 were living with HIV. Malaria is also widespread. Most fevers test positive for malaria. Other common tropical ailments (e.g., sleeping sickness) abound. Performance is deeply affected by these structures, as many people often find themselves in a poverty trap compounded by cycles of debt and disease. Lastly, a relatively under-educated populace means that common understandings of government administrative norms remain limited. Government officials are not, however, selected on merit but rather loyalty and familiarity with the ruling clan. Though most of the structural constraints on governance performance do not result directly from government actions, they almost all suffer unduly from government inaction and corruption.

The effect of the pandemic is hard to assess at the time of writing. In March 2021, official but unreliable figures indicated a mere 6,329 cases and only 96 confirmed deaths since the beginning of the pandemic. As the country depends on oil exports, the drop in oil prices caused by the COVID-19 crisis has also affected the country.

Structural  
constraints

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In Equatorial Guinea, civil society organizations (CSOs) have only been juridically permitted to operate since the 1979 coup. At that time, churches such as the Reformed Presbyterian Church of Equatorial Guinea and limited-issue organizations, such as the Red Cross, began to work on local and social matters. Pressure to liberalize from the IMF and other international organizations in the 1990s led to a handful of legal reforms, including the rights to association, unionization and freedom of the press. Vagueness in the laws, however, has effectively restricted civil society to NGOs. According to the now-banned CEID, of the roughly 250 CSOs active in 2010, 50% were NGOs, 23% were “community groups,” 19% were cooperatives and 8% were associations. The majority (70%) of CSOs had 10–20 members, limiting political participation.

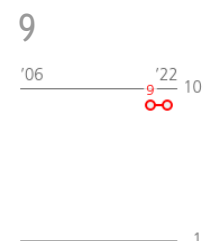
According to EG Justice, community groups and associations are protected neither by the liberalization laws nor by presidential decree. The Law of General Associations 1992, though formally permitting their existence, requires CSOs to notify the government at least 72 hours before each meeting they hold. The law also authorizes “specially designated representatives” to monitor CSOs and seize documents if a criminal offense is suspected. CEID reported that roughly one-third of CSO members were unfamiliar with the laws governing their operation.

CSOs in Equatorial Guinea are frequently subject to harassment, as well as imprisonment and even physical abuse of their members, especially if they criticize the government. Arbitrary laws and a particularly repressive regime ensure that little civic engagement exists beyond the local level. Trust and social capital are hard to assess given the autocratic character of the regime, but probably low except for general trust among family members.

Ethnic conflict has been a source of sporadic violence. Destabilizing and extreme violence occurred under the former Macías regime. In recent memory, reports suggest that Fang vigilante groups abuse Bubi (indigenous to Bioko Island) with impunity, a cycle of violence which began when Spanish overlords favored the commercialized and relatively educated Bubi to assist in administering the colony. Today, many Bubi harbor resentment toward the Fang-dominated regime which remains, if not expressly violent, then noxious toward Bubi prosperity. The Bubi comprise only 7% of the country’s total population and the Fang – indigenous to Rio Muni – comprise 86%.

The ruling Essangui clan, however, is only one among 67 ethnic Fang clans in Equatorial Guinea. Intra-ethnic competition exists but is tempered by patronage as the ruling clan is able to wield influence through its ability to use oil rents to buy loyalty. Intra-clan competition (i.e., among those institutionally capable of power-grabbing) is conflict-laden. The years-long sibling rivalry between Oil Minister Lima and Vice President Teodorín became more heated with Teodorín’s meteoric rise in the regime and First Lady Constanca’s preference for his succession. A palace coup may be a more likely scenario than a coup due to foreign intervention or by the political opposition.

Civil society traditions



Conflict intensity



## II. Governance Performance

### 14 | Steering Capability

The ruling class's strategic priorities are not oriented toward democracy and only partially at best toward a market economy. However, since power and strategizing are highly concentrated among only a few members of the ruling clan, the ability to maintain strategic priorities is relatively strong. Concentration and centralization are maintained through regular cabinet reshuffles and the empowerment of national security agencies led by close relatives of President Obiang. Effective political opponents do not exist. Therefore, no stalemates or transitions are able to impede coherent strategic actions. Crises such as alleged and attempted coups d'états are used by the regime to suppress political dissent.

