Mineral Fuels

Summary of Key Trafficking in Persons Issues in Mineral Fuels Production

- Undesirable and Hazardous Work
- Vulnerable Workforce
  - Migrant Labor
- Presence of Labor Intermediaries
- Associated Contextual Factors Contributing to TIP Vulnerability
  - Association with Organized Crime/Armed Conflict
  - Association with State Corruption
  - Association with Environmental Degradation
  - Association with Large-scale Land Acquisition
  - Association with Sex Trafficking

Overview of Mineral Fuels Production in sub-Saharan Africa

Trade

The top exporters of mineral fuels from sub-Saharan Africa are Nigeria, Angola, South Africa, Equatorial Guinea and the Republic of the Congo. The value of exports has dropped sharply along with the global price of oil.
Sub-Saharan Africa contributes about seven percent of global oil production and one percent of global natural gas production. Production in some countries, including Nigeria, has been hampered by poor infrastructure and oil theft. Production numbers are expected to grow in the future, due to the high rate of exploration and new discoveries in the region. Industry publications refer to the region as the “last frontier” of oil and gas exploration.
The top importers of mineral fuels from sub-Saharan African producers are China, India, the United States, Spain and South Africa.  

Features of Production and Supply Chain

Upstream/downstream terminology is used to refer to aspects of the oil and gas sectors. Upstream refers to exploration, drilling and operating wells. Midstream refers to storage, marketing and transportation. Downstream refers to refining, processing, selling and distribution.

Oil (or petroleum), which is extracted from the earth via drilled wells, provides about 60 percent of the world’s energy needs, and is also used for petrochemicals. As much of the world’s petroleum supply is underwater, oil rigs (also known as oil platforms) are used to extract, process, and store oil before it is brought to shore for refining. Oil is transported through pipelines onshore. Gas, including natural gas and shale gas, are also produced by drilling. Gas is used for electricity generation, transportation, and fertilizers. Both onshore and offshore production sites are present in sub-Saharan Africa. Jobs in the oil and gas sectors range from low-skilled to extremely high-skilled labor.

Oil and gas sectors are key sources of revenue for exporting countries, and can provide critical engines of national development and growth. That said, effective management of the oil and gas sectors has proven to be challenging in many African countries. Issues include lack of transparency and corruption in resource management, as well as the failure of states to use national petroleum revenues to secure broad and equitable benefits to citizens. In many oil producing countries that have seen sharp increases in GDP due to oil export revenues, average income for residents has nevertheless remained low. This dynamic is particularly prevalent in countries where corruption associated with the oil sector is widespread. In Nigeria, the biggest sub-Saharan oil exporter, the majority of residents live on less than a dollar per day. Similarly, the capital city of Angola, Luanda, has the highest cost of living of any city in the world, while most citizens live on less than USD 1.25 per day.  

In both countries, corruption prevents oil revenues from equitably supporting human development goals. In Angola, the state oil company Sonangol has been described as a “slush fund” for elites, as hundreds of millions of dollars regularly disappear from its balance sheets.
Countries that rely on oil exports tend to have high levels of economic inequality. Where these economies are tightly tied to the rise and fall of volatile oil and gas prices and lack economic diversification, a contraction in the market can contribute to significant economic shocks, particularly when large numbers of workers are laid off from oil and gas production or associated sectors such as construction. The situation is compounded when workers have lost access to traditional livelihoods due to pollution stemming from oil and gas production. Over 60,000 jobs were reportedly lost in Angola in
In 2017, unionized oil workers in Nigeria went on strike to protest job losses. Approximately 4,000 skilled workers and 6,000 unskilled workers were laid off in Nigeria in 2016.
Key Documented Trafficking in Persons Risk Factors in Mineral Fuels Production

Undesirable and Hazardous Work

Oil and gas extraction are considered highly hazardous. Hazards include vehicle accidents, being struck by machinery, explosions and fires, falls, becoming trapped in confined spaces, and chemical exposure. In the oil and gas sector, illegal drilling and siphoning also occur. Health and safety risks are especially prevalent in these unregulated activities. The ILO reported that, in 2008, there were 22 fatalities linked to oil and gas production in Africa.19

