“Mission Responsible”- Code of Conducts Effectiveness within the Oil and Gas Industry: The Case of Qatar

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Disclaimer:

This document represents part of the author's study programme while at the Institute of Social Studies. The views stated therein are those of the author and not necessarily those of the Institute.

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- CIETT: International Confederation of Private Employment Agencies
- CSR: Corporate Social Responsibility
- EPC: Engineering, Procurement and Construction
- FAR: Fatal Accident Rate
- FEED: Front-End Engineering and Design
- GTL: Gas-To-Liquids
- HSSE: Health, Safety, Security and Environment
- ILO: International Labor Organization
- IOC: International Oil Company
- IOM: International Organization for Migration
- ITUC: International Trade Union Confederation
- LNG: Liquefied Natural Gas
- LTIF: Lost Time Injury Frequency
- MNC: Multinational Corporation
- NOC: National Oil Company
- OECD: Organization for Economic Co-operation and Development
- OSH: Occupational Safety and Health
- PSS: Peoples Security Survey
- RI: Recordable Incidents
- RIR: Recordable Injury Rate
- TNC: Transnational Corporation
- TRIR: Total Recordable Injury Rate
- TUAC: Trade Union Advisory Committee to the OECD
Definition of Terms

To operationalize the study certain key terms used in this study need particular clarity. For the purpose of this study, a Contract worker, also referred to as “contract labor” refers to an individual hired through a ‘contractor’ performing a temporary or once-off work, part time or full time, for an oil and gas operator.

A ‘contractor’ is an organization performing work for an operator. The contractor may hire a ‘subcontractor’, a firm that does work that is part of the contractor’s agreed work with the operator. The subcontractor and operator do not have direct contractual relationship as the subcontractor’s contractual commitments are with the contractor (Ian Graham 2010:4). An ‘operator employee’ refers to an operator’s permanent employee. Operator employees are also known as ‘company employees’ or ‘staff employees’.

There are also certain jargons used in measuring health and safety that are worth defining. ‘Fatal Accident Rate ‘(FAR) refers to the number of company/contractor fatalities per 100,000,000 (100 million) hours worked. ‘Total Recordable Injury Rate’ (TRIR) refers to the number of recordable injuries (fatalities + lost work day cases + restricted work day cases + medical treatment cases) per 1,000,000 hours worked.

‘Lost Time Injury Frequency’ (LTIF) is the number of lost time injuries (fatalities + lost work day cases) per 1,000,000 hours worked (OGP, 2013: VII) while ‘Recordable Injury Rate’ is the rate for all recordable injuries (fatalities, lost work day cases, restricted work day cases and medical treatment cases) (OGP 2013: 1-4). ‘Recordable Incidents’ include all work related deaths, illnesses, and injuries which result in a loss of consciousness- restriction of work or motion, permanent transfer to another job within the company, or that require some type of medical treatment or first-aid.

‘Occupational injury’ refers to death, any personal injury or disease resulting from an occupational accident (ILO 1996:3). Occupational injury can be fatal or non-fatal. ‘Fatal occupational injury’ refers to occupational injury leading to death (ILO 1996:3) while ‘Non-fatal occupational injury’ is occupational injury not leading to death (ILO 1996:3).

‘Occupational accident’ refers to an occurrence arising out of or in the course of work which results in fatal occupational injury or non-fatal occupational injury while ‘Occupational disease’ is contracted as a result of an exposure to risk factors arising from work activity (ILO 1996:3).
Abstract

The rise and popularity of TNCs and their complex global value chains have changed the dynamics of traditional labour regulation. Codes of conduct have emerged and become popular as a form of voluntary Corporate Social Responsibility initiative to set minimum standards of labour practice in the global value chain.

But how effective are voluntary codes as a labour regulation mechanism in ensuring decent work in global value chain? The research closely examines the case of Qatar’s complex oil and gas industry value chain. As an indicator of decent work, the research closely examines occupational safety provisions in codes of conduct of Intentional Oil Companies, and critically investigates their effectiveness.

Relevance to Development Studies

Multinational corporations use codes of conduct as a voluntary initiative of labour regulation. Voluntary codes of conduct are part of Corporate Social Responsibility agenda intended to set minimum labour standards. But how effective is this voluntary form of labour regulation in ensuring decent work in the global value chain? Should labour be regulated by profit maximizing firms’ voluntary corporate initiative in the first place? Does codes low record of achievement so far in advancing decent work in the global value chain mean they should be abandoned in entirety as a form of labour regulation? What makes labour codes of conduct work better?

The research contributes to this debate by closely examining the case of the oil and gas industry of the State of Qatar. The debate surrounding voluntary labour regulation through codes is firmly grounded and analysed by closely examining the industry, its complex value chain, the voluntary codes of industry’s key players, and implementation of these codes in the oil and gas industry value chain in the state of Qatar.

Keywords

Corporate Social Responsibility, Decent work, Global Value Chain, Occupational Safety, Labour Regulation, Oil and Gas Industry,
Chapter One- Introduction

1.1 Introduction

The discovery of rich petroleum resource in the state of Qatar in recent years has attracted a number of multinational International Oil Companies (IOCs) and large number of expat labour to the State of Qatar.

Qatar is rich in its petroleum resources which is vital for its economy. The country is one of the leading countries in natural gas reserve amounting to (billion cu. feet.) 885,000 in 2013 and proven crude oil reserve of (million barrels) 25,240 in 2014. It is one of the leading exporter of petroleum amounting to (million $) 62,519 which account for about 55 per cent of the country’s gross domestic product making Qatar one of the world’s fastest-growing and highest per-capita income countries (OPEC 2014).

International Oil Companies (IOCs) operate in multiple countries based on where resources exist in a bid to compete globally. Following the discovery of rich oil and gas resources in Qatar, several IOCs have made their presence in the country. These oil companies work with national oil companies and contractors to deliver results. Thus, several operations of these companies, such as the construction and design of oil and gas facilities are outsourced to contractors specialized in the field. These contractors further sub contract some activities to sub-contractors forming complex value chain operations which potentially give rise to serious labour rights violation by driving down labour conditions (Barrientos, S. 2008: 978,979).

Qatar’s rich petroleum resource has also attracted large number of expatriates labour to the country which constitute over 90% of Qatar’s population. In fact, Qatar has the highest ratio of migrants to citizens in the world (ITUC 2014). Recently, Qatar has been criticized for labour abuse particularly in connection with migrant workers.

As a Corporate Social Responsibility (CSR) initiative, Multinational Cooperations (MNCs) increasingly engage in corporate voluntary labour regulation through codes of conduct. Thus, their codes of conduct are meant to set minimum labour conditions throughout their value chain. But how well these codes of conduct apply throughout value chains has been questioned.

1.2 Problem Statement and Justification

Human rights defenders have repeatedly voiced concern over Qatar’s high number of workplace accident and occupational injury. Labour rights activists have frequently expressed concern about Qatar’s ‘high level of workplace accidents, injury and occupational fatality particularly among migrant workers and ‘the widespread violations of workers’ human rights’ (TUAC 2014:4). Workplace injuries related to falls, cut wounds, accidents, poisoning, road traffic injuries are common occurrences in Qatar (Bener et al 2012:370).

The International Trade Union Confederation (ITUC) named Qatar the best example for worst form of workforce arrangement where migrant workers are dying in unprecedented numbers (ITUC 2014). In 2014, the Confederation rated Qatar among the ‘worst countries in the world to work in’ as workers have no access to their rights and are exposed to unfair labour practices (ITUC Global Rights Index 2014). Thus, occupational safety is a key concern in the State of Qatar.
The oil and gas industry is a booming industry in Qatar, but among the most dangerous industries in terms of safety. The industry by itself is among world’s most dangerous industries (Witter et al. 2014:4) characterized by complex value chains. Without proper regulation of labour Qatar’s oil and gas industry could be a recipe for failure in ensuring decent work for those involved in the industry particularly when it involves vulnerable migrant workers who constitute 94% the country’s 2.2 million population.

Qatar has not ratified major Intentional Labour Organization’s (ILO) conventions on occupational safety and health. In fact so far, the country has only ratified six ILO conventions. But, as voluntary initiative, IOCs design and implement codes of conduct as one form of labour regulation intended to standardize labour practices throughout their value chain (TUAC 2014).

1.3 Research Objectives and Research Questions

The main objective of this research is to find out the effectiveness of the application of voluntary codes of conduct as a form of labour regulation in global value chain by taking the oil and gas industry of Qatar as a case study.

With the stated objective the research focuses on occupational safety as a measure of decent work and examines the provisions of occupational safety rights in codes of conduct of IOCs and in policy statements of their contractors. It then examines the actual applications of the provisions in the industry's value chain.

The research also examines how codes conduct, as a voluntary form of corporate labour regulation and a CSR initiative, be more effective in advancing decent work in value chains by taking the example of the oil and gas industry value chain of Qatar.

Thus, the main question is:

*How effectively are IOC voluntary corporate codes of conduct applied down their global value chain?*

To answer this main question, these sub-questions will have to be answered,

- To what extent are occupational safety rights embedded in the IOCs’ codes of conduct?
- How practically are codes of conduct applied within contracted projects?
- Can voluntary codes conduct be more effective in advancing decent work in the oil and gas industry value chain?

1.4 Methods of Data Collection

This research is based on the collection and analysis of secondary data. The researcher reviewed extensive literature on Corporate Social Responsibility (CSR), corporate voluntary self-regulation of labour, nongovernmental initiatives of labour regulation, global value chain governance, oil and gas industry and occupational safety, among others.

The researcher examined codes of conduct of three major IOCs which are operating in the state of Qatar to examine how occupational safety is embedded in the codes of conduct of IOCs, and their intended applicability in their value chain. The oil companies were selected based on the operations of the companies
in Qatar, the volume of their projects and their business partnership with other companies in the same industry.

The researcher also reviewed safety policies of major contractors involved in the oil and gas value chain in Qatar to assess how well their safety policies are in line with IOCs codes of conduct on occupational safety.

The researcher consulted a number of Qatari information sources, such as the records of the Ministry of Labor of Qatar to obtain information on the trend of occupational injuries in the energy sector. The ILO resources such as its occupational safety database have been extensively used to examine trends of occupational exposure. Industry specific data was used from the Association of Oil and Gas Producers (OGP) database on the number of occupational injuries, fatalities and trends of such occupational exposures.