Policy priorities are generally agreed upon and serve almost exclusively to ensure the regime's survival and enrichment. These include expansion of the flagging hydrocarbons sector wherever and whenever possible, especially the gas industry, the procurement of bilateral lenders – especially from China – and a series of measures to win approval from the IMF and acquire multilateral loans. Organization of these priorities is often disrupted, however, by the growing schism within the ruling family between supporters of Vice President Teodorín as the successor of his father to the presidency and supporters of longtime Oil Minister Lima. Teodorín has often been subject to prosecution and lawsuits by Western governments, such as France and the United States. He has displayed an unwavering preference for non-Western aid and investment. Lima, however, regularly courts major oil corporations such as Total and Shell for their superior technological capacity to exploit the country's gas and remaining oil reserves. Teodorín has also used his position as vice president to deny Lima funds to travel and pitch investment opportunities. In addition to allegedly bribing the former Spanish police commissioner to launch a smear campaign against Lima, Teodorín also had an entire cabinet dismissed because some ministers were reluctant to frustrate Lima's plans per Teodorín's wishes. The president later reinstated the cabinet, which was considered a victory for Lima.

According to the national development plan, the country's medium-term objectives are to diversify away from export-led growth in oil extraction to gas production, petrochemicals, tourism, fisheries and agriculture. This is in principle a step in the right direction but will hinge on implementation.

To address the coronavirus crisis, the government approved various, rather limited measures in 2020. In order to address the revenue side, in addition to measures to ease social effects, the authorities provided some targeted and temporary support to the private sector (at an estimated cost of 0.3% of GDP), including halving withholding tax rates, and delaying tax payment deadlines for small and medium-sized firms, as well as reducing electricity bills.

Question  
Score

Prioritization

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In general, the government fails to implement many if not most of its priorities, none of which include democratization. The extent to which the government achieves strategic priorities has depended on particular projects' impact on the regime's longevity and prosperity. Only in the past decade or so have internal factions disrupted this pattern, as Teodorín has acquired power and non-Western investors influence. The regime's most important priority, the revival and expansion of the hydrocarbons sector, suffers from, structural setbacks, impulsive decisions by cabinet members, and feuding between Teodorín and Lima, such as the cabinet resigning en masse in 2020 before being reappointed. Reports by Africa Energy Intelligence claimed that Vice Minister for Trade Domingo Mba Esono coveted Lima's position in 2019 and enlisted the support of Agapito Edu Ndong Ayecaba, who had been appointed by Teodorín as vice minister of hydrocarbons. In April of that year, Teodorín ousted Ayecaba for failing to thwart Lima's plans, after which Ayecaba pushed to have an ally of Teodorín replace Jacinto Owono, head of local content at the hydrocarbons ministry. In early 2020, Lima's cousin and assistant at the oil ministry pushed for Nigeria's Levene Energy Group to succeed in its bid to acquire Exxon's assets in the Zafiro oilfield. Months later, Teodorín launched an investigation into how Levene acquired their blocks.

Despite Teodorín's attempted disruptions of Lima's efforts to court major Western oil corporations, Lima began drafting a plan in December 2018 to bolster the country's mining sector, as well as its midstream and downstream oil and gas operations. On February 6, 2019, Lima opened the EG Ronda 2019 Mining and in late December it was announced that five companies were awarded blocks in the country's first ever mining tender call. A year later, five new mining contracts were signed. Most importantly, the fledgling gas industry was boosted as part of the country's Year of Investment 2020 drive, during which memorandums of understanding were signed with 53 companies in 17 bids. As part of the country's drive to further its regional gas mega hub, the Gas Master Plan was awarded to British Gas Strategies in May 2020, while in November 2020, the nationally owned Sonagas partnered with Italian Saipem to begin building a gas pipeline from the large Alen field to the sprawling Punta Europa complex. Finally, it was announced that Trident Energy would begin to drill exploratory wells as early as April 2021, which would extend the country's reliance on oil – this is all the more problematic given that the pandemic has further reduced demand and prices for this commodity.

