

Oil, Human Rights and Women

Inge Amundsen, seniorforsker, Chr. Michelsens Institutt

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The Resource Curse

- *The Dutch Disease*
- *The Paradox of Plenty*

Oil rich countries can be worse off

- Rich in natural resources
- Poor in economic development

Explanations

- Economic explanations
- Political explanations

Democracy first theory

- | | |
|-------------|------------------|
| • Norway | • Angola |
| • Australia | • DR Congo |
| • Canada | • Nigeria |
| • Chile | • The Sudan |
| • Brazil | • Southern Sudan |
| • Malaysia | • Sierra Leone |
| • Botswana | • Liberia |
| • ... | • Zambia |
| | • Azerbaijan |
| | • Tajikistan |
| | • ... |



Economic Explanations

Relative price effect

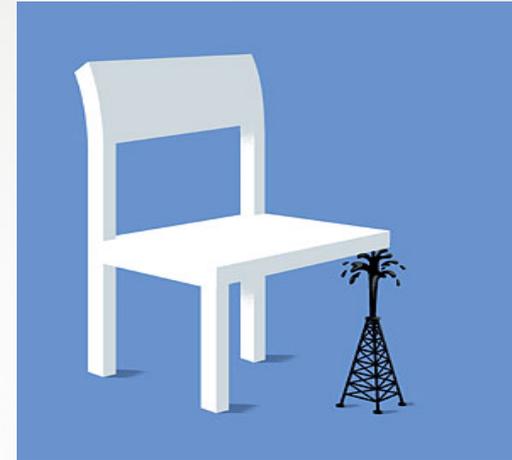
- Higher currency value
- More imports (cheaper)
- Decline of competitiveness

The 'Dutch Disease'

- Over-investment in extractive industries
- "Crowding out" (manufacture, agriculture)
- De-industrialisation
- Limited economic diversification

Volatility

- Uncertainty for businesses
- Government waste and debt
- Government borrowing
- Capital flight



Negative developments

- Uneven distribution
- Increasing inequality
- Increasing poverty

Authoritarianism increases

- Entrenched elites
- Violent defence of privileges
- Weak institutions

Some figures

- 2010: 61.2% of Nigerians lived on one dollar a day or under
- 2004: 52,8% (an increase of almost 10%)
- Around 100 million Nigerians living on less than a dollar a day
- “Subjective” poverty (measured as those who feel themselves to be poor) increased from 75.5% in 2004 to 93.9% in 2010, meaning that less Nigerians were happy with their lot.
- Total income \$ 300 bn over 25 years, but economy as poor as in 1973
- HDI rank 158 (0.511 low ▼)



- Extreme income inequality (Gini coefficient: > 0,60)
- UN HDI: 0.445 (160 of 177 countries)
- Poverty line: < 60%, children underweight: 30-40%
- “The 200 families”
- Oil: 90% of government revenues
- Oil income: comparable to Norway



Political Explanations

The prize of controlling the gov't increases

- Higher government revenues
- Large benefits of being the “state elite”
 - Consumption, enrichment, corruption
- Extraction for status, wealth
 - Embezzlement, bribes, “commissions”, “contributions”
 - “Nationalisation”, “privatisation”, monopolies
 - “Dead meat” oil companies

State power and autonomy increases

- Off-shore, foreign, High-Tech
- “Un-earned”, easy money
- Little taxation domestic economy
- No “social contract”
- Little influence business/middle class
- Little influence of civil society



INCENTIVES

- Big money
- (Not much else)
- Status and wealth

MEANS

- Buy off rivals (co-optations)
- Buy friends (nepotism, favouritism)
- Buy means of coercion
- Buying (manipulating) institutions
 - Gov't resources for elections
 - Vote buying
 - Impunity

Democracy First Theory

Exceptions?



A country will be cursed only when it becomes oil-export dependent *before* accountable and democratic state institutions are established and consolidated

Thumb rule: Democracy

At least TWO elections leading to change in government

The Effect on Women, I

Indirect *resource curse* effects

Economic effects

- “Crowding out” (manufacture, agriculture)
- Higher consumer prices
- Increasing poverty
- Reduced social spending (health/education)



Political effects

- Little taxation domestic economy
- No “social contract”
- Little influence business/middle class
- Little influence of civil society



The Effect on Women, II

Direct *petroleum sector* effects

Sector characteristics

- Foreign, High-Tech, big politics
- Specialised skills
- Male dominated sector

Direct production effects

- Little direct employment
- Few “local content” possibilities
- **On-shore**
 - Pollution
 - Pipelines
 - Flaring
 - Conflicts



A positive note on women?

Some openings?

In services

- Hotels, restaurants (prostitution)
- Delivery of fish, fruit, vegetables

In management

- Secretaries, office workers
- Senior management



Isobel dos Santos
3.7 bn US\$ 2014



Minister of Petroleum Resources
Diezani Alison-Madueke
(Allegedly using large amounts of public money to charter a private jet for herself and her family)



Minister of Finance
Ngozi Okonjo-Iweala