Finding available data on occupational safety in Qatar’s oil and gas industry has been extremely challenging as the country do not have a systemic occupational injury reporting and recording mechanism. Reports of Amnesty International, Human Rights Watch, and International Trade Union Confederation on the treatment of Migrant labour in Qatar have been used in this research.

Academic researches on the aforementioned topics were substantially used to form the literature review and add on existing debates surrounding labour regulation in value chains and corporate social responsibility. Case studies of the industry in other countries as well as other global value chain industries were also reviewed for the same cause.

1.5 Limitation and Scope of the Research

There is critical lack of information and data on occupational safety in the State of Qatar. Even regulatory bodies such as the ILO do not have sufficient data on occupational safety concerning Qatar. On top of that, occupational safety records are not easy to find as companies fear negative publicity. Unfortunately, the researcher’s attempts to obtain data from trade unions on occupational safety through interviews were not successful.

This research critically assesses voluntary codes of conduct as a corporate labour regulation mechanism from the perspective of decent work. It uses occupational safety as an indicator of decent work and later brings representation, another indicator of decent work, to the debate of how effective this form of regulation is in the oil and gas industry value chain.

The researcher uses occupational accidents, fatal and non-fatal occupational injuries, occupational fatalities, and frequency of lost time due to injuries as indicators of occupational safety.
Chapter Two – Literature Review and Analytical Framework

2.1 Decent Work in the Global Economy

This part of the paper deals with review of literature on the key concepts used in the research. It deals with the concept of decent work and how it emerged as a key agenda in the International Labour Organization’s (ILO) effort to ensure labor rights. It further deals with how occupational safety can be used as an indicator of decent work. The chapter critically reviews the concept and debates surrounding Corporate Social Responsibility focusing on voluntary codes of conduct as a form of voluntary corporate labour regulation initiative in the Global Value Chain.

The ILO has endeavored promoting social justice by setting labour standards since its inception in 1919. ILO's constitution recognizes universal and lasting peace can only be established based on social justice and sets as its objective improving workers’ injustice to guarantee fair and humane conditions of labour (ILO 1919).

In line with this objective, the organization has set out labour standards on various work related matters in conventions and recommendations. Conventions lay down basic principles at work and are meant for ratification by countries as binding documents whereas non-binding recommendations supplement conventions by providing in-depth guidelines on the application of conventions (ILO 2008: 14).

When the organization revised its aims, purposes and principles with the Declaration of Philadelphia (1944), the ILO further highlighted people’s development as a focus of economic development for ‘all people and everywhere’. It recognized ‘labor is not a commodity’, instead, economic development should include the creation of jobs and working conditions in which people can work in freedom, safety and dignity (ILO 1944:1-3).

Decades later in 1999, the ILO introduced the decent work agenda in line with the same understanding that economic development should ensure improvement of human lives (ILO 2014:11). Decent work can be defined as “work that respects the fundamental rights of the human person as well as the rights of workers in terms of conditions of work.” (UN 2005: 18). It includes ‘respect for the physical and mental integrity’ of the worker involved (ibid). Thus, the decent work agenda focuses on the creation of acceptable quality jobs in today’s globalized world economy. ILO’s objective behind the decent work agenda is the creation of “opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity” (ILO 1999: 3). Thus, it sets minimum conditions at work, through four pillars that are in line with ILO’s objectives which are: Rights at work; Employment; Social protection; and Social dialogue.

Thus, ILO’s decent work strategy has good jobs, non-discrimination, social security and social dialogue as a mechanism to advance good labour practice for workers and the quality of job and the participation of workers in decision making have direct implication on work quality (Pegler 2001:1,7,8).
The next section links occupational safety as a right at work with decent work. It also discusses workplace safety from the perspective of fundamental rights.

2.2 Occupational Safety: A Core Component of Decent Work and a Human Right

This section discusses where and how occupational safety fits into the wider decent work agenda. It further discusses the relationship between occupational safety and human rights with reference to major international human rights frameworks.

The ILO estimates indicate some two million people die due to occupational accidents and diseases linked to their work, and 317 million non-fatal occupational accidents happen each year. (ILO 2013:7) The ILO defines occupational accident as an occurrence arising out of or in the course of work which results in (a) fatal occupational injury; (b) non-fatal occupational injury (ILO 1996:3). Occupational safety is a global concern.

Occupational health is defined as the promotion and maintenance of the highest degree of physical, mental and social well-being of workers in all occupations; the prevention amongst workers of departures from health caused by their working conditions; the protection of workers in their employment from risks resulting from factors adverse to health; the placing and maintenance of the worker in an occupational environment adapted to physiological and psychological capabilities (Benjamin O Alli 2001:22).

Scholars (Paivi Hamalainen 2010:7) indicate that changes in the global economy, such as corporation mergers, increased outsourcing and production flow to developing countries have had direct implications on the high number of occupational accidents and work-related diseases, particularly in developing countries.

Much of ILO’s work focuses on ensuring occupational safety in response to poor labour conditions. Its constitution calls for urgent intervention in protecting workers against occupational injury and sickness (ILO Constitution: 1919), the Philadelphia Declaration reaffirms importance of advancing programs for the protection of the life and health of workers in all occupations (1944 Para III (g)), and more than half of its instruments highlight the value and importance of safety and health at work.

Occupational health and safety is a core component of the decent work agenda. The Decent Work notion promotes productive work in conditions of freedom, equality, security and dignity. Work is decent if it is safe and healthy for the workers. Work which exposes workers to death, health risks, accidents, and impairs one’s well-being cannot be a decent work (ILO 2009: 11). Thus, the global objective of decent work has an essential element of workplace safety at heart.
Occupational health and safety is also a human right. The right of persons to life is equally applicable in work related scenarios where workers have right to be free from incidents that costs them their lives. Article 3 of the Universal Declaration of Human Rights (UDHR) states:

> Everyone has the right to life, liberty and security of person.

The protection of life and health at work as a fundamental workers right is specified in the UDHR. The right of individuals to safety and health at work is stated in Article 23, where it says:

> Everyone has the right to work, to free choice of employment, to just and favorable conditions of work,

The International Covenant on Economic, Social and Cultural Rights, also affirms this right in article 7:

> The state parties to the present covenant recognize the right of everyone to the enjoyment of just and favorable conditions of work, which ensure… (b) safe and healthy working conditions…

Thus, behind the decent work agenda is based on the inherent dignity of people and directly has to do with the safety and security of human beings which are addressed in both ILO standards and in international human rights instruments.

### 2.3 Measuring Work Quality through Decent Work Indicators

In an effort to define and measure the level of work quality, the ILO tried to break down the wider decent work concept into small indicators (Richard Anker 2012:22). This section discusses the different dimensions of decent work and the indicators designed to measure level of work quality.

In 2000, the ILO launched People’s Security Surveys (PSS) to establish indicators for decent work. The indicators are expressed in terms of the notion of ‘securities’. (Richard Anker, 2012:1) The PSS collects data from workers to understand securities/insecurities from the perspectives of workers themselves. (Richard Anker, 2012:1) Thus, PSS collects data and measures peoples’ actual and perceived security/insecurity in relation to their work and livelihoods. The result of PSS surveys shows respondent’s real-life experience which helps in decision-making and policy formulation (Richard Anker 2012:22).

The PSS incorporates seven work-based securities (in addition to basic security) to indicate the level of one’s work quality and the extent of ‘decent work deficit’. It analyzes different dimensions of decent work expressed in terms of securities through indicators to measure the quality of work from the individual worker’s perspective (Richard Anker 2012: 311). These decent work dimensions along with their indicators are summarized in the following table.
Table 1. Micro Level Decent work Measure Based on ILO’s People’s Security Survey

<table>
<thead>
<tr>
<th>Decent work Dimension</th>
<th>Detailed Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labour market Security</td>
<td>Employment Status, hours of work, multiple work activities, length of experience; days of unemployment; difficulty finding work in case of job loss; notice period; restrictions on women seeking work; perceived likeliness of losing work if pregnant or ill</td>
</tr>
<tr>
<td>Employment Security</td>
<td>Occupation, place and regularity of work; employer characteristics, type of contract; do subcontracting work or work for a labour contractor; need for license; tenure at current work; perceptions of satisfaction; expectations of keeping current job/work</td>
</tr>
<tr>
<td>Job Security</td>
<td>Past advancements or regressions; expectations of need for skills and of advances or regressions in work; perceived importance of following own profession</td>
</tr>
<tr>
<td>Work Security</td>
<td>Absence from work due to work-related injury, illness, stress; excessive work hours; control over work; sexual harassment; hazardous work/dangerous equipment, toilet and water available; use protective clothing; safety department at the workplace, opinion of workplace safety; compensation for injury/insurance for injury; childcare help; absence due to household duties</td>
</tr>
<tr>
<td>Skill Reproduction Security</td>
<td>Formal/informal training received; use training/qualifications/ education in one’s work; opinion on skill adequacy and need for further training</td>
</tr>
<tr>
<td>Income Security</td>
<td>Income level; fringe benefits; wage arrears; how income received; if women keep income; raw materials/equipment provided by employer; regularity of income; expectations for future income; opinion on income adequacy and relative income; ability to save</td>
</tr>
<tr>
<td>Representation security</td>
<td>Knowledge and opinions of unions; union in the workplace; belong to a union; knowledge of and/or membership in other worker organizations; circumstances for action</td>
</tr>
</tbody>
</table>

Source: Anker 2002, Decent work Deficits in Informal Economy

This research focuses on work security as a measure of decent work. It discusses occupational safety provisions as indicator of decent work by zooming in workplace accidents and injury in Qatar’s oil and gas industry value chain. Representation plays an instrumental role in assessing work quality both as a means and an end by allowing workers to have a voice over their rights in their workplace which is key to advancing decent work. Thus, the research later brings in representation security into the discussion in terms of the level of workers’ representation in the stated industry in Qatar.

One of the mechanisms used to regulate labour in connection with MNCs is voluntary codes of conduct as a corporate social responsibility initiative. But is this form of regulation effective without
representation of workers in unions that allows them to have a stronger voice over their workplace rights?

