

**THE EAST AFRICAN TRADE UNION CONFEDERATION**



**TRADE UNION'S MANUAL ON OIL AND GAS FOR SUSTAINABLE DEVELOPMENT**

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## FOREWORD

The recent oil and gas discoveries have led to jostling of giant energy companies to for space in East Africa. The speed with which East African countries adapt could determine whether our region lives up to its reputation as the latest great oil and gas frontier, with big implications for global energy flows as well as regional economies. Oil and gas are essential components of modern, industrialized civilization; as societies and economies grow, so do their oil and gas industries. The oil and gas industries have revolutionized human lives and improved our standard of living. The industries' products constitute building blocks at every level of production and consumption in key sectors of economic life. A stable supply of oil and gas is needed to sustain continued development of our economies. The oil and gas industries are highly capitalized; much of the manual work has been replaced by automation, but significant parts of oil and gas operations still rely on human input. Sound employer-employee relations are therefore crucial to the stable production and supply of oil and gas.

The East African Trade Union Confederation's main priority is decent work for all including the emerging sector of oil and gas. The Decent Work Agenda which has four pillars namely rights at work; employment and work; social protection; and social dialogue are directly relevant to the situation of workers in the oil and gas industries.

It is important to note that although the oil and gas sector is one of the world's higher wage payers it has been suffering serious shortages of skilled labour which will be the case in East Africa. It is also important for trade unions in East Africa to be prepared to deal with however, pockets of real exploitation and hardship, particularly for contract workers that are normally associated with oil and gas sector in developing nations.

It is against this background that the Trade Unions in East Africa through the East African Trade Union Confederation is dedicated to developing resource material to build capacity of not only the affiliates but also union members in the oil and gas sector. This manual will go along way to provide basic knowledge needed for sector unions that are already organizing the oil and gas sector or are preparing to organize in this sector.

Francis Atwoli, MBS  
Chairman  
East Africa Trade Union Confederation

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#### **ABBREVIATIONS AND ACRYNOMS**

- 1. CSOs – Civil Society Organizations**
- 2. CSR – Corporate Social Responsibility**
- 3. EAC – East African Community**
- 4. EATUC – East African Trade Union Confederation**
- 5. EITI – Extractive Industry Transparency Initiative**
- 6. GNP – Gross National Product**
- 7. MDAs – Mining Development Agreements**
- 8. Tcf – Trillion cubic feet**
- 9. PWYP- Publish What You Pay**
- 10. SATUCC – Southern African Trade Union Coordination Council**
- 11. TUICO – Tanzania Union of Industrial And Commercial Workers**
- 12. TAMICO – Tanzania Mines Construction Workers Union**
- 13. TUCTA – Trade Union Congress of Tanzania**
- 14. NOTU – National Organization of Trade Unions -Uganda**
- 15. ZATUC – Zanzibar Trade Union Congress**

## **EXECUTIVE SUMMARY**

East Africa is experiencing a high level of oil and gas exploration in the recent years; however, experience in the extractive industry generally shows that the member states have to be encouraged to translate their vast mineral resources into national wealth and improved standards of living for their citizens.

Good governance is central to creating an environment that fosters sustainable and equitable development and is also essential complement to sound revenue management and safeguard policies. Within the East Africa sub-region vast natural resources, it is important to note that high dependence on revenues from extractive industries has been associated with corrosive effects on economic, social and political life in other countries, including lease seeking and government bureaucracy.

Trade union movement should face up to the challenges building new capacity in new areas, build technical skills, assure health and safety, as well as better working conditions in the sector and make sure that the revenues from oil are distributed equitably through engaging companies working in oil and gas sectors and policy makers to ensure the decent work agenda of employment, job security, respect for trade union rights and promote social dialogue.

It is in this context that the East African Trade Union Confederation (EATUC) in collaboration with Southern Africa Trade Union Co-ordinating Council (SATUCC) and funding from LO-Norway developed a project on Oil for development. After a series of consultative regional workshops, round table discussions and country reports on the exploratory study on the Extractive Industry in selected countries from East African Community and The Southern Africa Development Community, EATUC came up with this guide as a first step towards building trade union capacity in the oil and gas sector.

Oil and gas being a new sector in the region, it is important for trade unions to understand the background and more important the policy and legal framework of the sector as they prepare

to organize. It is also important for the trade unions to understand the complexity and challenges of organizing this new sector. The guide therefore, deals with the following issues, oil and gas potential, governance, employment creation and Organizing.

