

# “THE LIQUID GOLD BENEATH OUR FEET”: A PROMISE OR DANGER FOR THE US AND AFRICA?

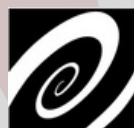
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**POLICY BRIEF:**

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## Introduction

The statement "[the liquid gold beneath our feet will make the US a rich nation again](#)", echoed by President Trump during his inaugural address on 20 January 2025 reflects a long-standing belief in the economic power of [fossil fuels](#), particularly oil and natural gas. Historically, oil wealth has fuelled the industrial expansion, geopolitical influence and national prosperity of resource-rich nations, sparked economic booms and transformed entire industries. In this day and age of climate awareness and the energy transition, however, this perspective must be critically scrutinised. While fossil fuels remain an important driver of economic activity, their long-term sustainability is increasingly being questioned due to their environmental impact and the need for a more balanced and diversified approach to energy. This issue is particularly pressing given the impact on [global climate change](#) and economic development in Africa, where energy access, climate resilience and economic development are closely intertwined.

### A resurgence of fossil fuels in the US?

The United States, once heavily dependent on imported oil, has undergone an energy revolution with the advent of [hydraulic fracturing \(fracking\) and shale oil extraction](#). This has made the country the world's largest producer of crude oil, reduced its dependence on supplies from the Middle East and reshaped global energy markets. Proponents argue that increased domestic oil production can boost the economy, create jobs and increase energy security. In addition, the expansion of the energy sector has led to significant investment in infrastructure, refining capacity and technological development, strengthening the US's position as the dominant player in global energy geopolitics. However, this renewed focus on fossil fuels is at odds with the global imperative to [mitigate climate change](#). The continued extraction and burning of oil contribute significantly to [greenhouse gas emissions](#), exacerbating the very environmental problems that the US, along with other nations, has pledged to combat. This contradiction raises concerns about long-term sustainability, [international climate commitments](#) and the moral responsibility of leading economies to drive the transition to [cleaner energy sources](#).

### The consequences of climate change: a global and African perspective

The impact of a fossil fuel-driven US economy extends far beyond the country's borders. [Climate change](#) is not a local phenomenon, but a global crisis with disproportionate impacts on the Global South. Although [Africa contributes little to global carbon emissions](#), it is one of the continent's most affected by climate change. Rising temperatures, erratic rainfall patterns, prolonged droughts and intensified storms have already disrupted agriculture, displaced populations and strained fragile economies. If major economies such as the US continue to rely on fossil fuel extraction instead of switching to renewable energy, the global carbon footprint will escalate and exacerbate Africa's climate vulnerability. In addition, the international community has put increasing pressure on African countries to adopt a [low-carbon development path](#). While this is in line with global sustainability goals,

it raises a fundamental question of equity: If industrialised countries continue to exploit their fossil fuel reserves with their historical emissions, should African countries be expected to limit their own resource development? This imbalance emphasises the persistent global energy inequality, where Africa faces restrictions on the use of its natural resources while wealthier nations sustain their economic growth through fossil fuel consumption. The challenge is further compounded by [inadequate climate finance](#) and [limited technology transfer](#) to support Africa's transition to renewable energy, exacerbated by the [US withdrawal from the Paris Agreement](#). Without adequate investment, African economies risk stagnating, limiting industrialisation, job creation and access to energy for millions of people. Therefore, a fairer and more equitable approach is needed to ensure that Africa can both fulfil its development needs and contribute to global climate goals through equitable access to energy resources and financial support.

### **Implications for Africa's energy and economic future**

Africa is at a crossroads. The continent has vast [reserves of fossil fuels](#), including oil and gas, in countries such as Nigeria, Angola and Mozambique. At the same time, [the continent has abundant renewable energy resources — solar, wind and hydropower](#)— which are not yet sufficiently utilised due to financial and infrastructural constraints. The competition between these two energy paradigms harbours both risks and opportunities. If the US and other industrialised nations continue to prioritise fossil fuel development, Africa may struggle to attract the necessary investment for clean energy projects, delaying the transition to a sustainable economy. Furthermore, over-reliance on fossil fuels could expose African economies to the volatility of global oil markets, leading to financial instability and hampering long-term development efforts.

However, Africa has a unique opportunity to move beyond the traditional fossil fuel-centred development model and establish itself as a leader in the global clean energy transition. Several African countries have already made great strides in the use of renewable energy. [Kenya, for example, has invested heavily in geothermal energy, and wind power projects](#), while Morocco has become a major player in the solar energy sector with its [Noor Ouarzazate Solar Complex](#). These initiatives demonstrate the continent's potential to harness its vast renewable resources for industrialisation and economic transformation.

However, achieving large-scale transformation requires a solid policy framework, technological partnerships and international financing — elements that are currently insufficient. Without a stronger commitment from industrialised countries to support Africa's transition to clean energy through investment, capacity building and fairer trade policies, the continent could remain dependent on traditional energy sources and limit its role in the global green economy. Governments, multilateral institutions and the private sector must work together to build a resilient energy infrastructure that is both sustainable and inclusive, ensuring that Africa can achieve its

development goals while contributing meaningfully to the global climate agenda. As a superpower, the US, even though turning away from progressive climate change leadership, remains critical in the implementation of these forward-looking agendas.