2.4 Corporate Social Responsibility as Voluntary Corporate Self-Regulation Mechanism

Scholars indicate multinational corporations can be held accountable for their human rights performance in their operation through legal liability under international law, through national law or through voluntary codes of conduct and self-regulation. (Jedrzej G. and Scott P. 2003:15) Voluntary initiatives as a form of non-governmental systems of regulation are gaining popularity across many industries including in the oil and gas sector (O'Rourke 2003: 2). But how effective are voluntary initiatives in ensuring occupational safety and decent work? Which form of regulation best ensures decent work in the global value chain?

This section, which forms the theoretical framework of the research, thoroughly discusses the concept, scope, and critics of corporate social responsibility as a form of voluntary self-regulation particularly in ensuring decent work in the global value chain.

The European Commission defines CSR as ‘a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis’ (EU 2002:3). Thus, the social and environmental engagements of businesses are increasingly understood as emerging out of voluntary corporate responsibilities.

One dimension of CSR, linked with the social engagement of businesses in society, has been the advancement of codes of labour practice. (Barrientos, S. 2008: 977) Company codes of conduct is policy statement of principles, rules and guidelines intended to serve as the basis for a commitment by a company which forms its corporate responsibility. (Ans Kolk, Rob van Tulder, 2002: 21) Codes of conduct is a mechanism intended to ensure that minimum standards of labour rights are observed in the functions of MNCs. One of the drivers behind the growing interest for codes of conduct is the growth of global value chains and the concern over working conditions in the global production network. (Rhys Jenkins et al 2003: 16)

Corporate voluntary self-regulation of labour through codes of conduct as a form of CSR proliferated since the 1990s following changes in the global economy. These changes had to do with the weakening of national states due to globalization and the strengthening of multinational corporations in the global arena (O'Rourke 2003:4).

With the growth of MNCs, complex global value chains and production networks involving several suppliers emerged with poor working conditions which led NGOs, and Trade Unions to call for MNCs to take responsibility for the conditions under which their products are manufactured. The dynamics of global production characterized by increased outsourcing across many countries has necessitated the rise and popularity of voluntary initiatives to regulate labour practices in the value chain (Barrientos, S. 2008:978). As companies increasingly become international, regulation of these
companies also shifted from governmental to non-governmental forms of voluntary initiative of self-regulation leading to the ‘introduction of corporate codes of labour practice, aimed at ensuring minimum labour standards in the global production’ (Barrientos, S. 2007:713) The adoption of CSR policies by multinational corporations is part of self regulation of labour which is believed to set minimum standards in their operation throughout their value chains.

As a result, corporate codes of conduct of CSR policies that deal with labour conditions have become popular as one form of non-governmental, voluntary system of regulation in response to poor working conditions in global value chains. At minimum, corporate codes of labour practice are expected to include the core ILO conventions intended to set minimum standards at work to ensure decent work (Barrientos, S. 2007:715).

Voluntary standards can be developed internally, or sometimes in cooperation with NGOs and Unions. Company codes serve as a form of global value chain governance initiatives (others include industry-led platforms and multi-stakeholder initiatives) and define standards of practice expected from those involved in the supply chains (Newitt 2012:6-9). But codes of conduct as a corporate regulatory strategy and the wider CSR initiatives are prone to criticism.

2.4.1 To Whom and For What are Businesses Responsible?
There is ongoing debate surrounding the concept of CSR. The CSR initiative of corporate self-regulation lies in the understanding that businesses are legal entities socially constructed within the legal framework of society so they must meet certain expectations of citizens, workers, and consumers for their responsible corporate citizenship (Kathryn H. et al, 2013:11).

Society grants corporate management the right to use its economic assets (natural, human, financial, and technical) in providing goods, services, and employment and investment opportunities for the citizens of the society (Kathryn H. et al, 2013:11). In return, businesses recognize their duty in relation to these assets, including responsibility to be held accountable for their actions and therefore, they have an obligation to act responsibly (Kathryn H. et al 2013:15). CSR is based on the understanding that businesses have an obligation to serve the public interest which is beyond profit maximization and creating wealth for their owners.

However, for other scholars CSR shows ‘a fundamental misconception’ of the character and nature of a free market economy with potential damaging effect to the economy by making companies operate less efficiently in a profit maximizing business arena. In this neo-classical perspective of economic order, the only responsibilities businesses have as artificial persons, is employment creation and payment of tax (Moir 2001). The invisible hand of the market takes care of society’s other needs and wants (Carroll & Buchholtz, 2000). Thus, business organizations cannot have social responsibilities beyond responsibility to shareholders, conforming to the basic rules of society, both embedded in law and in ethical custom (Piedade and Thomas 2006:59).

The conflicting idea about corporate responsibility is also reflected in the issues incorporated in it. The CSR domain has increasingly broadened to incorporate a number of topics ranging from human
rights, environment, labour rights, to corporate philanthropy among others and is continually evolving. The triple bottom line approach to CSR requires companies to be held accountable for their social, environmental and financial performances (Kathryn et al 2001:9). Currently, issues of sustainability, sustainable development, environmental management, business ethics, fair trade, workers rights and welfare, community/stakeholder engagement, human rights, corporate governance, legal compliance, animal rights are included in the CSR debate (Kathryn et al 2013:11).

Many CSR activities include employee welfare and safety as a component (Barrientos, S. 2008: 977). Workplace safety is a critical component of employee welfare, and many companies extend codes of conduct for employee welfare and safety to their suppliers involved in their value chain and production network (Geoffrey S., Laureen A. 2010: 445).

2.4.2 How Effective are Corporate Codes in Improving Labor Condition?

It was indicated that corporate codes of labour practice emerged as a form of CSR as a result of poor labour conditions in the context of global value chains due to globalization and economic deregulation. (Barrientos, Sally 2007: 714) Despite their popularity, the success of voluntary corporate codes in ensuring decent work, particularly in the global value chain has been questionable.

Although many codes of conduct deal with the core ILO conventions, the detailed provisions, and priorities of these codes vary from company to company significantly (O'Rourke 2003:7). The compliance of the codes also often depends on companies’ goodwill. The interest of the companies behind developing codes varies from company to company. Some are developed from a public relations point of view to protect the company’s image while others are out of genuine interest to improve labour conditions. Thus, their ability of codes to maintaining coherent standards may be questionable.

Many codes of conduct are designed after a bad publicity experience of companies (Jenkins, et al 2002: 2). In fact, scholars have varying opinion on to what extent CSR initiatives have a Public Relations motive, ranging from codes being a full-blown Public Relations tool, to a partial publicity instrument. In the oil and gas industry, CSR initiatives have been criticized for being ‘a waste of time,’ ‘a red herring’ of development and ‘a tool for ‘managing perceptions’ a tool that makes people ‘feel good’ about the company (Frynas 2005: 582).

For some companies, voluntary standards arise from the commercial benefits to enhance market access, and ties with global companies (O'Rourke, 2003). Intention of keeping brand/company image safe is also linked to financial benefits as allegation of labour conditions could seriously damage company's reputation (Newitt, 2012:10).

Barrientos S. argues many corporate codes lack enough provision in relation to ‘enabling rights’ that are based on the core ILO conventions such as the rights to collective bargaining which are key instrument for negotiating other labour entitlements which are called ‘outcome standards’ in the context of global production networks. (Barrientos, Sally 2007: 715) Company codes are criticized for cherry picking the easiest forms of workers’ rights, but ignoring rights which empowers workers
to bargain for other rights/entitlements directly linked to social justice and decent work. An example of this could be the right of workers to collective bargaining, which appears to be lacking in most codes but are instrumental to attaining other entitlements obtained through the process of negotiation (ibid 325).

Other authors suggest that CSR is being further taken to another level and misused by companies to prevent workers from joining trade unions and as a substitute for self-organization of workers (Jenkins et al, 2002:5). Studies have sufficiently shown that CSR has even more complicated effects on representation and participation of workers in value chains (Pegler 2009:21).

The other important criticism on codes is linked to monitoring mechanisms of code compliance. Codes of conduct need to incorporate mechanisms for implementation, monitoring and enforcement and review of the code in a bid to be effective in improving labour conditions in the value chain. (Jedrezej G, Scott P 2003:53) But many codes lacks meaningful code compliance monitoring mechanisms other than social auditing and self-assessment which are highly problematic in showing the real condition of workers (Barrientos, Sally 2007: 725).

This research focuses on the effectiveness of IOCs’ codes of conduct in ensuring occupational safety as a measure of decent work in Qatar’s oil and gas industry value chain.
Chapter Three- The Oil and Gas Industry in Qatar

The aim of this chapter is to provide the background for the analysis of the industry’s safety provisions and performance that will come in the subsequent chapters. This chapter discusses overview of the oil and gas industry and its value chain with focus on the State of Qatar. It reviews the use of contract migrant labor in Qatar’s booming industry. Additionally, the chapter examines Qatar’s labour regulatory frameworks.

3.1 Overview of the Global Oil and Gas Industry

The oil and natural gas industry, while relatively young, is one of the world’s largest industries. The international energy agency estimated market value of oil and gas produced globally in 2012 to be around $4.2 trillion. Crude oil is the largest segment of the global oil and gas market, accounting for 87.7% of the market's total value. The Natural gas segment accounts for the remaining 12.3% of the market (MarketLine Industry Profile 2012: 2).

But an important question is- Who are the players in the oil and gas industry?

Oil and gas extraction is ranked top on the most profitable industries list. The sector has long been dominated by large, international companies with vertically integrated operations throughout oil exploration, production, refining, transportation and marketing. In 2013, BP, Chevron, ConocoPhillips, Exxon Mobil, and Shell which are the global big five oil companies earned a combined total of $93 billion or $177,000 per minute (OpenSecrets 2013).