Another priority, enforcement of existing local content laws, operates incongruently with that of reviving the hydrocarbons sector, as the vague laws are implemented arbitrarily and inconsistently. Updated petroleum legislation and local content laws enacted in 2020 did little to improve the sector's business climate. In general, the stated goals of diversifying away from hydrocarbons, and toward fisheries, agriculture and downstream energy (e.g., petrochemicals), improving the business climate, and promoting tourism have fallen short of full realization. Electrification has improved thanks to the construction of the Chinese-financed Djibloho Dam in 2012, but its effects are limited.

Implementation

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There are no institutionalized mechanisms for learning from past experiences or encouraging innovation and flexibility in policymaking. The regime has, however, learned how to ensure and prolong its survival and prosperity, though difficulties controlling Teodorín's public behavior betray weaknesses in this area. Observation and knowledge exchange take place with only a handful of NGOs and bilateral aid agencies and only with respect to deprioritized policy goals, such as improvements in education and environmental sustainability.

For its most important strategic priorities, such as reviving hydrocarbons, the regime has long relied on advice and connections provided by U.S. law firm Greenberg Traurig and U.S. consultancy group Centurion, the latter of which has regularly advised Lima. It is difficult to conjecture whether the regime's adeptness at declaring normative priorities while pursuing self-interest is the result of these agencies or real, albeit coincidental, learning. For less prioritized strategies, such as diversification and fiscal stability, the regime has relied on the IMF, most recently through its EFF began in 2019.

Dynastic rule, however, does involve a learning process within the aegis of the extended family system, as older generations provide younger generations with experience-based learning. The longevity of a dynasty also allows it to acquire experiential knowledge, which can be shared within the inner family circle. The extended clan system of the Fang also enables apprenticeships with younger members learning from uncles and aunts, important members in the kin system.

## 15 | Resource Efficiency

The government makes very little use of available human resources. This is partially because it is a rentier state dependent on exports and foreign expertise. Usually, foreign advisers are favored over indigenous talent. Administrative posts are commonly filled with supplicants and members of the ruling clan. No decisions regarding dismissals or hiring escape political consideration.

The budget is relatively balanced and debt, though rising fast, is offset by loans from the IMF and ADB. But, as the regime remains among the most opaque in the world, little to no information exists on the allocation of budget resources. Analysts are forced to make conjectures. Plans to reduce deficits are hampered by the regime's insistence on greasing the wheels of patronage to remain in power. Budget expenditures have not significantly declined, despite repeated requests from the IMF.

No reforms or procedures have been instituted to streamline administration or make use of local assemblies.

### Policy learning

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### Efficient use of assets

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Equatorial Guinea is subject to a personalist and highly centralized style of policy coordination. The constitution grants President Obiang the power to convene a Council of Ministers, which enjoys considerable powers to direct state policy. As it is filled with the president's closest kin, all of whom defer unquestioningly to him, a certain level of coherence is to be expected. Friction between competing policy objectives is likely resolved either in the Council of Ministers or personally. A large proportion of decision-making goes on within inner circles of the ruling family and Mongomo clan.

Clashes between the oil ministry (a redundancy with the Ministry of Industry and Energy) and the vice president's office, in charge of national defense and security (a redundancy with the Defense Ministry), appear to be resolved in this manner, despite outward signs of friction. Other potentially competing ministries (e.g., the Ministry of Agriculture) defer to the person of the president, and thus have no capacity to interfere with policy goals.

No institutional mechanisms exist to support the prosecution of corruption. There is no auditing of state spending or regulation of party financing. The regime has had its candidacy to the EITI rejected. In addition, the ruling PDGE receives extralegal financing that opposition parties do not. Access to information by citizens is severely restrained by the ruling clan's monopoly on all media outlets, as well as by internet blockages, precluding the possibility that widespread knowledge of the regime's criminality can be adequately interpreted and used constructively. The government often attempts to save face by prosecuting certain high-profile figures for corruption, but it is well understood that any anti-corruption drives are merely appropriated by the regime to purge unwanted competition or dissidents. Instead, foreign governments must carry out prosecutions of unlawful gains and embezzlement.

