Extractive Industries for Development Series #28
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Extracting Lessons on Gender in the Oil and Gas Sector

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THE WORLD BANK

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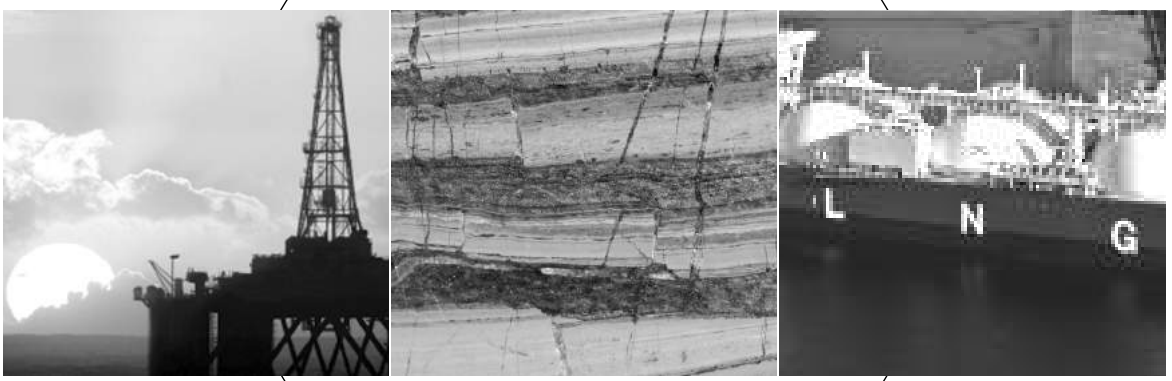

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World Bank | Oil, Gas, and Mining Unit Working Paper

World Bank Group's Oil, Gas, and Mining Unit
Sustainable Development Network
Sustainable Energy Department

The Oil, Gas, and Mining Unit series publishes reviews and analyses of sector experience from around the world as well as new findings from analytical work. It places particular emphasis on how the experience and knowledge gained relates to developing country policy makers, communities affected by extractive industries, extractive industry enterprises, and civil society organizations. We hope to see this series inform a wide range of interested parties on the opportunities as well as the risks presented by the sector.

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Cover photos: Oil rig, hematite-banded ironstone, LNG tanker

The World Bank Oil, Gas, and Mining Unit

The World Bank Group's role in the oil, gas, and mining sectors focuses on ensuring that its current interventions facilitate the extractive industries' contribution to poverty alleviation and economic growth through the promotion of good governance and sustainable development.

The Oil, Gas, and Mining Policy Division serves as the Bank's global sector management unit on extractive industries and related issues for all the regions of the world. It is part of the Sustainable Energy Department within the Sustainable Development Network.

Through loans, technical assistance, policy dialogue, and analytical work, the unit leads a work program with multiple sector activities in more than 70 countries, of which almost half are in Sub-Saharan Africa. More specifically, the Oil, Gas, and Mining Unit:

- Advises governments on legal, fiscal, and regulatory issues and on institutional arrangements as they relate to natural resources, as well as on good governance practices.
- Assists governments in setting up environmental and social safeguards in projects in order to promote the sustainable development of extractive industries.
- Helps governments formulate policies that promote private sector growth and foreign direct and domestic private sector investments.
- Advises governments on how to increase the access of the poor to clean commercial energy and to assess options for protecting the poor from high fuel prices.

In essence, the Oil, Gas, and Mining Policy Unit serves as a global technical adviser that supports sustainable development by building capacity and providing extractive industry sector-related advisory services to resource-rich developing country governments. The unit also carries out an advocacy role through its management of the following global programs:

- The Extractive Industries Transparency Initiative (EITI) Multi-Donor Trust Fund, which supports countries in implementing EITI programs.
- The Global Gas Flaring Reduction (GGFR) Public-Private Partnership, which brings governments and oil companies together to reduce gas flaring.
- The Gender and Extractive Industries Program, which addresses gender issues in extractive industries.
- The Petroleum Governance Initiative (PGI), which promotes petroleum governance frameworks, including linkages to environmental and community issues.
- The Extractive Industries Technical Assistance Facility (EI-TAF), which facilitates "rapid-response" advisory services on a demand-driven basis to build capacity for extractive industry resource policy frameworks and transactions.

Contents

Abbreviations

ANU	Australian National University
BTC	Baku-Tbilisi-Ceyhan
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CEO	Chief Executive Officer
CMCA	Community Mine Continuity Agreement
CNG	Compressed Natural Gas
EIA	Economic Impact Assessment
EITI	Extractive Industries Transparency Initiative
ELAW	Environmental Law Alliance Worldwide
EPA	Environmental Protection Agency
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
HDI	Human Development Index
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILG	Incorporated Landowner Groups
ILO	International Labour Organization
JSDF	Japan Social Development Foundation
LLG	Local Level Government
LNG	Liquefied Natural Gas
MEM	Ministry of Energy and Mines
NGO	Nongovernmental Organization
NOC	National Oil Company
OECD	Organisation for Economic Co-operation and Development
OWRPO	Oil Workers' Rights Protection Organization
PMV	Public Motor Vehicle
PNG	Papua New Guinea
SEIA	Social Environmental Impact Assessment
SEGOM	Sustainable Energy, Gas, Oil, and Mining
SPE	Society of Petroleum Engineers
STD	Sexually Transmitted Disease
UAE	United Arab Emirates
UNDP	United Nations Development Programme
USSR	Union of Soviet Socialist Republics
WIMAP	Women in Mining and Petroleum areas
WIN	Women's International Network

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The team also wishes to acknowledge the superlative quality of support and efforts of our editor, Mary Anne Mulligan, and administrative and logistical support from Victoria Bruce-Goga.

Executive Summary

This paper explores the divergent experiences of women and men who live in areas that are directly affected by oil and gas development, and highlights how the industry specifically contributes to "gender gaps" in the unequal distribution of assets and risks. Evidence from surveys and interviews with community members, company representatives, and government officials in oil- and gas-affected areas is analyzed and potential solutions are presented to reduce inequality, increase operational efficiency, reduce risks, and foster sustainable development. The paper aims to demonstrate how oil companies, policy makers, and donors, as well as citizens and nonprofits, can benefit from facilitating more equitable sharing of oil and gas wealth, with a particular focus on the inclusion of women. It points out the gains that can be realized through mutual collaboration to minimize harm for those people whose lives and environments are most directly impacted by the industry.

In technical terms, "petroleum" describes a naturally occurring mixture consisting predominantly of hydrocarbons in a gaseous, liquid, or solid phase. The definition excludes coal, but encompasses both crude oil and various forms of gas. Although both oil- and gas-producing areas were sought out in the process of writing this paper, its content is inspired by the perspectives of affected men and women who universally referred to the industry simply as "oil." For that reason, the paper mostly uses the word "oil" in place of "petroleum," to mean both crude oil and gas. Much has been written on oil and development from a macroeconomic perspective, within the "resource curse"[1] literature. Relatively little research to date has considered gender as a significant variable. In contrast, this paper analyzes development locally (within the 'upstream' onshore areas of oil exploration and production) and explicitly considers gender at the intersection of social, environmental, and economic issues in these areas. Otherwise expressed, this report does not focus on the issues that face communities in general when oil is discovered; rather, it focuses on the gender-differentiated manifestations of these issues. It should be noted that gender is one of several lenses that could have been used for examining inequality in the communities visited. Discernible gaps in exposure to risks, benefits, and opportunities were also visible

across multiple other lines of differentiation including between those of different socioeconomic groups; between those who were educated and those who were not; between those of different ethnicities; and between those who were 'local' to the resource area and those who migrated. Gender inequalities work across all lines, but were selected as the framework for research in their own right because of their specific bearing on a broad array of intergenerational social and economic development issues, as will be discussed in more detail below.