Table 2. Big Five Oil Companies Earning in 2013

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<tr>
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<tbody>
<tr>
<td>30</td>
<td>BP</td>
<td>13.4</td>
<td>$22.5</td>
<td>$5.5</td>
<td>41%</td>
<td>6.8</td>
</tr>
<tr>
<td>8</td>
<td>Chevron</td>
<td>21.4</td>
<td>$16.3</td>
<td>$5.0</td>
<td>23%</td>
<td>22.2</td>
</tr>
<tr>
<td>50</td>
<td>ConocoPhillips</td>
<td>9.2</td>
<td>$6.2</td>
<td>N/A</td>
<td>N/A</td>
<td>19.3</td>
</tr>
<tr>
<td>1</td>
<td>Exxon Mobil</td>
<td>32.6</td>
<td>$4.9</td>
<td>$16.2</td>
<td>50%</td>
<td>40.9</td>
</tr>
<tr>
<td>7</td>
<td>Shell</td>
<td>16.7</td>
<td>$9.7</td>
<td>$5.0</td>
<td>30%</td>
<td>6.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>BP Chevron ConocoPhillips Exxon Mobil Shell</strong></td>
<td><strong>93.3</strong></td>
<td><strong>59.6</strong></td>
<td><strong>31.7</strong></td>
<td><strong>38%</strong></td>
<td><strong>95.8</strong></td>
</tr>
</tbody>
</table>

**Source:** Company Profit Reports; OpenSecrets.org “Lobbying Spending Database: Oil & Gas 2013”; Sageworks, Most Profitable Businesses to Start, 2013

To make the picture more complex, oil and gas companies contract out or outsource many of their business activities including one-off tasks and routine tasks. Outsourcing in the oil industry often involves highly specialized companies. Among the operations these oil companies outsource are
exploration drilling, construction, design and maintenance of facilities, laboratory analysis, catering, transport and security services (ILO 2009: 15).

Here it is important to question what makes the oil and gas industry, barely a hundred years old, so vibrant and important. The answer lies in how the world’s energy demand is met. According to the International Energy Agency, oil and natural gas currently meet some 60% of the world’s primary energy needs. They also provide the building blocks for a wide range of products such as chemicals, medical products and road surfaces, directly fueling a number of other industries such as petrochemicals, pharmaceuticals and construction. Oil is also the largest internationally traded commodity by both volume and value (Gavin Bridge 2008: 7).

With such volume and impact, it goes without saying that the oil and gas industry creates jobs for tens of millions of people across the globe. The US direct and indirect employment in oil and gas alone was estimated to be nearly 10 million (API 2013).

The processes of the oil and gas industry are traditionally divided in upstream and downstream operations. Upstream operations include pre-exploration, exploration, production, and decommissioning. While the downstream operation encompasses transmission, refining, distribution, up to consumption.

The oil and gas industry is a global industry with ‘a high level of geographical integration.’ Oil extraction activities, for instance, are geographically widespread—49 countries produced at least 55,000 barrels a day in 2006 (BP Statistical Review 2007) (Gavin Bridge 2008: 3). Interestingly, though, global production of oil and gas is dominated by huge formations in Saudi Arabia, other parts of the Middle East, Nigeria and Russia. Reserves, however, remain concentrated in the Middle East and its unit costs of production remain consistently lower than elsewhere (ibid:7).

The industry produces a standardized set of products that are essential to modern life and are widely distributed via market exchange and consumed in some measure across nearly all demographic groups. (ibid:7)

Table 3. Global Geographical Segmentation of Oil and Gas

<table>
<thead>
<tr>
<th>Geography</th>
<th>2011</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Americas</td>
<td>1,085.3</td>
<td>33.7</td>
</tr>
<tr>
<td>Asia-Pacific</td>
<td>1,064.8</td>
<td>33.0</td>
</tr>
<tr>
<td>Europe</td>
<td>817.1</td>
<td>25.4</td>
</tr>
<tr>
<td>Middle East &amp; Africa</td>
<td>255.9</td>
<td>7.9</td>
</tr>
<tr>
<td>Total</td>
<td>3,223.1</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: MarketLine Industry Profile, Global Oil and Gas (International Energy Agency)
3.2 Energy Resources of the State of Qatar

Qatar is a small but energy rich Arab nation located west of Saudi Arabia and surrounded by the Persian Gulf. The World Bank estimates Qatar’s total population at 2.2 million (World Bank 2014). Foreign nationals constitute 1.2 million of the population in Qatar making up 94 per cent of the country’s total work force (Jure Snoj, Bq Doha 2013).

Qatar used to be one of the poorest countries in the world noted mainly for pearl hunting. Thanks to the discovery of oil in 1971, Qatar is now the world’s richest country per capita and is recognized as a high income economy with an estimated $17 trillion in natural gas and oil reserves that account for more than 5% of the global resource (EIA 2014). In 2012 alone, Qatar earned $55 billion from net oil exports, and the oil and natural gas sector of Qatar accounted for 57.8% of the country’s gross domestic product in 2012 (EIA 2014).

Backed by its oil and gas riches, Qatar’s economy has grown exponentially fueling the design and construction of large projects. Among Qatar’s largest and most notable oil and gas projects are the 19 Billion-USD Pearl GTL (built in joint venture with Royal Dutch Shell and completed in 2012) and Qatargas (completed in 1996 with Exxon and Total as shareholders).

Qatar’s rich resource in the oil and gas has attracted both local and international oil companies. The big international oil companies such as Exxon Mobil, Total, Shell, Statoil, Chevron International, among others, have a presence in Qatar and work with the national oil company of Qatar, Qatar Petroleum in the oil and gas sector.

Table 4. Qatar Summary Energy Statistics

<table>
<thead>
<tr>
<th>Oil (million barrels)</th>
<th>Proved reserves, 2014 (million barrels)</th>
<th>Total oil supply, 2012 (thousand bbl/d)</th>
<th>Total petroleum consumption, 2012 (thousand bbl/d)</th>
<th>Reserves-to-production ratio</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>25,240</td>
<td>1,579</td>
<td>190</td>
<td>57</td>
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<tr>
<td></td>
<td>885,000</td>
<td>5,523</td>
<td>1,257</td>
<td>160</td>
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<tr>
<td></td>
<td>7.8</td>
<td>32.3</td>
<td>20.5</td>
<td>1.8</td>
</tr>
</tbody>
</table>

3.3 The Oil and Gas Value Chain

The oil and gas sector is characterized by a complex value chain conventionally divided into upstream (such as exploration and production/extraction), and downstream (such as refining, retailing). But what does it really involve bringing oil and gas from the ground all the way to the consumer?

From the production chain analysis of material transformation and product flow, the oil and gas industry can be explained as involving many work processes involving exploration, extraction/production, refining, distribution, consumption and carbon capture (Gavin Bridge, 2008:395-398).

Hydrocarbons are ‘captured’ at the initial stage of the chain from the environment. They are then commodified and shunted into the economy through extraction and production of crude oil and natural gas (Gavin Bridge, 2008:395-398). The hydrocarbons are then processed, refined and distributed in the global economy (ibid). At the end of the chain hydrocarbons are de-commodified through their consumption, dissociation and disposal they accumulate in the natural environment as, for example, urban air pollution, pesticide residues, plastics in landfills or rising atmospheric stocks of carbon dioxide (ibid). Carbon capture is part of a wider attempt to decrease emissions and/or steer a greater proportion of the carbon flux away from the atmosphere and towards sequestration in terrestrial stocks (Gavin Bridge 2008:395-398).

Large upstream operations often involve a number of specialist firms to whom different work processes are outsourced. A large-scale drilling operation managed by BP, Exxon or Shell, for example, may have one or more equity partners to reduce exposure to geological and financial risks. Drilling operations are often outsourced to a contract drilling company which may also provide the rig or drill-ship and undertake to crew the rig. Drilling tool supply may be contracted to a specialist tool company with data logging, data analysis and well-maintenance contracted to another firm (Gavin Bridge 2008:395-398).

For many large oil and gas projects, engineering, design and procurement functions are outsourced and contracted to specialist Engineering Procurement and Construction (EPC) companies. The construction, maintenance, design, and procurement activities of these large oil and gas projects are often contracted to firms which may have contracts with several other extractive operations (Gavin Bridge 2008:395-398).

Figure 1. shows the global production network of oil with inter-firm and firm–state relations. It shows the relationship of national oil companies, resource-holding states, transnational oil firms and service companies to whom several operations are outsourced at different stages of operation (Gavin Bridge, 2008:399).

Figure 1 Generalized Global Production Network for Oil

Source: (Gavin Bridge, 2008: 399)
3.4 Use of Contract Labor in Oil and Gas Industry

Every year millions of contract workers (i.e. contract labor) are engaged in different professions around the world. In 2012, over 11.6 million agency workers were employed worldwide while the turnover of the world’s more than 137,300 private employment agencies reached Euros 299.3 billion (CIETT 2012). In 2007, there were only 62,000 private employment agencies globally with turnover of euros 234 billion (ibid.) The 27% rise in the turnover of private employment agencies during this period, despite the global financial crisis, indicates the vibrancy of the sector and strong demand for contract labor.

But why? Would it not make sense for companies to hire and retain full time employees that can be relied upon anytime when needed? This question may have a combination of many possible answers.

The 2012 International Confederation of Private Employment Agencies (CIETT) report shows that among the top reasons for companies to hire contract workers are to staff short term projects and absorb business fluctuation which can be seasonal or unexpected (CIETT 2012: 42). Contract workers can certainly help out in once-off activities such as projects for which there is no need for permanent employees. Many businesses have also seasonal increases of business activities which require additional labor on a temporary basis. Therefore, businesses hire temporary staff to avoid fixed-personnel costs (ICEM 2006: 23).

As it is in other sectors, there has been a trend throughout the oil and gas industry with regards to increased use of contracting and thus contract workers – for both blue and white collar jobs- as many companies outsource many aspects of their business (Ian Graham 2010: 14). Contractors play a key role in the oil and gas activities by providing the most people (contract workers) to the industry. For instance, as of 2012 Royal Dutch Shell had about 87,000 staff and 400,000 contract workers (Royal Dutch Shell 2012).

3.5 Migrant Labour in Qatar

The growing speed of economic globalization has led large and increasing number of migrant workers than it has ever been seen. Unemployment and increasing poverty have made many people in developing nations to look for jobs elsewhere. On the other hand, developed countries have increased their demand for labor, especially unskilled labor (ILO 2004). Thus, millions of workers and their families travel to other countries different from their country of birth looking for jobs.