Vulnerable Workforce

Migrant Labor

Oil and gas investment, particularly in impoverished regions, can create a strong draw for migrant workers seeking economic opportunity, creating a surging population in an area where infrastructure is weak. Intense in-migration can create heightened inflation – as is the case in Angola – creating livelihood challenges for local families.20

Migrant workers, primarily from South Asia, are employed on oil rigs off the coast of West Africa.21 In 2013, oil workers in Gabon went on strike to protest the rampant use of undocumented foreign workers who were paid low wages.22 The U.S. Department of State reported that an oil boom in Equatorial Guinea attracted migrants from China, neighboring countries, and Latin America.23

Booming oil and gas expansion can draw in migrants to work in support ancillary services as well – which can be particularly risky when there is a need for an influx of labor quickly. The oil and gas sector requires significant infrastructure development so construction sectors may boom in conjunction with oil and gas. For example, there are some reports that sub-contractors from the oil and gas sector and related construction industry confiscated workers’ passports in Equatorial Guinea.24 During construction of the Cameroon/Chad pipeline, transnational migrants worked on construction, and labor rights concerns documented included restricted freedom of association, wage complaints, and hazardous work and living conditions.25,26

While migrant workers can be at risk of trafficking, the presence of high-skilled expatriate workers may also stir controversy due to wage gaps when compared to local workers. Workers in several countries, including Ghana27 and Niger,28 have noted the high rate of wage discrimination between local workers and expatriate workers, even for positions of similar skill. In Ghana, there has been up to a reported 379.5 percent difference between local workers and expatriates.29
Presence of Labor Intermediaries

There is little authoritative information about the role of labor brokers in the oil and gas sector, although internet searches surface a large number of recruitment firms. Oil booms often drive demand for workers, and if companies are unable to fully staff their operations using domestic workers, they may need to turn to foreign workers who are often hired quickly and via a recruiter or broker. In Ghana, workers on one rig who had been hired through a labor broker reported that the broker charged high recruitment fees that were detracted from their earnings.30

Percentage of Migrants in Mineral Fuel Producing Countries

- Angola: 23.60%
- Equatorial Guinea: 0.40%
- Nigeria: 0.70%
- Republic of the Congo: 9.70%

Note: The percentages are illustrative and may not reflect the exact figures.
Contextual Factors Contributing to Trafficking in Persons Vulnerability

Association with Armed Conflict

The high value of oil and gas reserves can both fund and motivate conflicts. In South Sudan, where nearly 2.5 million people have been displaced and tens of thousands have been killed since 2013, oil accounts for nearly all of the nation’s revenues. Although oil production is located in South Sudan, the pipelines run north, and Sudan controls most of the infrastructure for export. Parties to the conflict have focused on taking control of oil fields and oil producing regions. A UN panel of experts noted that the conflict has become a “multi-faceted war where allegiances shift rapidly,” in part due to “access to resources.” The large scale displacement – over two million people in total – caused by the conflict creates a risk for trafficking. The conflict has also been linked to trafficking and forced recruitment of child soldiers by both government and rebel forces. UNICEF has estimated that between 15,000 to 16,000 children have been exploited by the parties to the conflict. According to Human Rights Watch, child soldiers in the Sudanese conflict are starved, denied an education, traumatized and killed. UNICEF reported in 2016 that recruitment of child soldiers had been intensifying.

In Somalia, the U.N. has reported that oil exploration in areas where authority is disputed could cause further conflict between federal and regional governments, and exacerbate clan divisions.

In Nigeria, oil theft is common as oil is pumped from pipelines onto vessels for local refinement or sale abroad. Oil may also be stolen from export terminals. The full mechanics and implications of this oil theft are unknown, but analysis has pointed out the need for further study around the question of whether or how these criminal networks are associated with terrorist groups in the region. The UNODC has suggested that funds from stolen oil in Nigeria “go directly to militants and corrupt officials.” Company funding of private security forces around oil and gas investments can also contribute to proliferation of arms and violence in already volatile regions. Conditions for individuals involved in oil theft are highly hazardous, often cooking oil over open flames and wading through knee-deep pits of unrefined crude oil. Death and serious injury is common, and children have been documented working at such sites.

