



## 29 Opportunities for wealth

On this and the following pages are two articles about countries struggling against poverty. The tiny islands of São Tomé and Príncipe lie 400 kilometres off the west coast of Gabon. Until recently, their 140,000 inhabitants were among the poorest people in the world. Then, in 2004, scientists made an incredible discovery. Under the

ocean around the islands they found oil worth \$50,000,000,000, enough money to make everyone in this former Portuguese colony a dollar millionaire. This article tells the story of how oil may be about to transform the lives of the people on the islands.

# Chocolate isles struggle to avert the 'curse' of oil



BY TIM BUTCHER IN SÃO TOMÉ

OFF the West African coast, the sharks are circling the sleeping “chocolate islands” of São Tomé and Príncipe, eager to bite off slices of billions of pounds of hoped-for oil revenues.

One of Africa’s poorest nations is being spoken of as a new Kuwait following recent surveys showing that up to 11 billion barrels of oil lie under its territorial waters.

Prospects of an oil boom in the tiny former Portuguese colony have attracted a wave of charlatans and swindlers and São Tomé is keen to avoid becoming the next African country to prove that oil can be more of a curse than a blessing.

Many of the people of Nigeria, Angola, Equatorial Guinea and elsewhere grew poorer as vast oil revenues were stolen by corrupt regimes and businessmen – a situation that São Tomé’s chubby and affable leader, President Fradique de Menezes, says he wants to prevent.

Oil has already led to unrest. It was said to have helped foment an attempted coup last July, when a group of disaffected soldiers temporarily seized power from Mr de Menezes.

He survived and has made progress. He has followed the advice of western economists about how to develop the oil sector, and has presided over a bidding round among oil companies that is seen as the most transparent in African oil industry history.

“This place really is on the up more than it ever has been, but the sharks are already

circling in the water,” said the former cocoa trader.

Every few days, charter planes full of businessmen from Nigeria, Angola and elsewhere fly into São Tomé’s tiny international airport where the grass grows waist high on either side of the runway.

São Tomé, with a population of only 140,000, is also being wooed by the United States, which had deployed a military liaison officer there as part of its war on terrorism.

In military terms, the country is virtually helpless, with no aircraft or tanks. Its only working naval boat, a small coastguard launch, was recently stolen and ended up in Nigeria.

Until recently, many British diplomats would have struggled to find the islands on a map, but London is now increasing aid money, with £135,000 going to fund a project of public education about how to use oil revenues.

For now, São Tomé’s government appears clean, but it also seems somewhat out of its depth and was forced to renegotiate ill-conceived contracts for lucrative prospecting rights owned by a rich Nigerian businessman.

With oil revenues still years away, the country owes £200 million in foreign debt – one of the highest per capita levels in Africa – and remains seriously under-developed.

Out on the *rocas*, the Portuguese-built cocoa plantations – now in decline – thousands live in poverty. High humidity and temperatures have rotted the once-grand plantation houses, and a tangle of jungle has

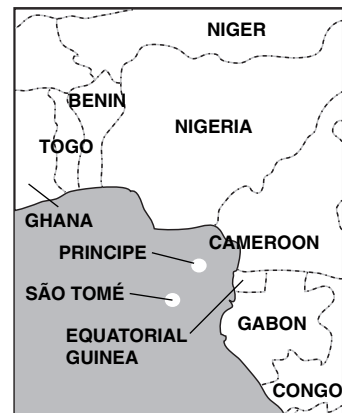
smothered the once well-ordered cocoa fields.

Poverty remains rife for most São Toméans. Cocoa growing might have earned the place the soubriquet of “chocolate islands” as Portugal profited during the colonial era, but it now generates only £3 million in exports.

The rest of the £30 million national budget comes from foreign aid. This seems likely to be dwarfed by oil revenues. The rights to explore just one block of seabed will earn São Tomé £50 million later this year from Chevron-Texaco and there are plenty more blocks up for tender.

“If you have high poverty, high expectations of oil revenues and a low level of capacity to deliver, you might have a bomb on your hands” said Rafael Branco, the suave former oil minister.

“The challenge is to defuse that bomb.”



**1 Before you read, discuss the following.**

- What do you think happened after the oil was discovered?
- Who do you think will get all the money?
- Who will lose out?

## Glossary

- 1 charlatans and swindlers: dishonest people who cheat you out of your money
- 2 foment: encourage or cause something bad
- 3 sobriquet: nickname
- 4 a bidding round: when different international companies bid for something
- 5 prospecting rights: a contract that allows you to look for oil or minerals
- 6 up for tender: available to the highest bidder

**2 As you read, answer the questions to find the meaning to these words.**

- a If you *avert* something, do you make it happen or stop it happening?
- b Is a *boom* a period of growth or decline?
- c Is a *swindler* honest or dishonest?
- d Is an *affable* person friendly or unfriendly?
- e If you are *disaffected*, are you happy or unhappy?
- f If you are *out of your depth*, do you know what you are doing or not?
- g Is a *lucrative* business profitable or unprofitable?
- h Which is bigger, a *plant* or a *plantation*?
- i If a bomb is *defused*, is it safe or unsafe?