International Organization for Migration (IOM) defines migration as “the movement of persons who leave their country of origin or the country of habitual residence, to establish themselves either permanently or temporarily in another country” (IOM 2005). Cross border migration of labor perhaps has seen no greater proportion anywhere else than Qatar. With 1.2 million migrant workers, Qatar has the highest ratio of immigrants in the world. The relatively small Arab nation has a population of about 2.2 million, but only less than 10 percent are Qatari citizens, migrants making
up some 94 percent of the total workforce in the country. Most of the immigrants to Qatar come from developing countries, the majority from South and East Asia countries such as Nepal, India, Sri Lanka, and Bangladesh, Philippines, and Pakistan (The Guardian 2014).

This fascinating migration of labor into Qatar took off in the 1970s following the construction boom driven by the discovery of oil in the country and rise of oil prices in the global markets. This growth required a large pool of unskilled, semi-skilled and skilled labor. Usually migrants come to Qatar on temporary work contracts that last up to five years. According to a survey based on convenience sampling\(^1\) nearly 77% of the migrant workers had completed at least high school (Seshan, G. 2012:158). Most migrants in Qatar are young male adults engaged in unskilled or semi-skilled professions. When it comes to occupational accidents and injuries, according to another research (Bener et al. 2012: 372), those who are most at risk are non-Qatari males under 30 years of age.

Sadly, the Qatari labor market for migrants is characterized by serious international standard violations. Qatar has seen an exceptionally high number of work related deaths. (ITUC, 2014:14). Several reports have indicated many migrant workers live in dire condition in Qatar. (DLA Piper, 2014) Migrant workers sustain injuries related to falls, cut wounds, struck my blunt force, poisoning, road traffic injuries and among others. (Bener et al 2012:370)

Qatar’s migrant workers’ employment system is criticized for facilitating labor abuse. Qatar uses ‘kafala’ sponsorship system to give migrant workers legal status in the country by tying the workers to a sponsoring employer. This system locks the foreign worker to a particular job, and that worker’s sponsor is the primary representative for the migrant worker in the institutions and ministries that regulate the migrant population. The system restricts migrant workers from seeking and obtaining other employment in Qatar without that sponsor’s permission. (Andrew Gardner, Silvia Pessoa et al., 2013:7) Furthermore, the system requires migrant workers to get exit visa from their sponsor to leave the country.

Migrant workers are forbidden to form unions and bargain collectively. Freedom of association is limited for Qatariis with strict restriction for migrants from joining unions despite international nondiscriminatory provisions for joining unions (Article 2 of Convention No. 87) The government of Qatar is widely criticized for failing to maintain a legal frame work sufficient to protect the rights of migrant workers consistent with international law. (ITUC, 2014: 30)

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\(^{1}\) Convenience sampling is a non-probability sampling technique where respondents are selected due to their convenient accessibility and proximity to the researcher.
3.6 Qatar’s Labour Rights Regulatory Framework

As indicated earlier, labour can be regulated by international legal frameworks, national laws as well as corporate codes of conduct (Jedrzej G. and Scott P. 2003:15). This section critically reviews these three mechanism of labour regulation that shapes the labour environment in Qatar.

3.6.1 International Legal Frameworks

International legal frameworks set minimum acceptable standards in terms of human and labour rights. States have the prime responsibility to promote, and protect rights recognized in international instruments. Qatar has not ratified important human rights instruments such as the International Covenant on Economic, Social and Cultural Rights and its Optional Protocol, the International Covenant on Civil and Political Rights and the Optional Protocols, as well as the International Convention on the Protection of the Rights of All Migrant Workers and Members of their Families.

Qatar has been a member of ILO since 1972, but has not ratified key ILO conventions. It has thus far ratified only six ILO conventions and non of the 177 technical conventions dealing with setting standards in specific fields of work to ensure safety and security of workers. Qatar has also not ratified specific conventions sealing with protection of migrants. Thus, under international statutory framework, Qatar lacks sufficient provision to make work decent and protect vulnerable migrants.

3.6.2 National Labour Law

The decent work concept relates to not just the creation of jobs but the quality of jobs. To the contrary, Qatar’s national laws have proved to facilitate exploitation of its workforce, over 90% of whom are migrants.

Qatar’s main Law governing migration and employment is Regulation of Expatriates’ Entry, Departure, Residence and Sponsorship Law no. 4. The law, in article 18 states that each expatriate granted entry visa to Qatar has a sponsor. This sponsorship system has proved to be exploitative that ties migrant workers with their employers regardless of the worker’s agency.

The law further states that (with the exception of women and monors), all expatriates may only leave the country on with exit permit granted by their sponsor. The law has proved to be not only discriminatory but exploitative that erodes the safety, security and freedom of foreign workers in Qatar with far more implications on the ability of workers to have a say about their safety and condition of work.

Freedom of Association provisions are limited for Qatari and Non-Existent for Migrant Workers. The law forbids non Qatari workers from forming unions. The ITUC’s special report on Qatar calls Qatar’s labour system ‘a broken system’ characterized by a ‘failure to adhere to international rules.’ (ITUC, 2014:21)

The government has also allowed recruitment agencies to charge huge recruitment fees, further facilitating exploitation of migrants. Thus, under national laws there are no sufficient provisions to
protect the labour force, most of whom are migrants. In fact, the national laws further facilitate labour exploitation.

### 3.6.3 MNCs Voluntary Codes of Labour Practice

The absence of both international and national frameworks that protect the labour environment in Qatar has left big multinational companies to rely heavily on corporate codes of conduct to regulate their labour practices in their value chain.

Businesses are also required to respect, as a minimum, internationally recognized labour practices under international standards. The pressure on multinationals to regulate their labour practices also comes from consumers who increasingly demand acceptable level of working conditions in their businesses’ operations. Thus, meeting these expectations implies market benefits for businesses. Civic organizations and non-governmental organizations also put pressure on these companies to respect minimum conditions of labor in their value chain.

With the absence of sufficient international and national labour regulatory frameworks, multinationals including IOCs are left to heavily depend on corporate codes of conduct as a form of labour regulation in their value chain. But the important question is in the absence of both international and national labour regulatory frameworks, how effective are codes by themselves in regulating labour? Can labour be regulated only by voluntary corporate codes of conduct?

By focusing on occupational safety, the next chapter discusses the provisions of codes of conduct of IOCs operating in Qatar and examines their intended applicability in their value chain. Chapter five analyzes the implementation of those provisions in the stated industry value chain.
Chapter Four – IOCs and Contractors Statement of Intent Behind Codes

This chapter analyzes the codes of conduct of IOCs and contractors engaged in Qatar’s oil and gas industry value chain. It discusses the occupational safety rights provisions, as set out in their mission statements, of major international oil companies operating in Qatar and how their provisions are further taken up by major contractors of the industry in Qatar.

4.1 International Oil Companies (IOCs)-Mission Responsible

Qatar houses a number of international oil companies that explore and develop its oil and gas resources. The list includes Chevron, ConocoPhillips, ExxonMobil, Royal Dutch Shell, Total, and others. These companies have formed joint venture partnerships with each other and with local companies in order to share operational and financial risks. In addition, they either operate assets themselves or have a stake in oil and gas operations run by their partners.

For the purpose of this study, the researcher has chosen three of oil ‘super majors’, namely ExxonMobil, Royal Dutch Shell and Total that have the largest interest in Qatar. The following discussion investigates how well the codes of conduct or their equivalent business principle documents address occupational safety for their employees and contractors.

ExxonMobil:

ExxonMobil is a US multinational IOC headquartered in Irving, Texas, United States. Formed by the merger of Exxon and Mobil in 1999 and currently with 75,000 employees globally, the company is mainly engaged in Upstream, Downstream and Chemical businesses. (Forbes 2000). It is world’s second largest company by market capitalization and fourth largest company by revenue (ibid).

ExxonMobil, together with Qatar Petroleum and other joint-venture partners, has developed and expanded the North Field offshore Qatar, which is one of the largest gas fields in the world. In 2009, Qatargas 2, a joint-venture between ExxonMobil and Qatar Petroleum, was inaugurated at the cost of $13.2 billion (Downstream Today 2009).

Royal Dutch Shell:

Founded in 1907 and commonly known as Shell, Royal Dutch Shell plc is an Anglo–Dutch multinational oil and gas company headquartered in the Netherlands and incorporated in the United Kingdom. It is the world’s second largest company in revenue and employs more than 87,000 people in 90 countries (Fortune Global 500 2014). Like many other ‘Supermajors’, Shell is involved mainly in Upstream, Downstream and Chemical Businesses (Forbes 2000).

Total:

Total, a France-based oil company, is one of the six oil and gas ‘supermajors’ with nearly 100,000 employees and footprint in more than 130 countries. It is the tenth largest company with profits and the thirty-sixth largest based on market capitalization. The company is involved in a number of
businesses such as exploration, production, refining, petrochemicals spanning Upstream and Downstream activities (Forbes 2000).

Total has been investing in Qatar and signed in 2013 a joint-venture agreement with Qatar Petroleum and other partners which it leads to build a $1.5 billion condensate refinery in Qatar. (Energia, 2013: online) Total has already had a stake in QatarGas I, which is the world's largest Liquefied Natural Gas (LNG) company.

Table 4 summarizes the safety provisions of the three supermajors and their intended applicability as indicated in the IOCs codes of conducts.

Table 4 Summary of CSR Policies of Three Oil and Gas Supermajors

<table>
<thead>
<tr>
<th>Summary of CSR Policies Of Three Oil Supermajors Operating In Qatar</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ExxonMobil</strong></td>
</tr>
<tr>
<td>Principle on safety</td>
</tr>
<tr>
<td>CSR Policy</td>
</tr>
</tbody>
</table>
| Coverage of Safety in their code of conduct | Vision of an injury-free workplace  
‘Systematic approach to health, safety, security and environmental management’ | “Health, safety and environment rules and regulations put in place” |
| Applicability | Codes of conduct is applicable to ExxonMobil and its contractor companies | Codes applicable to operator employees and contractors with same level of peoples safety | Total and its contractor companies are expected to comply with companys’ codes of conduct. |
Safety as criteria for selecting contractors

|                  | ExxonMobil contractors are screened for experience and knowledge to see they are fit to the job | Safety is key factor for evaluating and rewarding employees and selecting contractors | “Business partners are selected on the bases of compliance with safety, health and environment policy” |

As summarized in Table 5, the review of the codes of conduct of these three ‘supermajors’ indicate that they all stress the importance of safety of their employees and contractors, believe all occupational injuries and fatalities can be prevented and thus have put in place policies, procedures and rules to prevent safety incidents. They also indicate that they give emphasis to safety when selecting their contractors and expect their contractors to respect their safety rules and regulations.