### **A call for just energy diplomacy**

The energy debate represents both a challenge and an opportunity for US-Africa relations. The US can play a central role in Africa's [green transition through strategic investment](#), policy support and fostering co-operation. By channelling resources into Africa's renewable energy sector, the US can facilitate technology transfer and financing mechanisms that enable sustainable growth. In addition, policies that promote an equitable energy transition will ensure that African nations can capitalise on their natural resources while advancing climate goals. Strengthening public-private partnerships will further improve Africa's energy infrastructure and grid integration and create a resilient and inclusive energy landscape. This approach will not only support Africa's development but will also align with global climate goals and emphasise the need for a collaborative and forward-looking energy strategy. With the official [withdrawal of the US from multilateral climate change mitigation agreements](#), US private sector players and philanthropies will have to step in in partnership with African counterparts. An example is the pledge by former New York mayor and Bloomberg Philanthropies founder, [Michael Bloomberg's pledge](#) to find means of sustaining US commitments to the Paris climate accord.

Investing in Africa's renewable energy sector through technology transfer and financing mechanisms is critical to the continent's sustainable development. This includes initiatives such as the [African Development Bank's Desert-to-Power project](#), which aims to bring solar energy to the Sahel, and partnerships such as [Power Africa](#), a US-led initiative that has mobilised billions in private and public investment for electrification projects. By deploying advanced renewable technologies and [innovative financing models](#), Africa can accelerate its transition to clean energy, reduce dependence on fossil fuels and improve economic resilience. However, sustained commitment from international partners is needed to scale up these efforts and ensure that energy access reaches the most underserved communities.

Supporting policies that promote an equitable energy transition is critical for African countries to utilise their natural resources while advancing their climate goals. One example of this is [South Africa's Just Energy Transition Partnership \(JETP\)](#), an \$8.5bn initiative supported by the US, UK and EU to phase out coal and invest in renewable energy and green hydrogen. This kind of approach shows how political support, and international co-operation can enable African nations to achieve economic growth without exacerbating climate change. A just transition also means incentivising industry to switch to cleaner energy sources while protecting workers and communities dependent on the fossil fuel industry to create a just and sustainable energy future for Africa.

Promoting [public-private partnerships](#) is critical to improving energy infrastructure and grid integration in Africa. Successful examples include the [Scaling Solar Initiative](#), a World Bank-supported programme that has facilitated investment in solar energy in Zambia and Senegal by simplifying regulations and attracting private investors. Another notable example is the collaboration between the [African Development Bank](#) and Power Africa, which has led to large-scale electrification projects that expand access to energy in rural areas. These partnerships enable the mobilisation of resources, promote technological innovation and create employment opportunities to ensure that Africa's transition to a sustainable energy future is both viable and inclusive.

Ultimately, the path to prosperity — for both the US and Africa — lies not in clinging to a fossil fuel legacy, but in a forward-looking energy strategy that prioritises sustainability, equity and economic resilience. Africa's energy future must not be a side effect of industrialised countries' fossil fuel ambitions. Instead, Africa should be at the centre of global cooperation, ensuring that it actively shapes the transition to clean energy rather than remaining idle in an outdated economic paradigm.

## **Conclusion**

The notion that "liquid gold" will restore US economic dominance may have some short-term validity, but in the context of a warming planet, this is a short-sighted vision. A fossil fuel resurgence in the US jeopardises global climate goals and disproportionately harms Africa, which is already struggling with climate-related crises. The U.S. has an opportunity to redefine its energy strategy in a way that supports a just transition both at home and abroad. The decisions made today will determine whether we pursue a sustainable future or remain shackled to an energy model that endangers both people and the planet.

## **Key recommendations**

To support Africa's transition to clean energy amid shifting US climate policy, the following recommendations offer practical ways for Africa to secure clean energy investments, improve energy security and promote economic growth while mitigating climate risks:

### **Leverage US private sector investment for renewable energy growth in Africa**

While the US government will not actively support climate finance through multilateral agreements, private sector actors and [philanthropic organisations](#) can fill this gap. Initiatives such as Power Africa, [Prosper Africa](#), and others should be scaled up, with a focus on mobilising private capital and venture capital for renewable energy infrastructure in Africa. Encouraging [partnerships between US energy companies and African governments](#) to develop clean energy projects will enable investment without direct government support. For example, companies like [ExxonMobil](#) and [Chevron](#), which have operations in Africa, can integrate [carbon capture technologies](#) and cleaner fuel initiatives to reduce environmental impact.

### **Promoting energy security through diversified energy investment strategies**

Given Africa's dependence on fossil fuels, a balanced approach to energy development should be pursued. The U.S. can help African nations improve energy efficiency, reduce the carbon intensity of fossil fuel consumption, and integrate transition fuels such as [natural gas](#) alongside renewables. [Strategic investments in gas-to-power infrastructure](#), along with renewable energy sources, will ensure a stable energy transition without immediate reliance on climate finance from international agreements.

### **Strengthen bilateral and regional energy trade partnerships**

The U.S. should explore bilateral trade agreements and regional energy partnerships that support Africa's long-term energy security. These agreements should promote technology sharing, provide funding for clean energy alternatives, and support initiatives such as the [African Continental Free Trade Area \(AfCFTA\) to improve intra-African energy trade](#). By engaging through [economic diplomacy](#) rather than climate commitments, the US can still play a constructive role in Africa's energy transition.

### **Promote market-based approaches to renewable energy development**

Since the federal government's climate commitments are limited, a market-based approach should be prioritised. US companies and investors should be incentivised to engage in the African energy market by promoting deregulated energy markets, emissions trading initiatives and green financing instruments such as [sustainability-linked bonds](#). This would allow African countries to attract private investment in clean energy without relying on the US government's climate policy.

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