Gender, as defined here, is differentiated from biological sex: Gender describes the separate behaviors, identities and roles into which males and females are socialized, and contrasts the freedoms and constraints that come with these roles. This paper therefore examines how gender influences risks and opportunities in upstream areas of oil-rich, low-income countries. While noting that "women" themselves are not a homogenous group and that varying levels of vulnerability exist within each gender in all communities, the evidence from communities visited suggested that inequalities between men and women are pronounced and have significant development implications. Therefore the subject is approached through this most basic "gender" lens, acknowledging its imperfections. The paper adopts a qualitative approach to research, presenting the perspectives of the people who live in the immediate vicinity of upstream operations and attempting to faithfully interpret what can be learned from their testimonies. The community members interviewed in all locations were indigenous to those areas, rather than migrants. Although the focus of the research was on the perceptions of men and women in impacted communities, the paper also takes a more limited look at the experiences of those men and women who are employed directly or indirectly by the industry. Interviews were conducted with government and company representatives to triangulate findings; all case-study locations were within the footprint areas of international oil companies (or state-owned oil companies that are structured and governed like private companies).

Case-study evidence is drawn from Azerbaijan, Peru, and Papua New Guinea (PNG). Several recurrent findings can be generalized across these diverse case-study countries, which are also analogous to the results of previous analyses conducted by the World Bank in the mining sector. For example, both men and women tend to perceive that oil revenues dramatically multiply the inequality gaps in their society—those between urban and rural populations, those between citizens who are well connected to government and others who are not, and especially between the sexes. Largely, they observe that risks tend to accrue to those who

are located near the actual production of the resource, while benefits and revenues flow elsewhere. This perception is also influenced by anticipation that the discovery of oil will translate to wealth for those who live on top of the reserves. Notably, women tend to bear the brunt of the risks, and where local benefits are available, men largely capture them, typically reflecting existing patterns of gender inequalities in communities that predated oil development. In social contexts where existing gender inequalities are pronounced, the pressure of changes wrought by oil can deepen the disadvantaged status of women as community members and within their families.

All communities visited for this research are located in poor and/or rural areas of developing countries where the state government is weak or absent. In such places, incoming oil companies are confronted with a de facto governance role and high expectations from communities for sharing benefits in various forms. From the perspective of local people who are watching their lives and resource base transform rapidly, their interests and those of the company and state rarely align satisfactorily. After decades of make-do, largely autonomous, and self-sufficient lives, they are often frustrated with externally driven changes over which they have little control or say, and acutely aware of their sudden marginalization. This is especially true for women, who face greater struggles to assert their voice and agency. In every community, people speak of their desire for the tools and agency to take charge of their own futures. They perceive that the majority of those who enact policies and make decisions are male, elite, and removed—not the people who have to live with the consequences of social, economic, and environmental change—and political impotence.

According to the men and women consulted for this paper, however, the full story of the 'resource curse' is not only one of unmitigated risks but also of missed opportunities. Primary among the grievances of women in particular are the barriers to economic opportunities that they face. For these women, employment or the ability to generate income—even through an enterprise as modest as selling homemade baked goods—means the ability to keep supporting themselves with a degree of freedom and dignity as their traditional survival strategies shift amidst the upheaval of oil-induced modernization. Certain structural challenges underlie many of the localized negative externalities of oil production; for example, weak governance capacity and poor corporate citizenship. These are compounded by cultural challenges, including patriarchal traditions that support a highly gendered division of labor and exclude women from making decisions.

Community-level perspectives of the oil industry exist in parallel with those of operators, and are often markedly divergent. Many large international oil companies have extensive programs for investment in local communities, and strive to uphold international best practices in terms of mitigating social and environmental impacts. Sometimes company standards, especially around environmentally responsible behaviors, are more rigorous than those required by the regulatory regime in which they operate. In places where we found oil companies that were genuinely committed to doing no harm, unfortunately, there was frequently a disconnection between the good intentions, effort, and resource allocation of the company and the perceived and actual benefits realized by the local community. This may reflect poor communication or a relationship of mistrust; in most cases, companies report struggling to reconcile very high expectations of the community with the potential to create shared value in daily operations. However it is also true that the quality and reputation of the oil operator, together with the ability of the government to effectively regulate the sector, are highly correlated with levels of community satisfaction. This research uncovered a wide variety of attitudes and commitments within the industry around addressing gendered issues.

Field evidence suggests that many, but not all, of the perceived gendered inequalities of opportunity and risk would become more benign if they were counteracted by efforts to systematize the economic empowerment of women. In surveyed communities, both men and women expressed a tremendous appetite for meaningful work that could be catalyzed by the incoming capital of the oil industry and its potential for creating economic niches, but that could also survive after its departure. Without careful tailoring of government and company policy, however, the few opportunities that become available locally typically benefit only men. This situation is not inevitable. While direct employment creation within the industry workforce is often limited, the provision of other inputs such as start-up capital, training, and sensitively designed infrastructure (electrification, roads, internet access) can help to foster and support female entrepreneurs in previously isolated areas and along resource corridors where new contracting and business opportunities arise. Greater connectivity to the outside world can help to increase the leverage of women, and of communities more broadly, mitigating risk by enabling the company and state to be held accountable, and allowing local people to forge alliances that strengthen their voices. The positive spillover effects of these investments for women are optimized if they are accompanied by a regulatory framework and enforcement mechanisms that guarantee nonnegotiable asset security for both men and women,

and safeguard their environmental and social integrity in the face of rapid change.

Evidence from impacted communities suggests that due to patriarchic social structures and traditional gendered division of labor, women often bear a greater proportion of the stress associated with oil-induced social and environmental changes than do men. Women are typically responsible for the health and well-being of the family, often including food production, sourcing fuel, cooking, domestic duties, and care of children and the elderly. This work is largely "unseen" and unpaid; as resource development leads to a more complex economy, women report experiencing a loss of status as their economic contribution is devalued. Economic, social, and environmental changes related to project development combine to heighten the burden on women. Common dimensions of this burden include pollution, land loss, rising prostitution, and alcohol consumption, and the de facto exclusion of women from consultations, decision making, and access to new income streams entering the household.

This research indicates that local development in oil areas will continue to underperform for women if it is reduced to a conventional "command-and-control" approach to crisis management, with the state on one hand and the company on the other. A more comprehensive, critical, and creative approach is needed, both to define how to incorporate gender in inclusive, sustainable development, and to think more widely about the types of agency that can be harnessed to achieve this ambitious goal. This includes especially creating space to recognize and include the needs of and challenges faced by women, where these diverge from the dominant community voice. This paper suggests that any intervention that does not attempt to align the interests of the community (including and especially women), the company, and the state is likely to underperform. For companies, there is an instrumental case for improving gender-equitable benefit streams from the oil industry (reputational enhancement and increased operational effectiveness thanks to greater community satisfaction). There is also a moral, rights-based case for improving gender equality. Following from the argument evidenced in the 2012 World Bank World Development Report on Gender, this study takes the position that investing in women is both the smart thing to do and the right thing to do.

History to date suggests that in low-income, oil-rich states, the process of nation building and democratization is fraught with difficulties.[2] However, investing modest amounts of oil and gas wealth in local communities in ways that encourage greater accountability to those most affected, and the building of local government capacities, can help accelerate this

process while mitigating the potential for instability in production areas. The arrival of an image-conscious international oil company brings new authority and latitude to reset gender norms as local opportunities to participate in the project are created and distributed. If the company wants to instigate for example, gender quotas in hiring, it may do so. There is potential for women as well as men to gain access to benefits in a way that aligns with the company's interests in securing a social license to operate, optimizing operational efficiency and enjoying reputational enhancement. By learning from successful women leaders and entrepreneurs in oil communities, developing inclusive business practices and partnership models, recognizing the potential contribution of traditional institutions, and respectfully upholding environmental rights, the oil industry can limit its negative footprint and contribute to promoting sustainable, gender-equitable development.