4.2 Contractors Codes of Conduct- Health and Safety as a Reality down the Chain?

This section assesses how well occupational safety and security are embedded in the codes of conduct of large oil and gas contractors in the State of Qatar. Four contractor companies are selected for this purpose based on their established presence in Qatar and the Middle East.

**JGC Corporation**

JGC is an international Japanese contractor serving a number of large international clients in the oil and gas and nuclear industries. It is headquartered in Yokohama and has 7000 employees around the world. The company provides a number of professional services including facilities design, construction, commissioning and maintenance internationally (JGC n.a.).

With multiple projects in eight Middle Eastern countries, Japan’s JGC Corporation has had a strong presence in Qatar. Currently, one of JGC’s flagship projects in the region is Qatar’s Barzan Gas Project where JGC is responsible for the onshore packages being built north east of Ras Laffan. One of JGC’s biggest accomplishments in Qatar has been the construction of Pearl GTL in partnership with KBR, another international EPC contractor. Pearl is the world's largest gas-to-liquids (GTL) plant built at the cost of USD 19 billion and completed in 2010 (Shell, 2014)

**Chiyoda Corporation**

Chiyoda is another Japanese contractor based in Yokohama with international clients across the world. With, more than 6000 employees globally, Chiyoda provides project and program management, design and engineering, procurement, construction, operations and maintenance services (Chiyoda n.a.).
In 2013 Japan’s Chiyoda Corporation won, as a joint-venture partner with Taiwanese CTCI Corporation, a design and construction contract for USD 1.5bn Laffan Refinery 2 (LR 2) Project in Qatar which is expected to be operational 2016 (Arabian Oil 2013).

**Hyundai Heavy Industries (HHI)**

Based in South Korea, HHI is among the world’s biggest international contractors in the oil and gas industry. HHI is involved in shipbuilding, offshore engineering, construction equipment manufacturing and industrial plant engineering and construction, and employs about 26000 people. (HHI 2014)

Best known for its marine and shipbuilding work, HHI, alongside JGC, has a USD 900 million slice of Qatar’s massive Barzan Gas Project the first phase of which will come online in 2014 (Ras Gas n.a).

**KBR**

KBR is an American engineering, procurement, construction and asset management contractor with strong footprint in the Middle East. The company hires 27000 professionals from 70 countries and was JGC’s joint-venture partner in delivering Pearl GTL in 2010.

The position of these four contractors in terms of safety is summarized in Table 6 based on the review of their policies and codes of conducts.

**Table 5. Summary of Safety Policies of four contractors operating in Qatar**

| Summary of CSR Policies Of Contractors Operating In Oil And Gas Industry In Qatar |
|----------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------|
| CSR policy                            | JGC Corporation                | Chiyoda Corporation             | Hyundai Heavy Industries (HHI)  | KBR                 |
| Coverage of Safety in their code of conduct | CSR policy in place            | CSR policy in place             | CSR policy in place             | CSR policy in place |
| Corporation                           | Complies with legal requirement inside and outside the country, proper governance system in place, Works towards zero accidents and injury | CSR policies in place with safety as a core value | Says it gives highest priority to safety and health, Best endeavors to prevent accidents at work, | “Policy in place to establish and maintain highest possible safety standards”, Wellbeing of employees top priority, Health and safety will never be compromised, works towards Incident/ Injury-free working environment |
| Applicability                         | Corporation and sub-contractors | Management and employees        | Applicable to “business partners and their officers and employees” | Employees |

Table 5. Summary of Safety Policies of four contractors operating in Qatar
The above high-level review of the IOCs’ and contractors’ mission statements shows that both give emphasis to occupational safety. The IOCs have a more comprehensive and integrated stances on OSH reflected in their codes of conduct and clearly indicate the application of their codes to their contractors and subcontractors.

The next chapter critically analyses the application of occupational safety policies among IOC and contractors by examining occupational incident exposure figures.
Chapter Five - The Underbelly of Codes of Conduct in Oil & Gas

5.1 Occupational Safety - A mixed Record

Chapter four discussed the codes of conduct of major IOCs and contractors operating in the oil and gas industry in Qatar and showed each indicate highest regard to health and safety in their operations. This section of the research tries to closely look at and analyze the safety figures of the oil and gas sector from global, regional and country specific perspectives. It also tries to investigate if the safety policies of the industry’s major actors in the State of Qatar are sufficiently reflected in the country’s safety figures.

The available data on occupational safety in the oil and gas sector in Qatar shows that contract workers suffer more fatalities than operator employees in Qatar’s energy sector and contract workers have higher Recordable Injury Rate than operator employee.

It also shows that Qatar’s combined employee and contract workers Total Recordable Injury Rate (TRIR) for 2012, 2013 was higher than the middle east combined average for the same period but lower than global oil and gas sector. These data are presented in detail in the following section.

5.1.1 Global Perspective

In 2013 ILO reported 2.4 million occupational fatalities of which 321,000 were due to accidents. ILO also reports that 317 million non-fatal occupational accidents happen per year. That means globally every five minutes, three workers die from a work-related accident, and every 15 seconds, 151 workers have a work-related accident. These figures show a shocking and unacceptable decent work deficit in occupational safety (ILO 2013).

The following data from the OGP provides an interesting insight in the oil and gas sector. It shows, historically, ‘upstream’ oil and gas contract workers are almost twice as likely to receive injuries at work. Of course, this data is limited to ‘upstream’ oil and gas business, and injuries can be even higher overall since the other subsectors such as refining and chemical processing involve more hazardous processes and generally have less money available to spend on HSSE (Teresa Budworth 2012).
Figure 2 Total Recordable Injury Rate- company and contractors (per million hours worked)

Source: (OGP, 2014:4) Safety Performance Indicators

According to the OGP, in the global upstream business, the top three killers were production, drilling and construction activities. A closer look at the 2013 data also shows that production and construction incidents were the deadliest, killing 33 and 18 people, respectively. This is supported by ILO which ranks the general construction sector as one of the most high risk industries (OSH 2011:12).

Table 6. Fatality by Function

<table>
<thead>
<tr>
<th>Function</th>
<th>2013 Fatal Incidents</th>
<th>2012 Fatal Incidents</th>
<th>2011 Fatal Incidents</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>6</td>
<td>18</td>
<td>17</td>
<td>92</td>
</tr>
<tr>
<td>Exploration</td>
<td>3</td>
<td>3</td>
<td>4</td>
<td>14</td>
</tr>
<tr>
<td>Drilling</td>
<td>15</td>
<td>15</td>
<td>12</td>
<td>72</td>
</tr>
<tr>
<td>Production</td>
<td>17</td>
<td>33</td>
<td>12</td>
<td>131</td>
</tr>
<tr>
<td>Unspecified</td>
<td>2</td>
<td>11</td>
<td>8</td>
<td>69</td>
</tr>
<tr>
<td>Total</td>
<td>43</td>
<td>80</td>
<td>52</td>
<td>378</td>
</tr>
</tbody>
</table>


The figures obtained from OGP shows improvement in the fatalities and fatal accident rate in the past few years, as shown below. But, while the number of fatal accidents per 100 million hours worked have reduced by more than 50%, the absolute number of fatalities has not gone down significantly in the past ten years.
The following diagram gives a regional perspective of recordable injury rates per million hours worked in the upstream business. The data shows more developed and regulated continents such as Europe and North America have much more injury rates than the Middle East.

The OGP does not provide an explanation for lower injury rates in the Middle East. But, the figure understandably raises doubt and could be indicative of oil and gas companies in the Middle East which also employ considerable number of migrant workers may not have a reliable injury and accident recording and reporting mechanism unlike developed countries with better incident registration systems. (Paivi Hamalainen 2010: 29)
These numbers, however, should not be taken at face value. The OGP data only shows the upstream oil and gas business from companies who took part in the survey. (OGP 2013, DLA Piper 2014)

<table>
<thead>
<tr>
<th>Region</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Africa</td>
<td>1.05</td>
<td>1.14</td>
<td>1.22</td>
<td>1.40</td>
<td>1.65</td>
</tr>
<tr>
<td>Asia/Australasia</td>
<td>0.97</td>
<td>1.37</td>
<td>1.46</td>
<td>1.30</td>
<td>1.22</td>
</tr>
<tr>
<td>Europe</td>
<td>2.58</td>
<td>2.64</td>
<td>2.81</td>
<td>3.05</td>
<td>3.48</td>
</tr>
<tr>
<td>FSU</td>
<td>0.81</td>
<td>0.99</td>
<td>0.99</td>
<td>1.08</td>
<td>1.21</td>
</tr>
<tr>
<td>Middle East</td>
<td>0.90</td>
<td>1.02</td>
<td>0.78</td>
<td>0.98</td>
<td>0.92</td>
</tr>
<tr>
<td>North America</td>
<td>2.58</td>
<td>2.82</td>
<td>3.19</td>
<td>2.89</td>
<td>3.08</td>
</tr>
<tr>
<td>South &amp; Central America</td>
<td>3.13</td>
<td>3.05</td>
<td>3.17</td>
<td>2.76</td>
<td>3.17</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td>1.60</td>
<td>1.74</td>
<td>1.77</td>
<td>1.68</td>
<td>1.75</td>
</tr>
</tbody>
</table>

**Table 7. Total Recordable Injury Rate by Region, 2009-2013**

*Source: OGP, (2013:3,2)*

Data from ExxonMobil helps us to look at recordable incident rates in the oil and gas value chain between contract labor and operator staff. The report shows that globally contract workers involved in outsourced projects can have as much as nearly 50% more exposure to recordable injuries and illnesses compared to the company’s own direct employees.