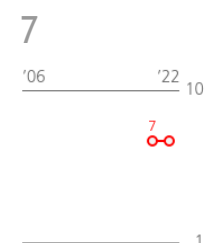
As part of the IMF agreement, Equatorial Guinea has ratified the U.N. Convention on Corruption (2018) and set up an anti-corruption commission (2019), though this has not led to any visible actions.

## 16 | Consensus-Building

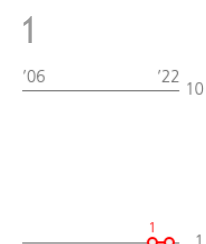
There is no consensus on the adoption of democracy by any political actors with influence or resources. The degree of control over resources exercised by the ruling clan is extreme, relative to the small size of the voting population. Real opposition typically masquerades as civil society actors, and even so are marginalized. The Equatoguinean diaspora is not sufficiently organized or well-endowed to have significant political clout.

There appears to be a growing interest in a market economy from within the ruling clan as a backstop to further decline in the hydrocarbons sector. Very marginal improvements to the abysmal business climate reflect this, but real consensus is still desperately lacking. All relevant actors with political clout stand to benefit from the status quo, which is a particularly predatory brand of state-led capitalism.

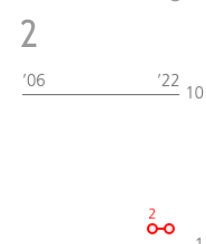
Policy coordination



Anti-corruption policy



Consensus on goals



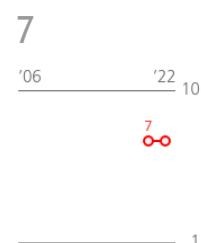
In Equatorial Guinea, there are no political actors with enough clout to initiate reform. Given the regime’s extreme control over institutional and financial resources, any reformers with clout would undoubtedly be subject to co-optation or face repression. The ruling class is the most important obstacle to reform.

Anti-democratic actors



Despite the regime’s excessive control of domestic political affairs, it is in fact interested in de-escalating any potential social cleavages that might affect political stability. Cleavages are not reflected in the party system, which is de facto a single-party structure, despite nominal opposition parties that owe allegiance to the ruling PDGE. Ethnic differences present perhaps the greatest threat to national solidarity and political stability. The Bubi (representing a small minority) are either severely repressed or discouraged through state violence, while the regime-controlled media downplay or ignore the significance of ethnic identities. Potential class conflicts are prevented through the rhetoric about the nation being a single family or by classifying working-class agitation as criminal activity.

Cleavage / conflict management



Beyond group-based cleavages, the most significant political cleavage is in the ostensibly monolithic Mongomo-based Fang ruling faction, which is full of schisms and dissent. For example, a sibling rivalry within the ruling family between the vice president and the minister of mines has created rival tendencies within the Mongomo clan.

Perhaps the closest the government came to involving CSOs in the political process was in 2008, when Equatorial Guinea became a candidate member of the EITI. The process provided an insight into how domestic and, allegedly, foreign journalists are regularly intimidated, and in the latter case, even deported.

Civil society participation



Local CSO appointees to the EITI National Committee report having experienced intimidation and willful obstruction. In 2010, the prime minister requested an extension to complete EITI requirements, but the EITI board denied the request, citing the lack of CSO autonomy, while welcoming a new application, which the country has not made.



Charity, scientists and community-based organizations are involved in depoliticized issues, such as HIV prevention or environmental concerns. Even then, they face conflicting government attempts to pre-empt any programs that the local population might see as a potential reason to oppose the regime.



Historically, the Bubi have been the victims of mass violence, amounting to genocide, and discrimination, along with political dissidents and rivals. From 1978–1979, former President Macías Nguema systematically targeted, brutalized and murdered the self-determining Bubi en masse. The former president was the only individual tried and convicted for these crimes, while current President Obiang in 2006 denounced the former practice of appointing a Bubi as prime minister.

Throughout its brief history, the regime has often called for “national dialogues” as a means to improve its international image and placate certain elements of the political opposition. After each national dialogue, the commitments the regime made to opening the political system were never realized in practice. Olive branches are only extended when international outcries reach a crescendo. Following the alleged coup attempt in December 2017, 21 dissidents of the opposition Citizens for Innovation were arrested, leading to harsh criticism by international watchdogs such as Amnesty International. In June 2018, President Obiang promised to launch a national dialogue to ease tensions, with the opposition conditioning their participation on the release of all political prisoners. This occurred in October 2018. Even so, no political freedoms were granted; nor was democracy strengthened.