Notes

1 The *resource curse* refers to a body of evidence suggesting, counterintuitively, that countries and regions that are well endowed with finite, point-source natural resources (particularly minerals and fossil fuels) exhibit poorer performance across a range of development and economic performance indicators compared with countries that have fewer natural resources.

2 Naím. 2009. "The Devil's Excrement: Can Oil-Rich Countries Avoid the Resource Curse?" http://www.foreignpolicy.com/articles/2009/08/17/the_devil_s_excrement?page=0,0

Introduction

This paper, written by the World Bank's Sustainable Energy, Oil, Gas, and Mining unit (SEGOM), with funding from the Norwegian government's Petroleum Governance Initiative, explores how the oil and gas industry affects men and women differently in upstream areas of onshore oil and gas production, and provides recommendations to stakeholders for how to address these impacts. It follows from previous mining-focused World Bank publications on the Gendered Dimensions of the Extractive Industries, and is the World Bank's first survey paper to specifically examine gender in the oil and gas sector. Drawing on qualitative evidence from three selected case-study countries in the developing world, the paper provides analysis and guidance to assist companies, governments, and donors to ensure equitable access to benefits as well as insulation from risks related to the oil industry. As a survey paper and with this wide audience in mind, the approach taken is deliberately broad, aiming to provide an overview of issues and a framework to begin analyzing them. From the perspective of gender equity, it aims to help position the sector to play a leading role in sustainable growth at the national and local levels in developing countries.

This research resides in a broader context of World Bank Group work on gender, specifically within the gender and extractive industries program. Coinciding with the release of the World Development Report (WDR) 2012, the World Bank has scaled up gender mainstreaming as a corporate priority, in recognition of the fact that greater gender equality is necessary to fully realize the potential development impacts of World Bank programs across all of its sectors. The WDR framework suggests a focus on: i) endowments (key inequalities related to education, health, and/or physical assets); ii) economic opportunities (inequalities related to jobs, land, agricultural technology or markets); iii) agency (ability to make choices and take action to achieve desired outcomes, including voice in making decisions). The energy sector is increasingly recognizing the gender dimensions of access to services and benefits and exposure to risk as critical elements to be considered for effective policy making and project design. In practice, this translates as integrating a gender perspective throughout the lending operations of the World Bank Group to

improve gender equity in project participation, benefits, and opportunities. Within SEGOM, the World Bank has a dedicated program for gender and the extractive industries; to date this team has produced a wide variety of tools, reports, and guidance on achieving better community and gender outcomes for task team leaders, policy makers and industry representatives involved in large- and small-scale mining. Within the IFC, the Women in Business Group and the CommDev program complement the work of SEGOM in this area. The former recognizes that aspiring businesswomen often are prevented from achieving their economic potential due to gender inequity, and is therefore committed to providing opportunities for women in business. The latter provides practical knowledge and tools focused on social, environmental, and economic development issues for companies, civil society, and local and regional governments.

In the interest of encouraging an inclusive path to economic prosperity more broadly, incorporating gender-informed policy and programs in the development of the oil sector can have cascading positive effects, as women play multiple socioeconomic roles in productive, reproductive, and community-based activities. The connection between positive outcomes for women and positive development outcomes for society as a whole has been well established. Research demonstrates that women are more likely than men to invest in the education and health of their children, and to invest income back into their communities, spending their resources on nutritious food, medicine, education, and family needs.[1] Women entrepreneurs are also more likely to start businesses that have a social good as their goal.[2] Unleashing the economic contribution of women has the potential to double productivity. In the context of the oil sector, companies can mitigate the risk of community hostility and dissatisfaction by ensuring that consultation, community investment, and hiring processes include women as well as men.

Interviews and desk research for this paper were conducted in oil-affected communities in Azerbaijan, Papua New Guinea (PNG), and Peru, with supporting evidence drawn from Abu Dhabi, Myanmar, and Uganda. Findings confirmed that, like mining and other extractive industries, oil development often brings greater local risks and fewer local benefits to women than to men. Evidence also suggested that there is significant potential for correctly directed policies and local investment to create opportunities for women that can help to counteract the negative risks associated with social change and environmental pollution, and improve their social and economic status. Across the countries examined, gender inequalities identified in areas of oil development were

linked with both income access asymmetries between men and women, and greater social vulnerabilities among women. It is important to note that communities typically have underlying patterns of gender inequality that predate oil development, so these are therefore not "caused" by the industry as such. Rather, evidence suggests that the vulnerabilities women already experience frequently exacerbate the (often unconscious) gender blindness of oil project development, which tends to reinforce existing social hierarchies and favors (male) incumbents in positions of power.

This paper, conceived in the context of the World Bank's existing publications on gender and mining,[3] highlights that there are many similarities between the gendered dimensions of the mining sector and those of the oil sector. The oil industry has a few important differentiating technical, physical, and political characteristics, however, that bear on its relationships with local communities. The fixed sites of oil and gas deposits leave no flexibility in choosing the location of the activity, except to stop it altogether. Pervasive uncertainty and volatility (due to the discovery process and commodity markets) makes it difficult to negotiate rigid arrangements on benefit flows. The very different implications of exploration (which may be very short lived) and oil field development (which may change the landscape and society forever) are related. As a finite point, resource oil development will necessarily end in resource exhaustion, leading to the issue of what happens after closure (ranging from the potential resumption of earlier land uses and livelihoods to the creation of ghost towns).

More broadly, few other industries match oil in terms of political influence, public scrutiny, and economic clout. Few other industries garner the kind of negative publicity that oil receives, particularly on social and environmental performance. From the perspective of people living amidst oil extraction, the amount of money invested in development and the revenues that flow from production are facts of *local* geography—even if this is not reflected in national and corporate accounting frameworks. Expectations are typically very high, although there may be few opportunities for job creation as project infrastructure often has a light footprint and requires a smaller, skilled workforce to operate. Impacted communities feel that they too should be given the opportunity to share in the benefits of an oil boom on their doorstep, but evidence indicates that for a variety of reasons that will be expanded on below, women are less likely than men to have the chance to capitalize on potential benefits.

Oil, Gender, and Development: Literature Review

Are increasing gender inequality and oil development causally related? Existing academic analysis suggests that context is everything. Several studies that rely on regression results illustrate a positive correlation, but interpretations of this data run into a host of difficulties around endogeneity. This problem is widespread in the gender and growth literature more broadly and is clearly explained in the World Bank's recent World Development Report on Gender.[4] In the current context, endogeneity implies that the relationship between gender inequality and oil development is complex, mediated by multiple external variables, and therefore the attribution and direction of causality in any observed correlations is impossible to prove in a statistically robust manner. In this vein of research, Ross (2008) identifies a correlation between lowered gender equity and oil dependency. To conduct the study, Ross took the independent variable oil income (categorized as oil revenue minus expenses of more than $100 per capita per year), and ran it against a number of dependent variables to elucidate the relationship of oil to gender. The dependent variables were number of seats held by women in a country's government, the percentage of women in the formal labor force, the type of governance structures, and the Gender Rights Index.[5] These are controlled by the variables "high income" if their incomes are above the sample mean (US$1,592), "Islamic" if more than 50 percent of their citizens are Muslim, and Middle Eastern (17 countries in the Middle East and North Africa as defined by the World Bank). He notes that the oil-rich variable is statistically significant in terms of lower levels of female labor participation, in contrast to the Islamic variable, which is not. There are exceptions to the oil-centered model on gender inequality: Uzbekistan, Turkmenistan, Syria, and Mexico all have higher female labor force participation, political representation, and gender equity than would otherwise be predicted; he attributes this to the policies of their governments.