The main objective of this manual is to provide basic knowledge for trade unions on issues of oil and gas in East Africa, at the same time providing guidance on roles, priorities and policy areas for trade union engagement. The manual also provides the trade union with an insight of organizations that are working towards advocating for good governance and democracy within the extractive industry.

## THE EAST AFRICA COMMUNITY

The EAC region comprising of Burundi, Tanzania, Uganda, Kenya and Rwanda is located between 5030"N 120S and 28045"E 410 50" E. The region has a total surface area of 1,817.7 thousand square kilometers with Burundi, Tanzania, Uganda, Kenya and Rwanda accounting for 1.5, 51.7, 13.3, 32.1 and 1.4 percent respectively. The region has a total land area of 1,716.0 thousand square kilometers. During the year 2010, the EAC total land for agriculture was estimated at 124,718 thousand hectares which was accounted for by Burundi, Tanzania, Uganda, Kenya and Rwanda in the share ratios of 1, 38.6, 13.0, 45.6 and 1.8 percent, respectively. Under natural forester cover of forest and tree resources, Tanzania takes the highest proportion (92.9percent)

The midyear population projection in the EAC region was estimated at 133.1 million persons in June 2010, representing a 2.8 percent growth from 129.5 million projected in June the previous year. The highest growth (3.5 percent) was recorded in Uganda while Kenya recorded the lowest population growth rate of 1.3 percent.

The EAC registered an average overall real GDP growth rate of 1.8 percent in 2010 compared to an average growth of 4.4 percent in 2009. For the second consecutive year, Rwanda and Tanzania recorded the highest economic growth of 7.5 and 7.0 percent, respectively. Uganda and Kenya recorded marked improvements in the rate of real GDP growth of 5.6 percent each compared to growths of 3.9 and 2.6 percent, respectively, in 2009 (Table 2.1a). In absolute terms, total GDP (at current prices) for the region amounted to US\$ 79,231 million in 2010, compared to US\$ 73,822 million in 2009. The dominant sector in all the partner states in 2009 was agriculture, followed by wholesale and retail trade and manufacturing. The transport and communication sub-sector has consistently been improving its contribution to GDP.

The per capita GDP (at current prices) increased slightly from US\$ 638.2 in 2009 to US\$ 685 in 2010. Kenya had the highest per capita income of US\$ 833.4, followed by Rwanda, Uganda, Tanzania, and Burundi in that order with US\$ 540.0, US\$ 525.9, US\$ 522.0, and US\$ 173.0, respectively.



## OIL AND GAS DISCOVERY IN EAST AFRICA

Seismic tests over the past 50 years have shown that countries up the coast of East Africa have natural gas in abundance. Early data compiled by industry consultants also suggest the presence of massive offshore oil deposits. Those findings have spurred oil explorers to start drilling more wells in East Africa, a region they say is an oil and gas bonanza just waiting to be tapped, one of the last great frontiers in the hunt for hydrocarbons. Richard Schmitt, CEO of Black Marlin Energy commented that a lot of other people in oil companies working in East Africa have long been convinced that it's the last real high-potential area in the world that hasn't been fully explored. He noted that for a variety of geopolitical reasons, that more than anything else, it's been neglected over the last several decades. Most of those barriers are currently being lowered or have disappeared altogether.

The East African Region has a total of 28 prospective sedimentary basins with over 37 International Oil and Gas Companies Licensed in the region. The petroleum resources so far discovered in East Africa is estimated at 2 billion barrels of oil and 3tcf natural gas.

Mineral resources, oil and gas constitute a possible blessing but also a possible curse, in many cases oil discoveries across the world and more especially in Africa, has not directly impacted on the workers in terms of decent work for a decent living. Despite the huge revenues accruing from the oil industry, many of the locals in the oil regions in Africa have remained poor or in war. Therefore to avoid this kind of "curse" in the East African oil industry, the decent work Agenda should be central in the policies on oil to enable the industry impact positively on the workers by improving their standards of living.

We should not re-invent the wheel but learn from countries which ~~has~~ have leverage their natural resources wealth into sustainable growth through investment attractive policies, fiscal discipline and long-term planning. The member states should ensure that there are minimum best conditions to help and ensure that the benefits from the Extractive Industries are not squandered and the citizens left with costs that include environmental damage, health risks and conflicts.