**Figure 5 Exxonmobile, Total Recordable Incident Rate, Contractor vs Employees**

*Source: Exxonmobil, Safety and Security: Total Recordable Incident Rate*
5.1.2. Occupational Injury in Qatar Oil and Gas

Obtaining ready-made data on occupational injury incidents in the Qatar oil and gas sector has been very challenging. However, in this section the researcher attempts to make sense of the available data.

Several reports urged Qatar to take urgent action to ensure health and safety of its labor workforce following reports of poor labor conditions and high number of death in the country. (The guardian, 2014) Falls from height, unexplained illnesses, dehydration, sudden cardiac arrest, suicide and other work related incidents were reported to be the common causes of death especially among migrant workers who are in short to medium term contracts in Qatar (The Guardian, 2014).

The following table shows TRIR data from Qatar’s overall energy sector. It shows in 2012 and 2013 Qatar’s combined employee and contract worker TRIR was lower than that of the global oil and gas sector, but remained higher than the Middle East combined average.

Figure 6 Exxonmobile, Lost-Time Incident Rate, Contractor vs Employees

Source: Exxonmobil, Safety and Security

Figure 7 Combined Contract Workers’ & Employees TRIR in Qatar (Per million work hours)

Nonetheless, as showed on Table 8., safety performance in the Middle East has not improved significantly over the past five years.

Data obtained from Qatargas, the world's largest liquefied natural gas (LNG) company, on HSSE report shows not only the increasing trend in the use of contract labor but also that contract workers sustain up to 75% more (see year 2012) reportable injuries at work. (Qatar Gas 2013:35). The number could even be higher as contractors are less likely to report injuries at work than operator staff. This could be because not to drive the HSSE numbers up or more complicated reasons such as fear of losing their jobs (The Guardian 2013). In a country where over 90% of the population is migrant, contract workers may feel they could easily be replaced if they report injuries, or will be unable to change jobs due to the “kafala” system or may not even be allowed to go leave the country without permission from employer. All these have direct implications on injury reporting.

<table>
<thead>
<tr>
<th>Safety Performance</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total work hours-employees</td>
<td>5,439,896</td>
<td>5,887,472</td>
<td>12,215,468</td>
</tr>
<tr>
<td>Total work hours- contractors</td>
<td>7,764,074</td>
<td>30,270,196</td>
<td>29,247,718</td>
</tr>
<tr>
<td>Fatalities (employees and contractors)</td>
<td>0</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Number of lost time injuries (employees)</td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Number of lost time injuries (contractors)</td>
<td>0</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Number of reportable injuries – employees</td>
<td>5</td>
<td>5</td>
<td>9</td>
</tr>
<tr>
<td>Number of reportable injuries – contractors</td>
<td>10</td>
<td>45</td>
<td>30</td>
</tr>
</tbody>
</table>

Table 8. Qatargas HSSE report 2011-2013

Source: Qatargas

A further analysis of the table above provides the below recordable injury rate (RIR) over the three years period. Again, this is a data from a single oil and gas company. However, it still provides an important insight.

<table>
<thead>
<tr>
<th>Type of worker</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract worker</td>
<td>0.258</td>
<td>0.297</td>
<td>0.205</td>
</tr>
<tr>
<td>Operator Staff</td>
<td>0.184</td>
<td>0.17</td>
<td>0.147</td>
</tr>
</tbody>
</table>

Table 9. Qatargas Recordable Injury Rate (RIR) (derived from Table 9.)

Source: Qatargas

According to Qatar’s Ministry of Energy and Industry, in the Qatar’s energy industry including oil and gas, the activity that caused the most fatalities and injuries was construction (26%), followed by maintenance and inspection and testing (21%). (Qatar’s Ministry of Energy and Industry, 2013)
According to the figures obtained from Qatar’s Ministry of Energy and Industry, the number of injury incidents in the Qatar energy industry seems to have decreased from 2012 to 2013 (i.e. 1 fatality, 106 lost-time injuries, 400 recordable injuries) (ibid).

![Graph showing number of incidents](image)

**Figure 8 Total Fatalities and Injuries in the Qatari Energy Sector**

**Source:** Qatar Ministry of Energy and Industry, 2013

OGP fatality data for the past five years shows remarkable differences in between staff and contract workers. In addition, it shows a possibility that not all occupational safety incidents are reported. On page 33, table shows Qatargas’s own report in which seven fatalities were reported in 2012. However, these numbers are not shown in the table below obtained from the OGP specifically on Qatar. In any case, the decrease in the number of fatalities does not mean, oil and gas construction is safer. Information on the amount of total contract workers working hours per year could have provided a better perspective.

<table>
<thead>
<tr>
<th>No. of Fatalities</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
<th>2009</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Staff</strong></td>
<td>0</td>
<td>2</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td><strong>Contract Worker</strong></td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>9</td>
<td>17</td>
</tr>
</tbody>
</table>

**Table 10. Number of fatalities in Qatar oil and gas: contractor vs operator staff (upstream)**

**Source:** OGP Database

The following table obtained from Qatar’s Ministry of Energy and Industry shows that in the energy sector total fatalities in absolute terms are far less than in other general construction sectors. Still, contract workers suffer the most fatalities.
The following three figures on the Qatari energy business, however, reveal that contract workers’ fatality rate remains higher indicating that the IOCs codes of conduct on occupational safety is not evenly applied to their contracted projects. Although, the figure indicates their TRIR and LTIR could be lower than that of operator’s staff, it is an observation that defies common sense. The researcher was not able to obtain information that explains the reported numbers. However, given the various factors that drive the occupational incident exposures of operator staff and contractors, it is very unlikely that the real injury rates for contractors are any less, if not far more as explained below.
For example, academic research conducted on the US oil and gas sector indicated that during 2005-2009 the US oil and gas extraction industry reported low injury rate, but high fatality rate. The rate of fatality reported was 2.5 times higher than the construction industry, which is already considered among the deadliest industries, and 7 times higher than general industry. What is interesting is the research also indicated that contractors had higher fatality rates than operators. It also indicated that although the oil and gas industry has high rate of fatalities, reported recordable injuries are below that of construction. Compared to the construction industry, the oil and gas industry injuries were three-fold lower with respect to recordable, nonfatal injuries (1.2 vs.4.0). The research indicated well-documented systemic underreporting was behind the low figures of recordable injury in the US oil and gas sector (Witter et. Al 2014:2-3). Thus, injury figures in a relatively young oil and gas industry of Qatar where there no system of injury reporting could be way higher than the figures indicated.

According to the Qatari Ministry of Energy and Industry (2013), no oil and gas company achieved zero employee TRIR in 2013. However, the Liquefied Natural Gas/Natural Gas sector showed 79% improvement in TRIR while Petrochemicals and Chemicals sector recorded 30% improvement and the oil and gas exploration and production sector a 9% improvement.

Analysis of 2008-2011 fatalities causes in Qatar upstream construction business shows that 62% deaths were linked to on-site vehicle movements. However, all numbers presented in the above section exclude contractor and staff deaths in commuting, business travel, non-construction accidents and terrorism. It is widely known that offsite traffic accident is a major cause of fatalities. For example, six contactors lost their lives and 14 were injured in the same region between 2010 and 2013 as a result of off-site road traffic accidents. Some EPC companies confirm road travel is the most hazardous activity for its people (WoreleyParsons’ 2012:11).
The key to keep in mind that serious gap exists in the recording and reporting of fatal and non-fatal occupational accidents at global and national levels. Very few countries have reliable information on occupational accidents and the ILO itself as a labour monitoring body do not receive reliable data despite the fact that it keeps records of occupational accidents and all member states should give information to ILO on incidents (Paivi Hamalainen 2010:29). In the year 2000, for instance, fatal accidents reported to the ILO from the middle eastern countries were 1,876 while the ILO estimated figure was 28,019 and estimated total work-related fatalities figure was 125,641. Globally, 57,468 fatal accident cases were reported to ILO in the same period while the estimated figure was 354,753 and the global estimated total work-related fatalities were 2,001,717 (ILO 2003: 6).

The figures dealing with fatal and non-fatal occupational accidents are also likely to be much higher than reported in Qatar particularly with the involvement of migrant workers due to the nature of work they engage in which is usually labour intensive, coupled with harsh climate condition characterized by high temperature, and possible low level of awareness on safety issues due to language barriers. The migrant workers are also prevented from organizing and joining unions in Qatar to bargain collectively their safety and other rights which will be further discussed in the next section.

5.2 Contextualizing the Findings: Codes plus Systemic Labour Exclusion

There has been an ongoing debate on the effectiveness of codes as labour regulation in the global value chain. With the popularity of MNCs codes of conducts how well do these codes help ensure occupational safety and decent work in the oil and gas value chain?

Review of the codes of conduct of IOCs operating in Qatar indicate they all give priority to safety at work and prevention of occupational fatalities and injuries. The IOCs codes also indicate that their safety policies and ‘Life Saving Rules’ apply to their contractors engaged in their value chain.

In addition to the IOCs codes, review of codes of conduct of major contractors in the oil and gas sector in Qatar shows they take on the IOCs CSR safety policies. However, the analysis of incident rates for operator staff versus contract workers clearly points out labour engaged in outsourced contract work continue to suffer more fatalities and incidents in the oil and gas value chain in Qatar.

But why do contract workers sustain more occupational risks than operator employees in the industry’s chain? The following section deals with three key factors that contribute to Qatar’s systemic labour exclusion.

5.2.1 Workers Lack of Representation

It is already indicated in Chapter two that representation of workers in unions and/or other worker organizations is one of the various indicators of work quality. The application of codes of conduct as a form of labour regulation has proved to be seriously problematic in ensuring representation rights in the stated industry value chain in Qatar.
Qatar has not ratified ILO conventions dealing with workers representation rights such as the Freedom of Association and Protection of the Right to Organize Convention (1948), and the Right to Organize and Collective Bargaining Convention (1949).

The ability of workers to organize and join trade unions has an important role to play in ensuring decent work. Within businesses which have high trade union membership, workers have stronger bargaining power to ensure rights including safety and security allowing. Representation allows workers to have a say on existing gaps in the implementation of policies and push for more inclusive policies that are in line with international standards.

