Society for the Anthropology of Work

Book Review: The Licit Life of Capitalism

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***The Licit Life of Capitalism: US Oil in Equatorial Guinea*, by Hannah Appel (2019). Durham, NC: Duke University Press.**

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The Licit Life of Capitalism examines the oil and gas industry, as run by companies based in the United States, in the central African country of Equatorial Guinea—currently the continent’s richest nation per capita, thanks to its vast hydrocarbon reserves. This statistical fact, of course, obscures the economic disparities faced by the overwhelming majority of the country’s citizens. This former Portuguese and Spanish colony is also governed by the longest-standing dictatorship in the world.

Anthropologist Hannah Appel argues that the relationship between corporate freedom and absolute rule “is not incidental to, but *constitutive of*, the daily life of hydrocarbon capitalism” (p. 174). Just when the political opposition in Equatorial Guinea had begun to gather momentum in the mid-1990s, petrodollars helped to legitimize a rigged election. Exxon’s discovery of petroleum in Equatorial Guinea was widely understood to have provided a “life jacket” to President Teodoro Obiang Nguema Mbasogo, whom this 1996 contest reinstated and whose rule continues to date. How, Appel’s book asks, do transnational oil companies achieve legitimacy and profit when operating in exceedingly corrupt and repressive environments?

Appel’s ethnographic focus is not on the illicit transactions between corporations and authoritarian governments, but instead on the purported and performed “licitness” of capitalism. This involves treating what she calls the “as ifs” of capitalism —“standardization, replicability, technical mastery, and the disembedding of economic interaction from social context” (p. 3)—as ethnographic objects in their own right. These “as ifs,” which are often thought to be intrinsic to capitalism, are actually “*made*,” Appel tells us, “through daily bodily, affective, and technical practices” (p. 23).

This ethnographic approach—inspired by the work of Michel Callon, Bruno Latour, and Judith Butler, among others—is compelling. Critical ethnographies have instructively shown the entanglements and frictions that saturate global commodity chains. However, ethnographic critique has been less successful at accounting for the enduring power of institutionalized abstractions that (mis)represent the world. Appel notes that the now-familiar anthropological insight that capitalism is uneven, contested, and heterogeneous is, in fact, a starting point shared by those working in the transnational oil industry. Yet these corporations endeavor to strategically appropriate economic theories, legal procedures, and transparency standards so that

their operations can still appear smooth, legitimate, and distant. Furthermore, Appel argues that this intentional and aspirational abstraction aids the efforts of transnational firms to efface their role in the devastating effects of oil and gas extraction and to displace its cause—by invoking theories such as the “resource curse”—to local stakeholders and the postcolonial state.

Appel takes the reader to the mobile and insulated world of drilling rigs in Equatorial Guinea’s offshore waters. She suggests that the production of oil offshore is not a mere response to geology; it is also a choice corporations make in order to minimize access to the sites of production as well as political risks. In fact, the entire hydrocarbon industry in Equatorial Guinea is often categorized in corporate-speak as existing “offshore,” despite its significant presence onshore. The offshore form, therefore, also encompasses terrestrial corporate enclaves.

Spectacular inequalities are at play in the industrial workplace as well as in gated residential compounds. While men from twenty different countries worked at the drilling rig that Appel visited, “white Americans, Brits, and Canadians held top positions without exception, with nationalities diversifying through the middle, and Equatoguinean workers at the bottom” (p. 61). The housing system for executives and employees mirrors the distinct hierarchy of privileges and entitlements that organizes these corporations. To the expatriate executives and their wives, the corporate enclave—with what Appel characterizes as its “careful segregation of gendered and heteronormative married whiteness from ‘others’” (p. 135)—was akin to a posh “suburb of Houston.” Working in Africa, evidently, made more financial sense for such couples, since a “hardship post” could bring up to a 75 percent salary increase. An executive’s wife confided that she and her husband had \$5 million in cash to purchase a retirement ranch in Texas. Another migrant wife clarified: “Let’s face it, we’re not do-gooders . . . We came to make money” (p. 134). The situation was wildly different for Equatoguineans working in the oil industry, who were not allowed to live in the company compounds. One rig worker remarked: “Neither my friends nor anyone who has worked in the industry has any type of guarantee for life having worked this many years” (p. 77). Another is quoted as saying, “We are working like Americans but being paid like Africans” (p. 76).