## **IMPORTANCE OF OIL AND GAS FOR SUSTAINABLE DEVELOPMENT**

History has shown that some economies have evolved faster and strongly than others due to the discovery of oil and gas. Discovery of oil and gas has led to reduced consumer prices of this commodity hence giving people more to spend on other consumables. This has have a ripple effect that has led to more job openings and more jobs filled therefore reducing the unemployment rate and a higher national per capita income. Oil and gas fluctuations in recent years have shown the significance effect it has had on economic growth of East African Countries. Oil and gas should be used as helper of a country's economy and not the passion by which it is run. The production of great income for a country and a higher GNP that oil production is something that should be able to benefit them for many years to come. If you look at the United States as a model you will see a country that handles oil with precision. When the oil industry is in a downturn, the government can step in and regulate taxes and stimulate investment by having the central bank pump in funds that would not otherwise be used.

When the oil industry is doing fine, the government can sit back and reap the prosperity of increases in employment and a rise in demand for oil. The prices will be lower for gas and oil, which means consumption will be up and the economy will be up too. East Africa can learn how to handle oil to the extent that it creates an agenda that the benefits far outweigh the costs. We know that oil and gas affects the economy and that it easily regulated by strong central government and bank. The infrastructure must be built up to manage growth. The leaders of the country should be committed to the development of the oil industry. Finally the consumers should be aware of how their role in the consumption of oil will affect the economy as a whole. When all parties are aware and committed to the prosperity of their country and to the industry then the consumption, supply, demand, profits, losses, and investment towards oil will be a mutually beneficial one for the country and its people.

## **GOOD GOVERNANCE**

Good governance is a form of governance that embodies eight specific characteristics, and can be seen as an ideal of governance. Good governance embodies processes that are participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive, and [which follow] the rule of law. Moreover, good governance ensures that human rights are respected, the views of all stake holders and the minorities are taken into account, and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society". Clearly, there is a close relation between good governance and respect for human.

Billions of people live in countries rich in oil, gas and minerals. With good governance, the exploitation of these resources can generate large revenues to foster economic growth and reduce poverty. However when governance is weak, such resources endowments may result in poverty, corruption and conflicts.

## **POLICIES, LEGISLATION AND REGULATION**

With the history of governance in East Africa it is more than important to concentrate efforts on strengthening good governance in our respective countries. There should be adequate and timely oil and gas, fiscal laws.

The relevant legislations need to ensure the following:-

- Having an efficient system of governance through development of institutions, including legislation and manpower, necessary for effective management and regulation of the oil and gas sector.
- develop the oil and gas industry with optimal local content and participation, enhancing national development with job creation;
- manage effectively the potential revenue from oil and gas production and processing;

- Establishment of the country's oil and gas resource base so as to facilitate short, medium and long term planning for the sector.
- Management of the country's oil and gas resources together with the revenues accruing there from, in a manner that facilitates sustainable development and equitability.
- Managing the impact of an emerging oil and gas sub sector on, among others, the country's governance system, the economy, the environment and subsequently human development.
- Building a consensus through participation of the country's trade unions, private sector and its entrepreneurs in the oil and gas activities.
- Build reliable system of peace and justice that will ensure management of expectations, arising out of the perceived benefits of oil and gas activities.

### **INSTITUTIONAL FRAMEWORK**

#### **The state**

This includes the parliament, cabinet, ministry responsible for oil and gas, petroleum authority, national oil company and other government ministries and agencies.

- to have clearly defined delegation of powers and responsibilities.
- to ensure accountability throughout government's own administration
- to have proper documented processes for decision making
- to have clear and transparent contractual terms that are subordinate to the legislation

#### **Oil Companies**

This include the role of these companies in ensuring maximum return and their involvement of local people without exploitation and environment degradation and also adhering to the rule of law and ensuring decent work.

#### **Civil society organizations**

The rationale for a national policy on oil and gas should be to enhance the sustainability of petroleum wealth and its impact on all stakeholders. Being a new sector in the region the

current status of the industry is incompetent in service deliveries in promoting society's welfare objectives. Policies must not only focus on enhancing industry effectiveness and efficiency, it must be mindful of equity issues with respect to wealth distribution among all stakeholders—governments, communities, and operators

### **TRADE UNIONS**

Active trade unions are an essential part of a vibrant civil society which advocates for participatory, transparent, and accountable governance. The promotion of principles of good governance and democracy serves to create an enabling environment for the general population; hence, it will aid workers to realize democratic participation in decision-making and also create a receptive environment for all trade union activities, including tripartite negotiations.