**3 Now complete the notes with information from the article.**

**The islands of São Tomé and Príncipe**

**Location:** 400 kms west of Gabon

**Size:** 5 kms by 7 kms

**Estimated oil reserves:** (a) \_\_\_\_\_ barrels

**Airport:** tiny, waist-high grass either side of the (b) \_\_\_\_\_

**Population:** (c) \_\_\_\_\_

**Number of military aircraft:** (d) \_\_\_\_\_

**Number of tanks:** (e) \_\_\_\_\_

**Outstanding debts of:** (f) \_\_\_\_\_

**Main crop grown on the plantations:** (g) \_\_\_\_\_

**Annual exports worth:** (h) \_\_\_\_\_

Chevron-Texaco will pay (i) \_\_\_\_\_ to explore one block of the seabed

Now read an appeal by Nelson Mandela.





# WHAT A DIFFERENCE A DAY MAKES

## A LETTER TO YOU – FROM NELSON MANDELA

*Dear Mirror readers*

Today we live in a world that remains divided. A world in which we have made great progress and advances in science and technology.

But it is also a world where millions of children die because they have no access to medicines.

We live in a world where knowledge and information have made enormous strides, yet millions of children are not in school.

We live in a world where the AIDS 2 pandemic threatens the very fabric of our lives. Yet we spend more money on weapons than on ensuring treatment and

support for the millions infected by HIV. It is a world of great promise and hope. It is also a world of despair, disease and hunger.

Millions of people in the world's poorest countries are trapped in the prison of poverty.

It is time to set them free.

Poverty is not natural, it is man-made and can be overcome by the action of human beings.

The leaders of the world's richest countries have already promised to focus on the issue of poverty, especially in Africa.

The steps they must take to bring this about are very clear

and the first is ensuring trade justice.

The second is an end to the debt crisis for the poorest countries.

The third is to deliver much more aid and to make sure it is of the highest quality.

I say to all those leaders – do not look the other way, do not hesitate. Recognise that the world is hungry for actions, not words.

You too have the opportunity to tell them that they must act with courage and vision.

Sometimes it falls upon a generation to be great.

You can be that great generation.

In 2005, the leaders of the world's richest countries travelled to Scotland to talk about the problems of world poverty and international debt. There were two big questions at the meeting: Should rich nations cancel the debts of the poorest countries, and should they also spend more on aid? A campaign group called 'Make Poverty History' had no doubts. For them, the answers were 'yes' and 'yes' and they organised a series of concerts (known as Live8) to drive their message home. As three billion people watched these concerts live on TV, Nelson Mandela, the former President of South Africa, explained why these issues effect us all.

#### 4 Before you read, discuss the following.

What do you know about Nelson Mandela? What role did he play in the fight against apartheid?

#### 5 As you read, match the words from the article 1-10 with their meanings a-j.

1 divided	a) release/liberate (them)
2 have no access to	b) make (this) happen
3 strides	c) defeated, beaten
4 set (them) free	d) (you) have the responsibility to
5 overcome	e) guaranteeing
6 issue	f) ignore the problem
7 bring (this) about	g) can't have, can't get
8 ensuring	h) steps forward, progress
9 look the other way	i) question, subject, problem
10 it falls upon (you) to	j) separated

#### 6 Complete the journalist's notes with information from the text.

*Mandela says ...*

The world has made great progress in (a) \_\_\_\_\_, technology, (b) \_\_\_\_\_ and information.

But, millions of children die because they can't get (c) \_\_\_\_\_ and millions of children don't go to (d) \_\_\_\_\_.

We spend more money on (e) \_\_\_\_\_ than on tackling the (f) \_\_\_\_\_ crisis.

Poverty is not natural, it is (g) \_\_\_\_\_-made.

Things that must be done ...

- ensure trade justice and get rid of the (h) \_\_\_\_\_ of the poorest countries
- deliver more high-quality (i) \_\_\_\_\_
- the leaders of the world should not (j) \_\_\_\_\_ the other way
- the world wants (k) \_\_\_\_\_ not words

## Glossary

- 1 strides: big steps, great progress
- 2 pandemic: an infection that spreads across the world
- 3 threatens the very fabric of: puts the most important things in danger
- 4 HIV (human immunodeficiency virus): the AIDS virus

#### 7 Read the Fact file and discuss the following questions.

- a) Why is oil so important?
- b) Some people say that modern wars are often fought because of oil. Do you agree?
- c) By 2015, Africa will be producing more oil than the Middle East. How will that change the world?

#### Fact file

- In 2005, the year of Live 8, the oil company BP made £100 profit every second.
- Tax revenues from oil pay for more than half of Britain's national health service.
- A fifth of the world's population live on less than a dollar a day.
- There are 18 countries in Africa that were poorer in 2005 than they were in 1985.
- It is estimated that a third of all international aid goes 'missing' through corruption.
- A billion people are illiterate.
- A billion children live in poverty.
- If you add together the money of the three richest people in the world, the figure is higher than the combined annual income of the world's 48 poorest countries.
- It would cost 1% of what we spend on weapons to put every child into school.

#### 8 Now decide how the world can best help poor countries.

- a) Get into four groups. Each group chooses one of the ways suggested below and decides why it is the best way to help.
  - Give more aid.
  - Cancel the poor countries' debts.
  - Have fairer rules for trade.
  - Do not interfere and leave the countries alone.
- b) Now each group tells the class why their way is the best.
- c) Have a class vote on the best way.