Ross's hypothesis is that high oil rents have a negative impact on the presence of women in the labor force and, consequently, on women's gendered representation in government. He asserts that they do this in two conspiring ways: through "Dutch disease"—wherein an increase in natural resource exploitation may be tied to a decline in the export-oriented manufacturing sector (and their relative wages)—which Ross argues is a major avenue for women's employment; and through males' concurrent income-level increase in the construction and services industries, which raises local women's "reservation wage".[6] At the same time as women's wages are declining in the tradable sectors, Ross argues that

demand for male workers in the non-tradable sectors increases, and this also affects women's participation in the labor market. Ross theorizes that this economic shift decreases the presence of women in the labor force and thereby reduces strong women's associations, ultimately weakening women's political status. Ross concludes that oil-rich nations therefore generate fewer resources and opportunities for women to influence the political process, which is responsible for "oil-producing states with atypically strong patriarchal cultures and political institutions" (Ross 2008). There are several valid critiques of this study, and the critiques point out the importance of context. Globally, women laborers make up a minority in manufacturing industries, other than in specifically labor-intensive export-oriented industries such as textiles or electronics manufacturing. In addition, Caraway (2009) notes that inward-oriented industries can also thrive in oil-rich nations and pull in a significant amount of low-wage female labor. Charrad (2009) focuses on differences between Tunisia and Morocco, and finds that a nation with both higher oil rents and a smaller female labor force can coexist with a higher Gender Rights Index value and higher female political representation. She argues that while oil rents may decrease the presence of women in the labor market, that does not necessarily cause a decrease in political participation, which she argues is not a result of strong women's organizations formed in the manufacturing labor force, but instead progressive family law policy. Middle East evidence suggests that, unlike the examples Ross relied on to correlate gender equity with women's presence in the labor market, upper-class women from prominent families, not working women, determine women's political representation. In Tunisia, progressive family law leading to improved education and increased political representation came before the presence of strong women's organizations. In contrast, the presence of women's organizations failed to promote gender equity or political representation in war-torn Algeria. Therefore, she argues that the relationship between strong women's organizations and political representation that Ross suggests is binding is not observable in the Middle East, and therefore the impact of oil on the manufacturing sector cannot be solely held accountable for women's position in these societies.

Kang (2009) iterates on the Ross study by adding the institution of gender quotas to the data set. She finds that gender quotas offset the effects of oil rents on women's political representation. According to Kang, " 'petroleum patriarchy' is a tendency, not destiny" (Kang 2009). As of 2008, more than 100 countries around the world use voluntary political party and compulsory legal quotas. Of 64 countries that produced more than $100 per capita in oil rents per year, 33 (51.6 percent) have

adopted quotas (Kang 2009). Kang finds that oil-rich countries with quotas have, on average, slightly higher rates of female representation than oil-poor countries with quotas, unless the analysis excludes OECD countries. The presence of quotas is positively and significantly correlated with women's representation when controlling for oil rents, female labor force participation, and political institutions such as democracy and the electoral system. In a simulation where the income is set at the mean and the country is not in the Middle East, the percentage of women in parliament jumps from 14 percent to 19 percent when quotas are introduced. In the absence of quotas, the effect of oil rents on women's participation is significantly negative, whereas in the presence of quotas it is not. Kang brings up a number of questions on the role of institutions in shaping the resource curse's impact on women, and suggests that oil's impact on gender in developing countries is different than in developed countries. Noting the above-mentioned problem of endogeneity, which is compounded by Kang's addition of gender quotas and measures of democracy, these results are most usefully interpreted as a catalyst for raising interesting questions. Further, the methodological difficulties of the Kang and Ross studies highlight the need for more country level analyses of gender inequality and oil development that do not rely on regression results.

These differing perspectives show the complexity of trying to elucidate a universal relationship between oil and gender inequity, while suggesting the promise of gender quotas and strong, gender-based policy interventions to mitigate its impact.

Methodology

i. Conceptual Framework

This research was designed to address a gap identified in existing literature—i.e., a dearth of analysis documenting how men and women in oil-affected communities differently experience and perceive the opportunities and risks of oil development. Initial research questions were: What do policy makers and companies need to understand about the different challenges men and women face in oil-rich communities? How can gender-sensitive approaches help to mitigate risks and increase opportunities for all community members? What roles can governments, companies, and donors play in helping to implement a gender-sensitive approach to oil development? The research aimed to be broad in scope, focusing on three developing countries with contrasting geographical, cultural, economic, social, and governance characteristics. Rather than seeking through a quantitative approach to understand causal relationships

between gender equity and oil and gas development, the research sought to elucidate gender issues that are correlated and associated with the oil and gas sectors. This approach is better suited to the goal of presenting information on men and women in a community *perceive* the oil and gas sectors, , therefore providing policy makers and companies with baseline data with which to influence and improve their engagement. The overarching hypothesis to be tested was that in spite of widely differing underlying contexts, there are recurrent patterns in the gendered experience of the risks and opportunities of the industry and therefore the local contribution of the sector to sustainable development.

The framework of this paper focuses primarily on uncovering the experiences of women relative to men. This simple framing of gender was chosen as the most appropriate for the goals of the research, and in light of evidence (from the literature review and analogous research in the mining sector) that differences between men and women's experiences of the industry are rooted in their traditional gender roles. This is particularly pertinent in terms of relations to the environmental resources that are essential to well-being in remote rural areas, where oil and gas reserves are often discovered. However it is important to acknowledge that even in subsistence communities, gender interacts with other aspects of identity such as socioeconomic class, religion and ethnicity; the experiences of women within a community are not monolithic. As far as possible, the paper aims to capture the varying textures of women's views by accurately representing their testimonies from focus group discussions, and generalizing analysis only on those points where women expressed consensus.

This research begins with the premise that sustainable, gender-inclusive local development should be an integral goal in oil project development. Breaking down the notion of sustainable development into its component parts provides the framework for organizing the responses to focus group questions and understanding how the oil sector impacts different facets of women's lives. The paper defines "sustainable development" by drawing on Amartya Sen's concept of the essential "freedoms" that the process of development should seek to advance: political freedoms, economic facilities, social opportunities, transparency guarantees, and protective security.[7] Sen notes that "societal arrangements involving many institutions . . . are investigated in terms of their contribution to enhancing and guaranteeing the substantive freedoms of individuals, seen as active agents of change, rather than as passive recipients of dispensed benefits." Adapting a more simplified version of Sen, this paper therefore paid particular attention to whether and how the presence of

the oil industry influences opportunities and risks for women in four key areas: economic assets, free voice and information, social capital, and environmental security. The four areas were defined as follows:

- **Economic Assets:** *To be able to access, defend, create, build and own income-generating assets through entrepreneurship (ability to start own business), waged employment, education, royalties, and land tenure.*
- **Freedom of Voice and Information:** *To be able to freely represent individual preferences, access information, express grievances, and demand transparency from those in positions of power in order to build trustful relationships and improve the quality of potential oil-related benefits.*
- **Social Capital:** *To be able to strengthen resilience against the external pressures that can exaggerate social dislocation and detrimental effects on the quality of family life.*
- **Environmental Capital:** *To be able to rely on guarantees of sustainable environmental management that ensure the integrity of the natural resource base and therefore the physical and material security of its dependent households.*

The framework of this research understands exposure to risks and negative impacts (for example, pollution or increased transmission of sexually transmitted diseases) in terms of the absence or insecurity of opportunity to enjoy the 'freedoms' that Sen conceives of. The paper therefore investigates whether women have differing abilities to benefit from economic assets, free voice and information, social capital, and environmental security—taken together as the prerequisites for sustainable development—in oil-rich areas. Relationships between community members, the state, and the company are examined, and recommendations presented for key stakeholders (including donors) to implement project development in a way that minimizes gendered risks and promotes equality of opportunity for women. Field research therefore investigated community members' perceptions of the distribution of these opportunities by gender and in relation to the oil industry. This will be described in more detail below.