### **PUBLIC MONITORING**

- The government should provide a platform for effective public monitoring and supervision of oil and gas activities
- For public monitoring to be effective there is a need for transparency in the processes involved in the oil and gas sector
- The government needs to ensure effective and timely flow of relevant data
- The public should have freedom of expression whenever they need to do so without the government preventing or intimidating them.
- Public monitoring can only be effective in the existence of active and responsible civil society organizations and trade unions
- Since the sector is new and young the public need to be informed through research findings and analysis done by the academic world, trade unions and other civil society organizations
- Media should play an important role in building awareness and informing the public on the progress of development of the sector.

## **INTERNATIONAL INITIATIVES PROMOTING GOOD GOVERNANCE**

### **Extractive Industry Transparency Initiative (EITI)**

The EITI aims to strengthen governance by improving transparency and accountability in the extractive sector. The EITI is a global standard that promotes revenue transparency. It has a robust yet flexible methodology for monitoring and reconciling company payments and government revenues at the country level. The process is overseen by participants from government, companies and national civil society.

#### The EITI Principles

The EITI Principles, agreed at the Lancaster House Conference in June 2003, provide the cornerstone of the initiative. They are:

1. Share a belief that the prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction, but if not managed properly, can create negative economic and social impacts.
2. Affirm that management of natural resource wealth for the benefit of a country's citizens is in the domain of sovereign governments to be exercised in the interests of their national development.
3. Recognize that the benefits of resource extraction occur as revenue streams over many years and can be highly price dependent.
4. Recognize that a public understanding of government revenues and expenditure over time could help public debate and inform choice of appropriate and realistic options for sustainable development.
5. Underline the importance of transparency by governments and companies in the extractive industries and the need to enhance public financial management and accountability.
6. Recognize that achievement of greater transparency must be set in the context of respect for contracts and laws.
7. Recognize the enhanced environment for domestic and foreign direct investment that financial transparency may bring.
8. Believe in the principle and practice of accountability by government to all citizens for the stewardship of revenue streams and public expenditure.
9. Committed to encouraging high standards of transparency and accountability in public life, government operations and in business,
10. Believe that a broadly consistent and workable approach to the disclosure of payments and revenues is required, which is simple to undertake and to use.

11. Believe that payments' disclosure in a given country should involve all extractive industry companies operating in that country.
12. In seeking solutions, it believes that all stakeholders have important and relevant contributions to make – including governments and their agencies, extractive industry companies, service companies, multilateral organizations, financial organizations, investors, and non-governmental organizations.

#### The EITI Criteria

Implementation of EITI must be consistent with the criteria below:

1. Regular publication of all material oil, gas and mining payments by companies to governments ("payments") and all material revenues received by governments from oil, gas and mining companies ("revenues") to a wide audience in a publicly accessible, comprehensive and comprehensible manner.
2. Where such audits do not already exist, payments and revenues are the subject of a credible, independent audit, applying international auditing standards.
3. Payments and revenues are reconciled by a credible, independent administrator, applying international auditing standards and with publication of the administrator's opinion regarding that reconciliation including discrepancies, should any be identified.
4. This approach is extended to all companies including state-owned enterprises.
5. Civil society is actively engaged as a participant in the design, monitoring and evaluation of this process and contributes towards public debate.
6. A public, financially sustainable work plan for all the above is developed by the host government, with assistance from the international financial institutions where required, including measurable targets, a timetable for implementation, and an assessment of potential capacity constraints.

#### Benefits of Being a Member

Countries rich in natural resources such as oil, gas, and mining have tended to under-perform economically, have a higher incidence of conflict, and suffer from poor governance. These effects are not inevitable and it is hoped that by encouraging greater transparency in countries rich in these resources, some of the potential negative impacts can be mitigated.

*Benefits for implementing countries* include an improved investment climate by providing a clear signal to investors and international financial institutions that the government is committed to greater transparency. EITI also assists in strengthening accountability and good governance, as well as promoting greater economic and political stability. This, in turn, can contribute to the prevention of conflict based around the oil, mining and gas sectors.