Amnesty was granted to politically critical artist Ramón Esono Ebalé via judicial acquittal in February 2018. It is suspected that Ebalé’s release, after months in jail, was the result of pressure from several international organizations. Most likely to buttress its human rights image, placate the IMF and prepare the ground for the United Nation’s Universal Periodic Review in May, CPDS’s Andres Esono Ondo was released from custody in late April 2019. One can speculate that five political prisoners were released in March 2020 for similar reasons.

## 17 | International Cooperation

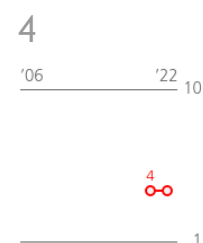
For the government, economic and political development serve the overarching goal of remaining in power and benefiting financially from that. As all strategies are adapted to this goal, so is the regime’s disposition toward its international partners. The regime approached the IMF in June 2017 for help achieving fiscal solvency, after which the IMF granted its EFF in 2019 over the objections of several human rights groups. It also aggressively pursued membership in OPEC, of which it became a member in 2017, and adhered to OPEC’s production cuts in 2020. The country’s governor was elected chairman of the OPEC Board for 2019. Equatorial Guinea’s membership in the Comunidade dos Países de Língua Portuguesa (CPLP) since 2014 has also brought advantages. For example, in June 2019, the organization sent a delegation to explore the country’s hydrocarbons capacity.

The Year of Energy 2019 was a highly publicized occasion and an opportunity to continue hosting multilateral fora. Through various summits, the regime sought to advertise the country’s unexploited reserves of oil and gas (although this is not

### Reconciliation



### Effective use of support





directly related to international aid but trade). From April 2–5, the capital of Malabo hosted the African Petroleum Producers Organization (APPO) Cape VII Congress and Exhibition (APPO), while Lima lobbied for Equatorial Guinea to host the annual gathering permanently. From November 26–29, the country also hosted the Gas Exporting Countries Forum (GECF), welcoming ministers and heads of state from Russia, Iran, Nigeria and Qatar. The Oil and Gas Meeting Day, held in October, was yet another opportunity for the ministry to advertise the country’s natural resources. Lima projected that the Year of Investment 2020 would attract more than \$1 billion in FDI for the year 2021.

The regime also strategized that its newly acquired partners would further encourage Chinese interest in its hydrocarbons sector (the regime donated \$2 million to China in July 2020 to fight COVID-19), though the oil price crisis has since discouraged further Chinese investment during the review period. But the country’s largest partners remain major U.S. oil corporations, which are more subject to international scrutiny than China. This explains the regime’s continued face-saving cooperation with the IMF, the recommendations of which appear to fall on deaf ears because they contravene the regime’s patronage politics. President Obiang and Vice President Teodorín employ a familiar strategy of using international bipolarity to their advantage. International assistance is a means of rent-seeking. As Western oil companies, like Exxon, looked to offload declining fields – or, as in the case of Total and Trident Energy, ran into interference from Teodorín – the regime continued to court non-Western and regional business interests. In June 2019, Obiang left for the U.S-Africa Business Summit in Mozambique, yet in October 2019 the newly arrived U.S. ambassador expressed her dismay at the country’s refusal to allow Exxon to sell its largest assets. After months of attempting to purchase assets in the face of Teodorín’s obstructionism, the French Total finally abandoned its efforts. At the same time, Obiang attended the Russia-Africa summit in late October while the regime held talks with Russia’s Novatek and looked for more engagement with Gazprom and Lukoil. In October 2020, the cooperation bore fruit, as the regime struck a deal with Russian RosGeo to undertake seismic studies, which it finished in November.