ii. Country Selection

The original countries long-listed for consideration in this study included Mozambique, Nigeria, Egypt, Azerbaijan, Papua New Guinea, Bolivia, Ecuador, and Peru. In addition to the overall goal of ensuring diversity, the compilation of this shortlist was guided by a set of key parameters: to select low- to middle-income developing states with high scores on the

UN's Gender Inequality Index, a high proportion of per capita national income derived from oil rents, and that together would represent geographical diversity. The final country selection of Azerbaijan, Peru, and Papua New Guinea reflected a decision made relatively early in the research to focus resources on just three countries that satisfied the selection criteria and where research was physically achievable on the ground. The other candidate countries were eliminated for a variety of (mostly pragmatic) reasons. Ongoing unrest and security concerns in Egypt and Nigeria caused those countries to be dropped altogether. The World Bank has more operational engagement in (and therefore more potential to support field work in) Peru than in Bolivia and Ecuador. A scoping mission to Mozambique revealed a limited industry footprint the fact that most gas lies offshore, rendering the country unsuitable for the research design. Following extensive scoping research and outreach with country offices, primary research with community members was ultimately conducted in Azerbaijan, Peru, and Papua New Guinea. A wider literature review supplemented the primary data from these three case studies. Country profiles based on secondary data offer contextual information to situate the analysis of women and the oil industry in these states; these are provided at the end of this publication.

iii Data Collection

Primary research with community members was qualitative in nature and mainly drew from focus group discussions conducted by local research consultants in local languages. In Azerbaijan, Papua New Guinea, and Peru, women and men from two and three impacted communities respectively participated in focus group discussions. Communities included were all in the onshore, upstream areas of their respective oil or gas projects, and were located adjacent to or within walking distance of production infrastructure. In Azerbaijan, where oil has been produced for more than 100 years, communities were located around the Sengachal oil terminal near Baku. In Papua New Guinea, research focused on the Southern Highlands region (specifically men and women from the Hides and Kutubu areas), where two large international oil companies are developing a new liquefied natural gas (LNG) project that is due to come online in 2014, as well as operating several established, smaller oil and gas fields. In Peru, the three locations were the oil fields in the region of Loreto in the Northern Amazon, where oil has been extracted since the 1970s; the gas fields in Camisea in the central Amazon basin, where a consortium of international oil companies has been operating since

2004; and the oil fields in El Alto, Piura, in the dry coastal north of the country, where oil has been produced since the 1900s.

At least two focus groups, each with a minimum of eight participants, were held in every community: one with women only, and one with both men and women. Focus groups in communities generally lasted about two hours and took place over one or two days; each session began with an introduction to the research and ended with a validation where participants were given the chance to provide feedback and agreement with the data recorded. Where possible, a separate men's focus group discussion was included, using the same design. Key informant interviews with industry experts, civil society leaders, and government officials were conducted in each country, both by international and local research consultants. Before leaving each country, validation workshops with key informant interviewees were held in the capital to provide an opportunity for feedback and endorsement of the research process. All research for this study took place during 2011 and 2012.

Focus groups were used as the main research method, with a list of general questions used to provide a semi-structured basis for these conversations.[8] Standard sets of interview questions were also developed for conversations with civil society actors, government officials, and company representatives.[9] The research design, however, was deliberately flexible; with dialogue driven mainly by the concerns and views that people wanted to express. Given the sensitivity of the oil sector in most of the communities visited, careful consideration was given in the research design to mitigate exacerbating tensions or existing conflict within communities. In each location visited, the key concern was to retain a focus on the most authentic way of understanding local dynamics: the testimonies of the people themselves, and observations of quality-of-life conditions and community dynamics. By asking questions in their vocabulary—questions that were grounded in the way people speak about, share, and experience the world—the research was able to capture issues and perspectives that are normally difficult for policy makers and corporate managers to access.

Conceptually, questions were framed to focus more on developmental challenges and opportunities, rather than linking these explicitly to the presence of oil and gas. This proved an effective strategy, as it allowed people to reveal naturally their perceptions of the industry, without imposed hypotheses or analysis. To avoid raising expectations of assistance, the study was presented as a listening opportunity with the communities at the center. In practice, people most often focused

on the negative impacts of changes, at first placing their concerns in the foreground. One of the most striking takeaways of the research team was that the opportunity to be listened to was itself therapeutic for the communities. This may be indicative of high levels of frustration at the perceived inability of "ordinary" people, especially in indigenous areas, to gain access to decision makers, whether in companies or, often, in local and regional governments. The multi-country aspect of the research was also of much interest, as men and women learned that their experiences could potentially be drawn upon to inform planning and interventions in other oil- and gas-rich communities around the world.

This report therefore reflects neither a conclusive nor a "clean" assessment of all the gendered impacts of oil and gas developments in each area. In each location visited, oil and gas has been the most significant vehicle for transformation of the community (both positively and negatively). Given the emphasis on capturing the voices and perspectives of women and men in affected communities, it should be noted that the perspectives put forward in this study are neither the opinions of its authors nor of the World Bank Group. The study was not designed to objectively evaluate or critique the validity of the criticisms of company gender programs by community interviewees, nor to assess the effectiveness of gender initiatives that companies feel are worthy of recognition. While real, justifiable grievances exist in every community, there is also a notable prevalence of misunderstandings, misinformation, unmanageable expectations, and poor communication in the company-community relationship in most places. These dynamics unfortunately undermine what is often well-intentioned, good work that companies seek to carry out; they underscore the need for a strong mediating state presence in areas where oil development takes place. Without mediation and a sense of security among local people over protection of their rights and assets, communities might not reciprocate the initial respect that many operators offer when dealing with them.

Questions of assigning attribution and responsibility for changes in gender dynamics are not the primary intention of this publication. It should not be perceived as a systematic assessment of the quality of government and company development initiatives, nor should it be understood to exhaustively represent all perspectives. Rather, the research seeks to highlight the most consistent issues that were raised by men and women in each location, and to place a special emphasis on soliciting the opinions of women. It should be noted that many of the challenges that were raised by the men and women interviewed are not specific to oil-rich areas but rather are characteristic of poor and

isolated locations around the developing world. Attempting to engage communities in a clinical discussion about separating out the influence of the oil industry from all of the other variables affecting their reality was neither realistic nor desirable. Rather, this intersection was viewed as important to enable corporate and government decision makers in the sector to appreciate the whole context of life in oil production areas, as it is perceived and lived by local people. Although local consultants were engaged for data collection in each country, authentic translation between the world of everyday experience and the world of making policy remains a significant challenge, and fully understanding the origins of the social conditions discussed here is beyond the scope of this work.

iv Organization of Findings

The remainder of this paper begins with a brief primer: a global overview of the impacts of oil and gas production on women as identified in focus groups and interviews. The following sections then explore these findings in more depth, in terms of access to the prerequisites for sustainable development identified above: economic assets, free voice and information, social capital, and environmental security. These four areas of opportunity translate into three broad "gender gaps." First, the asset gap: a discussion of evidence suggesting that women have less access to income-generating economic assets such as waged jobs, the ability to start businesses linked to the industry, and project-related income such as compensation or royalties that stem from land rights. Second, the information gap: a discussion of evidence suggesting that women face greater difficulties in exercising free voice, participating in project consultations, and accessing transparent information from oil project developers. Third, the vulnerability gap: a discussion of evidence relating to the gender-specific vulnerabilities women face through the threats that the oil industry can present to social capital and environmental security. For each gap, an overview of relevant barriers to gender equality is presented, followed by analysis that draws on qualitative evidence gathered across the different case-study locations. The paper concludes with recommendations for how gender inequities in each area can be addressed by government, companies, and donor partners. Useful background context on the status of gender equality and the state of the oil and gas sector in each case study is provided at the end of this paper.