*Benefits to companies and investors* centre on mitigating political and reputational risks. Political instability caused by opaque governance is a clear threat to investments. In extractive industries, where investments are capital intensive and dependent on long-term stability to generate returns, reducing such instability is beneficial for business. Transparency of payments made to a government can also help to demonstrate the contribution that their investment makes to a country.

*Benefits to civil society* come from increasing the amount of information in the public domain about those revenues that governments manage on behalf of citizens, thereby making governments more accountable.

### **PUBLISH WHAT YOU PAY (PWYP)**

Publish What You Pay (PWYP) is a global network of civil society organizations that are united in their call for oil, gas and mining revenues to form the basis for development and improve the lives of ordinary citizens in resource-rich countries. PWYP undertakes public campaigns and policy advocacy to achieve disclosure of information about extractive industry revenues and contracts.

PWYP has two roles:- advocacy and building capacity

#### **Advocacy**

PWYP's advocacy agenda is expansive and reflects PWYP's belief that transparency needs to be pursued through diverse but complementary mechanisms. PWYP recognizes that all stakeholders who play a role in supporting or investing in the extractive industries have a responsibility to act to increase transparency. This understanding forms the basis of our advocacy agenda detailed below.

#### **Building Capacity**

As the global movement to promote transparency and accountability in the extractive industries has gained momentum over the past few years, there has been a parallel explosion in the number of civil society groups demanding company and government transparency in resource-rich developing countries. Around the world, Publish What You Pay (PWYP) members have mobilized to monitor and research their countries' extractive regimes and budget



processes and reach out to governments, companies and international financial institutions to advocate for greater revenue and expenditure transparency.

PWYP's identity as a truly global network gives us broad access to decision-makers in many different arenas. The PWYP international secretariat is committed to ensuring that this network remains strong and unified in purpose, by regularly sharing information, best practices and lessons learned across the world. This may also be done through peer-to-peer exchanges, allowing national members to benefit from the knowledge and expertise that exist within the network.

The growing desire to monitor the payments, revenues and expenditures within the extractives sector has also generated an increasing need for technical training around these issues – from contracting and taxation regimes, auditing and accounting processes, EITI processes, and rules and policies – to, more recently, expenditure-side work to track revenues from government coffers to point of destination.

PWYP collaborates with local and international actors to organize training workshops, conferences and seminars to help meet these needs.

Part of the additional value of the PWYP global network is the solidarity it provides to civil society operating in difficult environments. Over the years, network members have worked together to lift restrictions placed on individual campaigners, and have mobilized support to safeguard the role of civil society in public debate and decision-making around the management of natural resource revenues.

This work has been supported financially and substantively by the network of PWYP members and donors. The following capacity building programs have been organized by PWYP members in the past:

### **ROLE AND RESPONSIBILITY OF TRADE UNION IN THE OIL AND GAS SECTOR**

It is a critical time for trade unions to network with likeminded organizations to campaign for more responsible management of natural resources. Extractive Industries policies are known for their weaknesses and have been criticized for allowing shoddy mining activities in the country. The increasing levels of poverty, dissatisfaction with foreign investors' operations in

the extractive industries (and the lack of revenues collected thereof), lack of transparency and accountability in the Mining Development Agreements (MDAs) within the region, not to mention the human rights violations and environmental degradation caused by mining companies have been plaguing public authorities for some time now. Moreover, in Zanzibar, despite oil exploration starting more than ten years ago, there is still no policy or law to supervise corporate operations; nor does a Corporate Social Responsibility (CSR) regulation exist.

#### **ROLES OF TRADE UNIONS AT SECTORAL LEVEL**

- Organizing and recruitment in this sector
- Negotiation and signing of collective agreement that spell out the conditions of workers in this sector
- Dissemination of campaign materials on oil and gas sector
- Networking with likeminded institutions
- Awareness raising activities, forums and workshops
- Continuous lobbying and advocacy activities to promote good governance and democracy in oil and gas sector
- Due to multiple sector nature of the oil and gas sector sectoral trade unions should be encouraged to practice solidarity and or merging where possible.