Association with State Corruption

Corruption associated with oil and gas development deprives national governments of revenue that could be used to further human development goals. In 2017, the NGO Global Witness reported bribery and corruption in the Nigerian oil industry that deprived the Nigerian government and people of over a billion dollars. In Equatorial Guinea, oil wealth has been used to fund unnecessary infrastructure projects that ultimately benefit political elites, leaving the country with the highest African GDP per capita, but some of the lowest development outcomes.
Association with Environmental Degradation

The environmental destruction linked to oil and gas exploration and production has the potential to undermine traditional livelihoods and displace local populations. Offshore oil production, for example, can greatly disrupt fishing activities. In Angola it has been documented that fish are drawn to congregate around offshore platforms, which local fishermen are then prohibited from reaching due to security concerns.

In Nigeria, at least 1,693 oil spills occurred from 2007-2015. This pollution has fueled massive rural-urban migration. Illegal oil production known as “bunkering” also contributes to environmental concerns, as local communities siphon oil from pipelines and refine it in artisanal ways. The conflict in the Niger Delta has also contributed to pollution concerns, as militant groups target oil infrastructure in attacks that often result in sizable spills. In the Democratic Republic of the Congo, most areas currently being explored or drilled are in close proximity to local indigenous populations which rely on subsistence agrarian activities. There is widespread anecdotal evidence that oil spills, illegal toxic waste, hazardous gas flaring, and other oil industry related pollution incidents have occurred regularly throughout the industry. There are widespread reports that traditional livelihoods have been impacted. In Sudan and South Sudan, the oil drilling has led to high levels of water pollution, leading to poisoning of livestock and humans. Local communities have reported loss of eyesight, infertility, kidney and liver failure, and even fatalities stemming from polluted drinking water. Oil related construction has also interfered with traditional aquifers and agricultural hydrology techniques. Spills can also poison fish and water in offshore waters. In Angola, there is widespread anecdotal evidence coming from fishermen along the coast that spills occur intermittently, and their effects can be seen along the beaches in the form of washed up oil, as well as washed up detergents used to combat the spread of spills. The Cameroon/Chad pipeline’s endpoint in the town of Kribi, Cameroon is also the sight of oil related pollution which affects the fishing industry and access to clean water resources. There was a major spill associated with the endpoint terminal of the pipeline in 2013. In Ghana, there are reports that oil spill-related materials have been found washed up on coastal shores. Local people involved in the fishing industry have reported that their catches have dropped off dramatically as a result of seismic testing and the creation of exclusionary zones around offshore oil blocks.

Association with Large-Scale Land Acquisition

In addition to loss of livelihoods due to environmental degradation, local people around oil and gas development may simply lose access to their traditional land, often without adequate or fairly implemented compensation. For example, in Cameroon, indigenous (Pygmy) people were displaced from their land to accommodate pipeline development, while compensation was misdirected.

In Uganda, land speculators buy land from farmers in anticipation that they can resell the land to oil developers. The speculators work with District Land Boards to obtain titles to land and work to...
aggregate small properties into larger, more valuable parcels. There have been reports of violence and intimidation against local people who are not cooperative.62

Association with Sex Trafficking

According to the U.S. Department of State, women and girls are trafficked around oil producing regions in Equatorial Guinea “where burgeoning construction and economic activity funded by oil wealth have contributed to increases in the demand for…prostitution.”63 In Ghana, “Sex trafficking...is growing in the oil-producing Western Region.” 64 There was reportedly sex trafficking of minors associated with construction of the Cameroon/Chad oil pipeline.65 There are some reports that women migrating from oil producing regions in Nigeria are vulnerable to sex trafficking within the country as well as to Europe.66

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Endnotes


http://www.reuters.com/article/us-somalia-oil-un-idUSBRE96G0HZ20130717