Notes

1 World Bank. 2011. *World Development Report 2012: Gender Equality and Development.*

2 Hechavarria et al. 2012.

3 Extractive Industries, Gender, and Communities. http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTOGMC/EXTEXTINDWOM/0,,menuPK:3157100~pagePK:149018~piPK:149093~theSitePK:3156914,00.html.

4 World Bank. 2011. *World Development Report 2012: Gender Equality and Development.* http://siteresources.worldbank.org/INTWDR2012/Resources/7778105-1299699968583/7786210-1315936222006/Complete-Report.pdf.
See Box 0.1 on page 49.

5 Nazir and Tomppert. 2005. A measurement based on women's "nondiscrimination and access to justice"; "autonomy, security, and freedom"; "economic rights and equal opportunities"; "political rights and civic voice"; and "social and cultural rights."

6 The wage level at which women could be persuaded to leave their children and household duties and earn money in a formal-sector job.

7 Sen. 1999. http://www.nytimes.com/books/first/s/sen-development.html.

8 See annex 1 for an example of focus group discussion questions.

9 See annexes 2 and 3 for examples of key informant interview questions.

Overview of Global Evidence: Gender, Oil, Opportunities, and Risks

Increasingly, project development in the oil sector is accompanied by concerted efforts by companies, governments, and donors to mitigate negative effects and promote positive impacts for local people. Programs and policies put in place often lead to improvements in the lives of local people. These might be, for example, efforts to extend the benefits of new infrastructure such as roads, electrification, and internet access to local areas; to support the development of local businesses and provide employment; and to invest in the health and education of communities through building or equipping schools and hospitals in partnership with government. There is both a strategic business case for implementing these initiatives, in the avoided cost of potential conflict and an increase in efficiency of project operations, and a public relations case, whereby project stakeholders enjoy reputational enhancement in recognition of their development efforts. Although all companies in the case-study locations were engaged with varying degrees of commitment and sophistication in community-investment activities, community consultations, and policies for local procurement and recruitment, in most cases these activities incorporated neither an explicit gendered perspective nor specific provisions to encourage the inclusion of women.

Focus group discussions and interviews suggest that the arrival of the oil industry in any country is associated with many similar patterns in terms of the unequal exposure of women to risks and opportunities. Like mining, the oil sector tends to exacerbate the risks faced by women, and while men tend to capture the majority of benefits, they often fail to share them to the advantage of the wider family. Therefore, if projects are implemented without explicit recognition of the different needs and roles that women and men have within a community, the implications for the sustainability and operational efficiency of the oil sector are likely to be less than optimal.

The gendered dimensions of the sector are discussed in overview form below, and elaborated on in more detail with supporting case-study evidence and solution-focused recommendations in the next section of the paper.

Environmental Resource Base

The physical impacts of oil and gas operations are often significantly smaller than the footprints left by mining operations, but this research found they had many similar dimensions. Locally, oil investment inevitably changes relations to the environmental resource base, and often affects the health of communities through negative changes to water, flora, fauna, and land. This process is especially traumatic for women in subsistence areas, where gender and many other aspects of identity, culture, and habit are bound up in how community members relate to land: how they see it, use it and define themselves by it. In these previously isolated locations, social relations between men and women—and allocations of work activities linked to land, economy, child rearing, and community—revolve around defined gender roles, with women typically assuming primary responsibility for the health and nutritional wellbeing of their families.

Relations to the environmental resource base shift in response to several pressures from the oil industry: land loss due to the direct footprint of the industry's infrastructure; contamination and pollution of water and soil due to poor corporate environmental management; the commoditization of land and land grabbing by speculators; and incentives to switch to cash-based work due to the influx or anticipated influx of wealth, which can lead to a drop-off in agricultural activities and diminished nutritional consumption in households. Although the availability of productive land may diminish, women's responsibilities for feeding their families do not. Women may be primary land users, but men most commonly hold land title and compensation payments therefore do not accrue to the most impacted parties.

The same logic applies to the additional time burden and stress women carry in caring for themselves or relatives who may have developed sicknesses linked to worsening environmental indicators. Water pollution and depletion (of rivers or groundwater) can result in adverse prenatal health impacts, birth defects, and the bioaccumulation of environmental contaminants in breast milk. Dust from construction has a negative impact on crops, reducing agricultural livelihood opportunities (particularly impacting subsistence growers, who are typically women).

Community members link gas venting to an increase in stillbirths and negative impacts on the reproductive health of women, while gas in the air creates an unpleasant smell, particularly within low-quality homes with poor air circulation.

Social and Family Life

The introduction of new economic activity in oil-development areas can increase the burdens borne by women and children, and heighten their dependence on men. In contexts where patterns of household decision making are customarily dominated by men, evidence suggests that the influx of money from oil-related benefit streams may further undermine the ability of women to assert agency given their dependent, contingent access to capital and the devaluation of their traditional work relative to cash income. This, in turn, devalues women's traditional land-based work and leads to a concomitant loss of status.

Increased male income also changes household consumption patterns, frequently leading to spending on alcohol, cigarettes, and other disposable items that do not benefit women and children. The construction of roads and pipelines, and the arrival of migrant workers in previously isolated areas are associated with a rise in forced prostitution, the trafficking of women (particularly young women), acceleration of sexually transmitted disease, and local prevalence of alcohol and narcotics. These dynamics heighten the vulnerability of women and children—leading to greater poverty, domestic violence, family breakdowns, antisocial behaviors, and a rising burden on female caregivers as the health of household members deteriorates. In oil-rich areas of Papua New Guinea, the concentration of wealth in the hands of male landowners has led to a shift in preferred marriage partners to favor women from other areas of the country. As a result, many local women remain unmarried and under increasing pressure to provide for the community's subsistence.

Changes in these spheres of life may be difficult for an outsider to discern; the affected habits can take time to manifest and therefore may be missed by conventional tools like Social and Environmental Impact Assessments (SEIAs), which measure only anticipated impacts before development takes place.

Consultations and Community Investment

At the early stages of exploration and development, community expectations and vulnerability often peak. Expectations can quickly turn to tension because oil discoveries frequently occur in remote rural areas with sparse government services and presence. Even if production regions are not geographically isolated, they are often impoverished places or developmental "islands" whose populations are cut off from access to capital, infrastructure, services, education, and the other prerequisites to prosperity and growth. Early and constant engagement with communities is therefore vital to ensuring the sustainability of the operation. Because in many societies women tend to be excluded from equal participation in making decisions, a conscious effort on the part of oil companies is required to promote their involvement in consultations and to incorporate their preferences in designing community-investment projects.

The inability of women (particularly indigenous women) to communicate in languages other than their native dialect, as well as literacy and time constraints, effectively makes them harder to reach as an audience and works against their equal participation in consultations and access to project-related information. Oil companies may be advised to work through traditional community leadership, where women do not have a place at the table; in other cases the timing of consultations clashes with women's activities at home. While community leaders often hold a "sidebar" with women before consultations in order to represent their views, these women whose views are sought out often belong to a small (better-connected) minority of the female population and they frequently are left in the dark about the outcome of discussions. Some women mention that they feel uncomfortable in expressing their opinions in front of men in the community and/or to a stranger (the company facilitator). As a result, women feel marginalized and excluded from a significant part of the oil and gas consultation process. This exclusion translates to a more negative view of the sector and its development among women in contrast with men. Similarly, women exhibit a far lower awareness of project operations, not understanding how and through whom to make contact with the company, and frequently feeling that their concerns were unheard or deemed irrelevant. Women are generally less able to identify any positive opportunities arising from the sector, in spite of initiatives that the company had purportedly sponsored for their benefit.

Employment and Project-Related Income (Equity, Compensation, Royalties[1])

From the perspective of the community, income from oil development can be generated from several sources: direct employment (usually very limited and focused on technical functions for which skilled immigrants are required); indirect employment (contracting opportunities in the supply chain of the industry for goods, services, and construction and maintenance of project infrastructure); induced employment (an expanded potential for local people to start new businesses that are not necessarily related to oil, thanks to greater disposable income and local cash flow); and land compensation, equity, and royalty payments the company dispenses before and during production.