#### **ROLES OF TRADE UNIONS AT NATIONAL LEVEL**

- Dissemination of campaign materials on oil and gas sector
- Networking with likeminded institutions
- Strengthening tripartism at the national level to enhance social dialogue
- Awareness raising activities, forums and workshops
- Continuous lobbying and advocacy activities to promote good governance and democracy in oil and gas sector
- Review some of the trade union constitutions to enhance a democratic culture

- Due to multiple sector nature of the oil and gas sector sectoral trade unions should be encouraged to practice solidarity and or merging where possible.

### **ROLES OF TRADE UNIONS AT REGIONAL LEVEL**

- Holding tripartite regional activities to promote and strengthen social dialogue
- Engaging the EAC and involved in discussions on policies on oil and gas sector
- Networking with other like-minded institutions at the regional level to enhance participation and effective engaging of the EAC
- Continuous lobbying and advocacy at the EAC on issues related to promotion of good governance and democracy in the oil and gas sector
- Capacity building for awareness creation for the regional unions on emerging issues in oil and gas sector in the region and beyond
- Sharing of information and good practices within the trade union family
- Campaign against multiplicity of trade unions and encourage mergers in order to strengthen the movement in the region

### **RESPONSIBILITIES OF TRADE UNIONS IN THE OIL AND GAS SECTOR**

- To ensure oil sector jobs have good pay, job security and the health and pension benefit oil workers deserve *by negotiating for better terms and conditions at work*
- to ensure the rule of law not only by promoting labour law compliance, but ~~by~~ also helping communities and hold government leaders accountable
- to support community efforts in ensuring the environment is protected
- to use their broad political and legal strength to fight for not only workers rights but also for the voices of the voiceless
- To adopt union structures which are flexible of the emerging issues and the organizing and recruitment of member from the oil and gas sectors
- To strengthen the capacity of leaders to engage and put pressure on employers for recognition and collective agreements in this sector

- To strengthen the organizing departments that have the capacity to organize and recruit the workers within the sector
- To collaborate with international trade union movements of the same sector to share experiences
- To be knowledgeable of the background of oil and gas sector
- To participate in the regional debates and forum on oil and gas development
- To end discrimination and inequality issues
- To preventing child labour
- Labour inspection

## **ORGANIZING**

Trade unions have been experiencing a decline in membership in recent years. To address this trend, the trade unions have to undertake initiatives to aggressively recruit more workers, which broadly translate into organizing in the private sector currently the Oil and gas sector is one of those sectors that offer a great number of membership. However, unlike the traditional sectors organized among the trade union of East Africa this sectors comes in with complexities that need to be understood as trade unions gear up to organize in this sector.

### **Complexity of the oil and gas sector organizing and recruitment**

- **Multi-sector nature of the oil and gas industry**

In the era of multiplicity and splinter unions in the region it is important for trade union to understand the multifaceted nature of the oil and gas industry for their effective organizing. The oil and gas industry employs people in a very wide variety of job roles, both offshore and onshore, in all sorts of specialists and professions. People can be employed in jobs as different as drilling to find oil under the Sea, to negotiating and implementing legal agreements for the development of oil and gas fields. The industry has the following categories oil producing plants, oil refineries and mechanical plants. Trade unions should consider organizing all ~~this~~ these workers under one umbrella union or association of oil industry workers.

- **Migrant workers**

Considering the lack of capacity with the region in the oil and gas sector, the industry is prone to have a huge influx of migrant workers who are more qualified than the East Africans and those who are not qualified too. The trade unions should be ready to deal with issues of discrimination of the multinationals who employ expatriates from other countries.

- **Temporary and short term contracting**

Learning from other oil rich nations, the trends in employment is shifting to casualization of employment in this sector. Poverty and unemployment has been the major catalyst for the growth of this kind of employment trend. There is a shift of employment from regular and full time employment to temporary and short term contracting employment. The trade unions should be ready to deal with outsourcing and labour agencies if they have to protect the rights of workers in this industry and avoid the race to bottom of working conditions of the workers in this sector. Trade unions need to be ready to advocate for enforcement of laws on casual work and contract.

- **Skills development and technology transfer**

Learning from other sectors in the extractive industry in East Africa, trade unions should be ready to ensure that there is skills transfer to their members as the oil and gas sector grows so as to ensure job security and capacity building of members, hence reducing the number of expatriates being brought in by multinational corporations in this sector.

- **Occupational Safety and health**

Issues of occupational safety and health within the oil and gas industry may vary from the traditional issues that trade unions within East Africa are accustomed to. Trade unions need to build their capacity on occupational safety and health in regards to oil and gas industry, and industry that is associated with heavy duty machinery and working offshore.