The government enjoys little credibility with the international community. Human rights violations have led to strident calls for political reform by intergovernmental organizations such as the European Union, the IMF, the UNHRC and the Community of Portuguese Speaking Countries (CPLP) to which Equatorial Guinea belongs. Criticism has also come from bilateral partners such as the United States and France, which have successfully sued and prosecuted Vice President Teodorín, respectively. The harshest critiques of the regime come from well-regarded NGO watchdogs, such as Human Rights Watch and Amnesty International. Unfulfilled commitments to human rights conventions have been exposed by not only journalists and watchdogs, but by the UNHRC’s Universal Period Review, which confirmed multiple violations and made recommendations ranging from banning

Credibility

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torture to guaranteeing childhood education. In a more recent loss of credibility, President Obiang granted refuge to former Gambian President Yahya Jammeh in late 2017, despite opposition from several international organizations, NGOs and even local civil society. Evidence of a deterioration in relations with the Gambia has recently emerged as a result.

Human Rights Watch criticized EITI's consideration of Equatorial Guinea's proposed membership in June 2019 and also requested that the IMF delay its December 2019 loan vote, citing humanitarian reasons. Despite Obiang chairing a U.N. Security Council meeting on mercenary activities in February, where he urged the world to act on such illicit activities, countries like Spain publicly criticized the regime's and Chad's treatment of opposition member Osono. More recently, ambassadors from Spain, the United States and France successfully protected a former judge from arrest and imprisonment. Hitting back, President Obiang has attempted to discredit Western powers and watchdogs alike, often charging them with "interference" in the country's internal affairs. Over the review period, President Obiang has sought to implicate George Soros and Amnesty International in the alleged failed coup plot of 2017.

As a non-member of the WTO, the country is not subject to that body's dispute resolution mechanisms. Neither is the country party to the International Criminal Court (ICC). It is, however, subject to the ICC's jurisdiction. In December 2020, Equatorial Guinea lost its case against France, after French authorities confiscated a luxurious mansion in Paris which the Equatoguinean regime falsely claimed – as it turned out – had been used for diplomatic purposes.

Lastly, Teodorín's history of being prosecuted for ill-gotten gains in the West has caused further complications. In March, U.S.-based watchdog EG Justice condemned Switzerland's February decision to drop its laundering investigation and to return a confiscated yacht to Teodorín valued at \$120 million. Yet, in September, the world learned that 253 luxury cars, previously confiscated by Swiss authorities, were sold at auction for roughly \$273 million, with the \$23 million in proceeds intended to fund social programs in Equatorial Guinea. Fighting back, the regime formally appealed Teodorín's conviction for ill-gotten gains in France in December. Three months later in 2020, Teodorín lost his appeal and was formally issued a fine and a three-year suspended jail sentence. Teodorín has since threatened to undercut Total by proposing that the country build its own modular plant.

Equatorial Guinea is a member of a number of regional organizations, including the African Union, and other organizations like the Comunidade dos Países de Língua Portuguesa (CPLP, associate), the Conference des Ministres des Finances des Pays de la Zone Franc (FZ), the Development Bank of the Central African States (BDEAC), and the Economic and Monetary Community of Central Africa (CEMAC). Moreover, President Obiang is a self-styled pan-Africanist. It serves the regime's interest to forge strong relationships with more autocratic members of the regime to protect against "interference" in internal affairs. In October 2017, the government lifted visa requirements for CEMAC members and ratified the bloc's free movement convention, after 15 years of inaction. Around the same time, the government advertised itself as a refuge for regional autocrats by offering sanctuary to Jammeh after his resignation in January 2017. Since Equatorial Guinea is not party to the ICC, Jammeh was able to escape extradition. Obiang was applauded by regional allies and the African Union itself. President Obiang hosted Uganda's President Yoweri Museveni in August 2017 and awarded him the country's highest honor (the Great Collar of Independence Award) for his contributions to the pan-Africa cause. In 2020, the regime continued to strengthen ties with its close allies Zimbabwe and Morocco.