The profound differences in salary, however, were not simply a function of skill. As an Ecuadorian finance manager of a Scottish subcontracting firm explained to Appel, one is paid “according to passport” (p. 186). The subcontracting firms apparently use cost-of-living indices from international rating agencies to decide the pay and working time

of employees, as per their nations of origin. These disparities extend to the drastically different timelines on which personnel can be considered for promotion. Thus, even highly skilled engineers and professionals could be paid miserably, barred from bringing in family, housed in barracks, and assigned excruciatingly hectic work schedules, allegedly because the firms that oversee their hiring follow what the manager ironically called “the rules of the economy.”

The instrument that provides legal justification for this radically unequal distribution of opportunities, profit, risks, and liabilities is the contract. Indeed, the terrain on which the foundational Production Sharing Contracts (PSCs) are signed between a host state and an extractive corporation—legally, two equal parties—is itself deeply asymmetrical. Without mandatory global standards regulating Big Oil, a commitment to vague concepts such as “good oil field practices” does little to prevent corporations from securing contracts that effectively ensure weak regulation, reduced taxation, a low rate of profit for states, and the maximization of corporate revenue. In the words of a U.S. oil executive quoted in the book, PSCs “cover a lot of categories to shield us from the problems and inefficiencies” (p. 139).

This kind of deliberate shielding is equally achieved through subcontracts, which effectively limit permanent employment, prevent labor organizing, disperse responsibility, and legitimize grossly dissimilar wages based on nationality. Even though unjust subcontracting practices are often thought to be a defining feature of contemporary capitalism, Appel reminds us that their history in the oil industry dates back to the 1920s and 1930s. Nonetheless, subcontracting practices have undoubtedly intensified since the 1990s, rendering industrial labor all the more precarious. This, according to Appel, goes to show that “markets do not merely deepen postcolonial inequality, they are made by that inequality” (p. 281).

A key strength of Appel’s book lies in the cogent analytical departure that it makes from substantivist insights, without denying their value. The contract form that Appel’s ethnography foregrounds is, indeed, a felicitous site for inquiry into the anthropology of work. The licit technologies of the contract crystallize the many customs, calculations, and compromises that undergird the everyday workings of the transnational oil and gas industry. At the same time, they enable the social differentiations—seemingly along lines of race, nationality and gender—that shape daily life in the industry. In fact, the contracts and subcontracts out of which the offshore form is built seek to disentangle labor from society and to make it almost invisible. Appel’s account credibly suggests that the instabilities, asymmetries, and

insecurities of labor are produced and amplified not just in the so-called informal sector, but even in the heart of legitimate business operations.

The only quibble I have with this text is its somewhat ambiguous use of the term *capitalism*. In the book's introduction, Appel describes capitalism as her *ethnos* and asserts that "capitalism is not a context; it is a project" (p. 2). Her project, self-admittedly, is to ethnographically "follow the work required to create the 'as ifs' on which capitalism has so long relied: abstraction, decontextualization, and standardization" (p. 3). It is not clear, though, how these projected "as ifs" are emically understood to relate to something specifically called *capitalism* or *global capitalism* (terms not used by the people quoted in the book).

Furthermore, we might wonder, is capitalism—global or otherwise—the same thing as *the market* or *the economy*? Since so much of the book's argument revolves around the assertion that the supposed coherence of capitalism is constructed, it might have benefited from some reflection on extant ideal-typical definitions of the term—and on whether (and how) capitalism is a meaningful category for Appel's interlocutors.

On the whole, *The Licit Life of Capitalism* is an outstanding work of scholarship that combines theoretical innovation with incisive ethnographic detail to shed light on the procedures and people behind extraordinarily uneven extractive regimes in resource-rich postcolonial countries. In light of intensifying debates over energy transition, economic uncertainties, and political democracy across the globe, Appel's text makes for essential reading for anyone concerned about the energy industry, multinational corporations, and the lopsided exchanges between the global South and North.

Author Bio

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