Corporate codes of labour practice, as a form of labor regulation, at minimum should incorporate ILO’s Core Conventions negotiated between governments, employers and trade unions (Barrientos, S. and S. Smith 2007:715). The core conventions deal with the elimination of forced labour, the abolition of child labour, the elimination of discrimination in employment and an equally important right of association and collective bargaining. These labour standards are considered fundamental to humane working conditions, applicable to all workers in all countries regardless of ratification, and mandatory to ensure decent work. But why?

These Core conventions are based on the ‘intrinsic principles of social justice’ that enable workers to claim their rights and thus contain broader enabling/process rights which serve as the necessary foundation to achieving other rights at work (Barrientos, S. and S. Smith 2007:718). Thus, genuine corporate codes of conduct, at minimum, incorporates provisions to enable workers to form unions that allow them to have better bargaining power over their rights even in the absence of such provision by states. Thus, codes of conduct of IOCs operating in Qatar at minimum needs to acknowledge the right of workers to form or join unions regardless of the state's lack of interest in enforcing that right.

None of the codes of the companies discussed has clear provisions for enabling rights of representation regardless of the absence of provisions by Qatar's law. Interestingly, Royal Dutch Shell’s code of conduct is carefully crafted to say its contractors and suppliers “comply with all applicable laws and regulations on freedom of association and collective bargaining” without clear indication of how, in countries such as Qatar where there is no clear provision for it.

5.2.2 Absence of the State

Under international law states are required to protect people from rights infringements. While businesses have responsibility to respect rights, the prime responsibility of protecting people from violation of rights often falls on states.

Qatar has seen inflow of migrant workers over the past few years but its old labor laws still struggle to cater for the challenges of its 1.2 million migrant workforce (DLA Piper 2014: 13-18). Qatari labour law still lacks enough provisions for health and safety rights and implementation mechanisms for existing provisions. These include lack of health and safety teams responsible for contractor and sub-contractor site safety’, lack of managerial staff mandated and accountable for health and safety matters, lack of liability for lead contractors and their sub-contractors for health and safety breaches
(DLA Piper 2014: 13-18). The country also do not have law for regular collection and reporting/dissemination of national statistics and data in relation to work-related injuries and deaths, causes and the extent to which these are attributable to breaches of health and safety rules. Its existing law does not oblige employers to make public workplace injuries or deaths (DLA Piper 2014: 13-18).

Qatari law excludes migrants from forming unions and bargaining collectively. Migrants have limited access to justice, including restricted physical access to the Ministry of Labor and Social Affairs to lodge employment related complaints (ibid.) and seek remedy.

The state of Qatar also proves its negligence to providing suitable labour condition to its workforce by its reluctance in ratifying international labour standards as discussed in chapter three. Clearly, the state of Qatar is not done enough in protecting its workforce from safety rights infringements to ensure decent work.

5.2.3 Migrant Workers Uncertainties and Insecure Future

A person new to the gas and oil industry may think that contractors and operator staff have the same level of exposure to occupational hazards. As indicated in the previous section however, contractors are more exposed to workplace accidents and fatalities than operator’s own employees. This is true for a number of reasons.

Many companies outsource non-core activities to other companies which can do the job cheaper and better. These contracted companies hire other employees who accomplish these non-core activities for the client organization. This way companies also transfer certain risks to contractors that may result in reputational damage (Barrientos, S. 2013) if exposed to public including poor working conditions such as HSSE risks, and at the same time receive a service of an expert company.

The same is true for the oil and gas industry. IOCs outsource a number of their non-core activities to other companies. In fact, oil companies outsource numerous activities ranging from oil and gas exploration to construction of multibillion dollar facilities (E. Crooks 2007). The process involves cheap migrant labour, harsh climate condition and longer hours and more dangerous activities in Qatar.

The below figure from the OGP on the oil exploration and production sector shows contractor labor is used nearly four times more compared to hours worked by company staff.
As indicated in the previous section by the figures, codes of conduct has little impact on contract workers, many of whom are migrants in outsourced projects, with regards to occupational safety. Contract workers sustain more injuries and fatalities than operator employees in the oil and gas industry value chain in Qatar. This finding is supported by research conducted in global value chains of other industries.

Based on case studies conducted to assess the impact of codes in garments, footwear and food production networks in the UK, researchers found out that casual and contract workers were least likely reached by codes, while permanent and regular workers were better covered by the same codes (Barrientos, S. 2008: 978). Even more so in oil and gas industry of Qatar where most of the workers are migrants who are systematically excluded from protection. The above mentioned research concluded codes of labour practice were failing to reach more vulnerable casual, migrant and contract workers in the stated industries (ibid, p.981). Similarly, voluntary codes do little to ensure decent work for contract workers engaged in the oil and gas value chain in Qatar.

It could be said here that voluntary corporate self-regulation of labour, as unverifiable form of regulation with serious flaws in content, scope and applicability, coupled with complex value chain, absence of strict international and national regulation, and systemic labour exclusion of migrants through sponsorship and exit visa requirements, there is no guarantee voluntary codes alone can ensure decent work in the oil and gas industry in Qatar.

This section which analyzed incident rates for operator staff versus contract workers clearly showed labour engaged in outsourced contract work in oil and gas industry in Qatar continue to suffer more fatalities and incidents than operator employees clearly showing unequal application of codes in the industry’s value chain. As indicated earlier the real figures seems to be much higher than indicated in the reports for a number of reasons. Thus, the analysis of occupational incident figures of Qatar clearly indicates IOC codes of conduct on safety are not evenly applied to contractors involved
down the chain of the industry indicating decent work deficit for labor engaged in contracted projects.

Chapter Six- Conclusion: Effectiveness of Codes in the Global Value Chain

This research closely examined the use of voluntary codes of conduct as a form of labour regulation by focusing on occupational safety in the oil and gas industry value chain in Qatar. The series of chapters dealt with the important question: Are voluntary codes of conduct an effective labour regulatory mechanism in the global value chain to ensure decent work?

As discussed in earlier chapters, voluntary codes of conduct as a CSR initiative have been popular among MNCs as a form of labour regulation in this era of globalization. Codes have emerged because of concern over poor labour standards in global production systems (Barrientos, Smith 2007: 714). Despite their popularity, though, there is sufficient evidence to indicate that codes of labour practice have not worked well in ensuring decent work in value chains.

The case study analysis of occupational injuries and fatality in the oil and gas industry of Qatar shows that voluntary codes, as a ‘top-down strategy’, lack scope and content in incorporating ‘process rights’ that are instrumental in ensuring other rights directly linked with social justice. Representation right, as a process right, is often ignored in voluntary codes, but it is instrumental in achieving decent work by giving workers a stronger voice for collective bargaining.

Codes of labour regulation also lack effective monitoring system for code compliance. Often labour inspections are manipulated to show a better picture in the value chain. Even so, codes of conduct proved to have not been equally applied and implemented to workers involved further down the value chain.

Critical assessment and evaluation of codes as a labour regulation should incorporate ‘alternative approaches’ in its discussion (Rhys Jenkins, Ruth P. et al 2002). Governments are keen to attract foreign investment by creating a suitable field for MNCs. In countries such as Qatar, the creation of stable field goes as far as compromising acceptable labour standards. The Qatari government has done very little in ratifying, enforcing and domesticating international human and labour standards whose essence are based on the inherent human dignity and social justice. Its national legal framework and their implementation systematically exclude migrant workers who constitute over 90 percent of the workforce. Thus, both international provisions and national provisions do very little to make work decent in the context of value chains in Qatar.

The problem gets deeper with the involvement of migrants. Migrants often work in precarious and dangerous jobs which expose them to health and safety risks. Migrants tend to be at higher risk for exploitation. Health, education and other social welfare provisions often do not reach migrants. (Koser, Khalid 2005:20-22). They tend to take jobs that are unsafe which are refused by the local people. Legal, social and political barriers prevent migrants from enjoying the same level of security
as the ‘locals’ (Ibid). The Qatari government deliberately excludes migrants through discriminatory law and practices and fails to provide a ‘safety-net’ for its migrant labour.

Thus, weak international and national legal framework of labour regulation in countries such as Qatar necessitates complimentary forms of labour regulation. Genuine corporate codes of conduct can be instrumental in improving labour conditions in the absence of government commitment to protect labour rights. Codes of conduct signify corporate acceptance of liability for working conditions, at minimum (Rhys Jenkins, Ruth P. et al 2002). Thus, it should be recognized that codes have a role to play in regulating labour as part of a wider effort of bringing social justice through decent work.

Genuine corporate codes could be a useful negotiating tool for regulation of international capital and labor. (Rhys Jenkins, Ruth P. et al 2002:5). In the absence of states’ commitment to regulate labour, codes can provide a means for realizing workplace justice and for extending ‘global responsibilities to the global economy’ (ibid: 7). Thus, voluntary codes can be one alternative approach of labour regulation if they are complimented by other forms of regulation.

Codes of conducts can significantly be reinforced if they are complimented by state regulation, ILO regulation and strong civic action. The prime responsibility of ensuring safe and secure working conditions falls on governments. Such responsibility is reflected in ratification of international labour and human rights standards. Codes can be more effective if they are reinforced by such international and national frameworks as well as other non-governmental regulatory initiatives.

Voluntary non-governmental initiatives such as the OECD, Voluntary Principles on Security and Human Rights, the Global Compact, UN Principle on Business and Human Rights, among others can also be instrumental in pressing governments towards strict regulation of MNCs.

The real drivers of change are not codes themselves, but the people behind the codes (Jenkins 2002:143). Codes could do better if they recognize unions that empower workers and reflect the voice of workers so as to enable workers take ownership of the codes. Significant feature of voluntary codes of labour regulation should incorporate genuine consultation and participation of workers (Jenkins 2002:143).

Migration is an insecure process by itself which brings uncertainties along with it. Even more so if there is no ‘safety-net’ or labour rights recognition for migrants as seen in the case of Qatar.

Thus, in this global economy where multinational companies are key players, corporate codes of conduct are necessary but not sufficient to regulate labour. They may serve as a complimentary form of regulation if they are more participatory in incorporating workers' voices and bringing states on board.
References


Ras Gas (n.a.) ‘Barzan Gas Project’. Accessed 1 August 2014


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