The regime also increasingly continued to cast itself as a defender of supposedly pan-African ideals. Malabo hosted the African Development Bank (AfDB) summit between June 11 and 14, 2019, where President Obiang affirmed his commitment to "regional integration for shared prosperity." The country also hosted the Intergovernmental Committee of Senior Officials and Experts for Central Africa in late September 2019. In Uganda, in mid-December, Obiang encouraged security cooperation between regional leaders to help end the continent-wide refugee crisis, while the head of state traveled to Nigeria in late December 2019 to ostensibly mediate a feud between Ivorian President Alassane Ouattara, and the exiled former rebel leader and Prime Minister Guillaume Soro. Lastly, Equatorial Guinea and Cameroon signed a cross-border pact in July 2020, marking the end of a tense standoff that saw the regime attempt to construct a border wall to prevent immigrants and alleged coup plotters from entering the country.

Regional diplomacy is also guided by resources, most recently that of gas. Efforts to build energy-based alliances and continental influence were strengthened, making it plausible that the country would serve as a regional gas hub. In early June 2019, Lima went to São Tomé and Príncipe to discuss joint gas cooperation as part of Lima's vision of making the country a major regional gas hub, which led to the signing of a pact in late August 2019. In addition, CEIBA Intercontinental, the country's national airline, partnered with STP Airways, São Tomé's national airline, by purchasing a 37% stake. Likewise, the regime courted Nigerian President Muhammadu Buhari by extending a personal invitation to the GECCF, which helped increase bilateral ties between the two countries.

Regional  
cooperation

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In 2020, Lima intensified his efforts to secure Nigerian investment, while the Joint Development Zone with Sao Tomé and Príncipe appeared to be a success. After joining other West African states in lobbying for reform of the CFA franc in 2019, the regime joined other oil-producing states in the region to prevent BEAC from imposing the CFA franc on the oil industry, which would have adversely affected government revenues by dissuading further industry investment.

## Strategic Outlook

Political stability in Equatorial Guinea is dependent on the ability of the ruling clan to co-opt and eliminate potential opponents, which can only continue if nationally controlled resource rents continue to flow to state-owned (and certain private) enterprises. But as the hydrocarbons sector continues to decline and as Vice President Teodorín prepares to succeed his father as president, political fragmentation and further violence over the medium term are real possibilities. Bilateral and multilateral partners must act fast and determinedly to pre-empt further waste and impoverishment.

The United States continues to wield considerable influence over the Equatoguinean regime. But as U.S. interest in Equatoguinean oil wanes thanks to its own boon, the U.S. Justice Department should seek to enforce existing legislation, namely the Foreign Corrupt Practices Act, which prohibits companies under U.S. jurisdiction from engaging in corrupt practices abroad. The Kleptocracy Asset Recovery Initiative can also be used to strategically target corrupt Equatoguinean officials with assets in the United States, as was done during the prosecution of Teodorín in 2012. France's efforts to prosecute illicit holdings within its jurisdiction should likewise be aggressively pursued by its European counterparts, especially countries (e.g., Switzerland) where the Equatoguinean regime keeps many of its assets.

The IMF's decision to grant loans was unfortunate from the point of view of the Equatoguinean people. The IMF should use the leverage it has gained following the oil and COVID-19 crises to restrict any further disbursements to the country should the regime fail to enact a clear, realistic and non-cosmetic plan for democratization and developing free markets. Since Equatorial Guinea's application to the EITI was rejected in 2020, the IMF should enforce past statements and refuse to extend more loans.

While transparency and recovering foreign assets are necessary, they are insufficient to guarantee the beginnings of transformation. With a population kept in the dark, thanks to state-controlled media and harsh suppression of any political dissent, the African Union, which voted to give Equatorial Guinea a seat on the U.N. Security Council, should invite political actors to organize a national dialogue at a neutral location, where foreign journalists can report on progress and pitfalls free from state intimidation. Invitations should be extended to the country's vocal, but disorganized diaspora in the United States, France and Spain. This genuine dialogue should be organized as a series and granted a secretariat by the African Union to ensure continuity. The objectives should be humble and crafted so as to encourage discussion and should not necessarily focus on short-term results. Only over the medium term can timetables for political transformation be reasonably expected, including unambiguously written constitutional amendments, the acceptance of foreign election observers and a free media.

It is uncertain whether these reforms would yield significant transformations, especially in an international economy increasingly dominated by non-Western concessional loans. But they would certainly help to circumscribe the actions and strategies of a regime that has become infamous for wanton corruption and human rights abuses.