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
• Australia
• Canada
• Chile
• Brazil
• Malaysia
• Botswana
• ...

• Angola
• DR Congo
• Nigeria
• The Sudan
• Southern Sudan
• Sierra Leone
• Liberia
• Zambia
• Azerbaijan
• Tajikistan
• ...

Norway 🇳🇴 #Australia 🇦🇺 #Canada 🇨🇦 #Chile 🇨🇱 #Brazil 🇧🇷 #Malaysia 🇲🇾 #Botswana 🇧🇼 #Angola 🇦🇴 #DR Congo 🇨🇩 #Nigeria 🇳🇬 #The Sudan 🇸🇩 #Southern Sudan 🇸🇸 #Sierra Leone 🇸🇱 #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

A country will be cursed only when it becomes oil-export dependent \textit{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

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

Isobel dos Santos
3.7 bn US$ 2014