Field interviews helped to confirm that men dominate all three forms of employment, especially direct jobs in oil companies. Indeed the global picture to date suggests that oil companies—as with extractive companies more broadly—have significant room for improvement in terms of workforce gender parity. According to the Global Gender Balance Scorecard, women make up only 8 percent of the executive committee members of top extractive companies surveyed. Notable oil company outliers include Marathon Oil, which has an executive team that is 33 percent female (three women and six men), and Repsol YPF just behind with 25 percent women on its top team. Half of the major global natural resource companies do not have a single woman on their executive committees. Bloomberg rankings of Fortune 500 companies indicate that the oil and gas sector has the lowest proportion of female representation at director level (only 16 percent).[2] In contrast, 74 percent of the top 100 companies in the United States and 68 percent in Europe now have at least two women at board level reporting directly to a CEO. Legal frameworks that enhance women's participation at director level are scarce; Norway was the first country to implement such a system in 2005.

At the technical and professional levels of employment, data collected by the Society of Petroleum Engineers indicates that the proportion of female workers is currently low but increasing slowly; from 2006–11, female geoscientists at national oil companies rose from 19 percent to 27 percent of the workforce, and petroleum engineers from 15 percent to 17 percent. In many countries, the ability of companies to hire local female technical and professional employees is constrained on the supply side, as there are insufficient numbers of qualified candidates. Yet national policy can have a constructive role to play here; in Abu Dhabi, the UAE government made

a strategic decision in 2006 to establish Arzanah, a dedicated faculty for women at the National Petroleum Institute, with the aim of increasing female participation in oil-related careers. The Society of Petroleum Engineers (SPE) has recognized the need to address the particular challenges women face in entering and progressing through a heavily male-dominated industry, and established a talent council in 2007. Part of the council's mandate is to coordinate initiatives that will recruit more new female talent, as well as collecting data through membership surveys that will allow greater understanding of gendered issues in the workforce. SPE seeks to support current female workers through a dedicated task force, the organization of workshops for peer-peer gender and diversity-related discussions, and an e-mentoring program for female engineers.[3]

Discussions conducted in the context of this research highlighted that educated women who could in theory compete for industry jobs often believe that they have to be young and attractive in order to get a position in the industry, and that, once employed, family/work conflicts affect their careers more drastically and with less workplace support than their male colleagues. In certain cultures, the notions of "appropriate" work for women help to reinforce the already masculine stereotypes of working in the oil sector and can make for an unwelcoming environment for female employees. Although most companies do have very strictly enforced codes to prevent sexual abuse and harassment, companies often avoid the additional effort and costs required to design a workplace that is truly gender friendly (for example arrangements for childcare, provisions for paternity and maternity leave, sex-segregated accommodation, and opportunities for women to gain pastoral support through peer networks). Where jobs are scarce and oil production is in decline, the hostility of men toward women entering the labor force increases—as do incidences of domestic violence and abuse.

In terms of indirect and induced employment, women enjoy greater representation but often still face greater barriers in accessing capital as a prerequisite to enter or own small businesses. This is often linked to the fact that passive project income (compensation, royalties, and equity for landowners) enters the family through the male head of the household or clan; women may not be consulted in spending decisions and may only access this income at the discretion of their male family member. Local content policies, whereby companies commit to source as many supply-chain contracts as possible from local businesses, can indirectly benefit women. These benefits can be augmented through a comprehensive system of support, as will be discussed in the recommendations given below.

Notes

1 All three of these benefit streams might not apply in every case, depending on the legal structure that governs benefit sharing in the oil sector in a particular jurisdiction.

2 Stonington. 2011. http://www.today.com/id/43526947/ns/business-us_business/.

3 Capello. http://www.spe.org/career/docs/diveintogenderpool.pdf.

1. The Gender Asset Gap

To be able to access, defend, create, build, and own income-generating assets through entrepreneurship (ability to start own business), waged employment, education, royalties, and land tenure

1.1 Entrepreneurship

Developing opportunities to build a sustainable local asset base that will endure beyond the life of the project creates significant payoffs for companies and governments, as this strategy increases the ease of project implementation, minimizes operating risks, and helps to reduce the difficulties inherent in project closure. It also capitalizes on the potential to dramatically accelerate healthy development outcomes in previously impoverished and underserved areas. Oil-rich communities have both a need and opportunity to drive entrepreneurship, thanks to the increased local cash flow that the industry injects and the new niches of demand it creates. Oil companies and governments of oil-producing countries are therefore increasingly focused on negotiating local content policies in an attempt to create viable economic opportunities for people who are immediately affected by the development.

"Local content" refers to the set of actions—local recruitment, training, purchases of local goods and services by the company as part of its supply chain—that are designed to develop the industrial infrastructure and skills of the people in countries that host oil and gas projects. Local content generally is measured as a percentage of investment, hours worked, the equipment manufactured, or the number of jobs created.[1] As well as supply-chain contracting to the company, the influx of money and labor to an oil development area generates additional indirect demand for local goods and services. Local men and women in existing economic activities such as farming or fishing might reinvest capital earned from waged employment, facilitating local market expansion and gains in productivity. In the unique context of Papua New Guinea, where customary landowners are also legally entitled to negotiate a share of equity and production royalties as well as preferential

access to project tenders, this revenue stream has provided ample scope for the development of several highly profitable landowner businesses, the majority of which are owned by men.

1.1.1 Barriers to Gender Equality

Interviews and focus groups revealed a number of structural inequities facing would-be female entrepreneurs and contractor beneficiaries of local content policies, as compared with their male counterparts:

- *Unequal access to financing and information on the local market:* Women frequently noted that their desire to start an income-generating project was constrained by their ability to source start-up funds. Women commonly reported that they accessed cash only through their male household members (fathers, husbands or brothers), reflecting patriarchal social norms, the greater opportunities that exist for men to gain waged employment in the local oil economy, and limited avenues for small loan facilities that cater to the circumstances and needs of women. Although they often possessed the concept for a business and the practical skills required to make a marketable product (for example, cooking skills to make prepared food for sale), women generally expressed low awareness of how to gain key information on pricing, demand, and other aspects of the local market.
- *Lower literacy, income-generating skills, and numeracy among women:* A lack of basic literacy and numeracy skills severely constrains the kinds of business opportunities open to women, as well as the efficacy of their decision making in day-to-day transactions—for example, accounting for inventory, calculating profit and loss, and selling products and services. Lack of access to training in marketable skills (for example, sewing, cooking, driving, or mechanic skills) also places women at a disadvantage; families interviewed for this research tended to state a preference for allocating scarce educational opportunities to boys over girls. Low levels of literacy also affect the ability of women to access networks of information that could help them to develop and advance their enterprises. Many women noted that procurement networking for lucrative company contracts tends to favor those already in positions of power; frequently, these are men. Additionally, in order to qualify for bid submission, local companies are frequently required to fill out paperwork and legal registration of their incorporation. This barrier can be particularly onerous for women in the absence of literacy or external assistance.

- *Cultural biases and stereotypes:* Leadership stereotypes favoring men were dominant in every community visited for fieldwork, while cultural or home-based obligations tended to monopolize women's time. Women expressed that their self-perceived lack of capacities and self-esteem undermined their ability to demonstrate adequate "professionalism" in the eyes of the wider community or the company, and pointed to a lack of positive female role models they could turn to for guidance or mentoring. In many places, potential for women's cooperative-led businesses had failed to materialize due to lack of a precedent for cooperation and teamwork that could unite women under a shared economic purpose.