- **Multinationals (oil giant companies)**

Trade unions should be strong to engage this multinationals that more often have support and connections to the government, which always leads to frustration of trade union work within this sector. It is also important for the trade unions to understand effective governance is key to dealing with this multinationals. It is important for trade unions to understand that this multinationals have been in this business for long and have all the tricks in the book to deal with trade unions. It is advised that Trade Unions establish solidarity with international trade secretariat and Global Unions for coherence on ILS observation

- **Central Government, Local government and government agencies**

Trade union will have to understand the legal framework in which the above bodies influence the outcome of policies and development of the oil and gas sector. This means trade unions should be strong to build the capacity so as to be able to engage the government at all levels and ensure that their voices are heard.

- **Worker-community tension**

Experiences from other oil rich nation has shown tension existing between the local communities and oil plants. This always put the workers in danger since most of the time they are the ones. Trade unions need to go beyond the tripartite arrangement and engage the community leaders, activists and environmentalists.

- **Environment protection and green production**

Trade unions have to build capacity in the area of environmental protection, risk management assessment on environment, community's role in protection of the environment, protection of wildlife and marine life

- **Offshore drilling**

This is a new area for the trade unions. Since there is a huge potential of offshore drilling both for. It is an area for trade unions to build capacity.

- **Governance, and legal loopholes**

The oil and gas industry in other countries have been marred with cases of corruption and mismanagement that has led to government losing out on millions of dollars in revenue. A few of the society have been able to amass wealth at the expense of the society that is left to deal with issues of pollution, loss of land and poor working conditions with low wage.

### **TRADE UNIONS CAPACITY IN ORGANISING AND RECRUITMENT OF OIL AND GAS SECTOR**

Trade unions organize and recruit members, the following issues need to be adhered to:

- To create workers' rights awareness
- The compliances of labour laws to employers should be respected
- Compliance of the legislation by the government to protect her workers and citizens in hold companies in oil and gas sector accountable
- Observe internal democracy of trade unions
- Issues of youth and gender mainstreaming to be observed

### **RECOMMENDATIONS**

- Trade unions have to be involved at all levels in the areas of oil and gas because they have always been the pillars of development in many economies.
- Trade unions need to step up on organizing workers in the extractive sectors, so as to be able to fight and protect their rights.
- There is need to improve and ensure that collective bargaining agreements in the oil and gas industry is made compulsory. However, there is need for trade unions to improve on their negotiating skills. Trade unions should also use this opportunity to improve the working conditions of the workers
- There is need to develop and adopt good policies and legislation for the oil and Gas sectors in East Africa. Trade unions should also play their role in the formulation, implementation and monitoring of policies and laws. Employers and investors in this sector should be forced to comply with these laws.

- Sharing of best practices on how to make oil and gas a blessing rather than a curse
- Trade unions should conduct research, so as to have the information and data to be used to make informed decisions whilst fighting for the rights of the workers.
- Networking and alliance building with other like-minded organizations, learning from their experiences is important in making oil extraction a blessing.
- Transparency should be exercised in the oil industry, were by issues are presented openly as they are, there should also be fair distribution of resources for the benefit of all people.
- There is need for expanding on the skills development for the workers to be able to work in the oil sector for example there is need for technical institutions to train the workers in the oil and gas industry.
- The trade unions should openly name to shame companies and employers who don't respect the rights of workers.
- Trade unions should advocate and demand for open discussions on contracts and agreements between the investors in the oil sector and the government or nationals. The Memorandum of understating between the investors and governments with the confidentiality clauses must be avoided, because most of them have the no exit-clause.

## **CONCLUSION**

- Oil is a new phenomenon in the East Africa Economy, social and political set up.
- Workers should position themselves to cope up with the challenges of the asset
- There is need to sensitize workers on the oil and gas sector
- It is every person's right to participate in promoting good governance of the Oil & Gas sector and ensuring that Oil brings lasting benefits to all
- Openness in Oil deals and Transparency in the use of Oil revenues are essential for improving service delivery in the country
- Remember that Oil & Gas sector developments must observe human rights at all times
- Trade unions should start organizing workers in the oil and gas sector in East Africa
- However, the Workers' unions need a lot of support in order to cope up