1.1.2 Evidence and Analysis

Specific provision for the involvement of women and women-led groups is an important but infrequently recognized dimension of inclusive local content policies. Evidence from communities suggests that both companies and governments need to intervene to develop entrepreneurial potential in oil-rich communities, and to include women in this process from the beginning. Conversations with women and men who live at the center of oil operations revealed a significant number of barriers facing would-be entrepreneurs—particularly women¬—in their efforts to participate in emerging business opportunities. Those we interviewed repeatedly emphasized that they could not gain the skills, capital, or negotiating power fast enough to benefit from the changes that oil brings to their locality, although they recognized the potential that could be realized if they could. Lack of access to start-up funding in particular was a commonly cited barrier, especially among women. *"If the company could help us lease or buy machinery, we [can] provide safe, good services for them,"* said one woman in Papua New Guinea.

Lack of infrastructure and connectivity to markets was another key barrier to entrepreneurship identified by communities, and was frequently linked to expectations or hopes of company assistance. In Azerbaijan, for example, despite close proximity to the capital city of Baku, poverty and poor infrastructure compounded the economic isolation of communities living around the Sengachal Terminal and BTC pipeline. Unlike other rural areas visited, the surrounding land is primarily a desert ecosystem, so agricultural opportunities are limited. Communities often rank highway construction as an important side benefit of oil development, as it can facilitate market access for small producers (many of whom are women) to sell their wares along the roadside.

The main highways may still be inaccessible to the majority of rural women, however, pointing to the importance of linking new highways to smaller systems of feeder roads to enable inclusive growth. Without feeder roads, highways are of course less accessible to the rural population as a whole. Gender is relevant because women tend to be less mobile than men due to home-based and child care responsibilities, and also tend to have less access to money to be able to afford transport to highways than men. A World Bank gender and transport expert who is familiar with the challenges of life in the resource-rich areas of Papua New Guinea observed: *"Companies have the expensive equipment that is required to level out feeder roads while communities could contribute the free labor required to maintain them. Such an arrangement could be the basis of a mutually beneficial partnership."*

In Papua New Guinea, even for those few women who have successfully founded companies in the oil regions, isolation is a constant battle. As a national gender officer employed by an oil company commented: *"The biggest challenges [for female entrepreneurs] are infrastructure, access to an established market, and then tools/ technology . . . The bridging solution is making accessible road systems so outsiders could come to the women and buy their goods . . . Where there are roads, transportation [PMV—public motor vehicle] can assist women to supply their goods to nearby local markets or even to contract to LNG Camps [liquefied natural gas, the new US$15 billion investment in Papua New Guinea]."* These challenges facing entrepreneurs are common to both men and women; the issue is one of degree. In PNG, there is an acute gender disparity in access to local benefit streams from resource projects. There are many small- and medium-scale enterprises, and a few large ones, in Papua New Guinea that were entrepreneurial efforts of male landowners, facilitated by project revenues. Women do not own or manage any of these.

A complex and fractious issue around the development of entrepreneurship in oil areas is the degree to which outsiders are permitted to compete with or displace locals; often this practice has observable gendered dimensions. Where local economic opportunities already are in short supply and local women tend to be less educated and less able to secure economic participation, the presence of outsiders can cause further marginalization. For local men, field evidence suggested that prevailing cultural values around masculinity in oil areas are closely tied to the ability to secure work and income. The emasculation associated with the inability to continue to be a "provider" in changing economic conditions often manifests in alcohol abuse and violence; these negative

behaviors reflect the socially acceptable avenues that are available for men to express vulnerability and loss. Interviewees in northern Peru expressed anxiety, frustration, and anger on losing potential jobs and business opportunities to savvy outsiders who had better qualifications and better resources. *"This is supposed to be our work, our chance"* one man commented in El Alto, Piura. *"We live here—it is our community, our oil, not the people from Lima."* Without efforts to address the education and technology gaps that enable their presence, long-term dependence on migrants can lead to conflicts with locals who feel like second-class citizens in their own communities. Entrepreneurs who had established trade in the work areas visited had typically started out their businesses very modestly, often in response to niche opportunities that had arisen with the arrival of the oil industry and the resultant increase in local cash flow. Some sold baked products or hawked small goods from roadside stalls to supplement subsistence-based livelihoods. This research suggests that the growth of such enterprises into viable assets is still relatively rare in previously isolated regions.

The example of Papua New Guinea provides a counterfactual, while also emphasizing that efforts to promote local business development are unlikely to benefit men and women equally without a dedicated focus to include gender. In order to receive the production royalties to which they are legally entitled, landowning clans are required to register as companies or Incorporated Landowner Groups (ILGs). In addition to receiving substantial capital injections from royalties, the ILGs also enjoy preferential access to lucrative contracting opportunities as part of their negotiated agreement with the oil developer. Joint ventures with outsiders who have the skills, expertise, and capacities that are not locally available have enabled these companies to flourish while ownership and profits remain in the community. The removal of these significant barriers to entry has enabled relatively complex, highly profitable, and capital-intensive companies to grow rapidly in an otherwise hostile economic climate. Still, men own and manage the vast majority of ILGs. In contrast, the very low numbers of female-owned enterprises in the oil regions highlight the importance of external (government, donor, or company) targeted assistance to level the playing field. Identifying the commonalities among the few women who have set up enterprises demonstrates how environments that are rich in social capital play an important role in fostering entrepreneurial leadership. Contrasting examples from two of the three communities visited in Peru for this research also offer insights into the challenges and opportunities

for companies in catalyzing local entrepreneurship, and of including women in this process.

According to the picture painted by a composite of data on female opportunities, aspiring women entrepreneurs face a formidable struggle in Papua New Guinea. In 2011, the country ranked 140 of 146 countries on UNDP's Gender Inequality Index. Women in Papua New Guinea lag behind men across all indicators of social progress, including education, economic opportunity, political empowerment, and health. Women generally suffer from excessive workloads, malnutrition, poor access to safe water and healthcare services, excessively repeated pregnancies, and extraordinarily high levels of gender-based violence. Discriminatory practices such as polygamy, early marriage, and "witch hunts" based on custom continue to perpetuate the subordination of women in the family, particularly in rural areas. Gender inequalities are very much ingrained into the social and cultural institutions of the country. Particularly in the remote Southern Highland villages around the oil wellheads and production areas for the Kutubu Oil project, the "Big Man" notion of leadership is embedded in local culture—a system of control associated with masculinity, physical strength, and patronage of powerful male clan leaders.

Papua New Guinea's oil-extraction industry is relatively recent, and its gas sector even more so. One international oil company has been present, however, in the Southern Highlands region of PNG for the past 22 years, as operator of the Kutubu oil project. In the same region, the company is the operator and minority consortium partner for the pipeline PNG LNG project, a $15 billion investment led by one of the world's largest oil companies that is expected to begin production in 2014. The governance challenges presented by geography, poor infrastructure, and limited state capacity, the specifics of local culture, and the regulatory framework set by the state, have led the operator of Kutubu to embrace an extensive mandate of corporate citizenship. By law, landowners must be consulted before any licenses are granted, and they are also entitled to the after-tax royalties of oil and gas production as well as equity payments.[2] As landowners are also shareholders, the company's interest in maintaining a social license to operate is a strategic operational challenge, rather than an afterthought. *"The unique legal structure and the high demands and expectations of communities in the absence of state assistance make it an extremely challenging context to operate in,"* said the director of the PNG Chamber of Mines and Petroleum. *"This means that PNG resource companies are leading*

Box 1: Leading Practice in Corporate Engagement in Papua New Guinea

In the Southern Highlands operating area, communities largely maintain a traditional subsistence agriculture base and women often are predominant in economic production, especially in tending to food gardens. One of the company's gender officers noted that the company, with varying degrees of success, has started several women's cooperatives for fish farming and vegetable production; one group immediately around the Kutubu project has established a link to supply one of the catering companies contracted by the operator. The operator has committed to actively partnering with community women, and has deployed gender officers to each of its project sites in the production areas to coordinate with women, one of whom was interviewed for this study. "Where positive developments are happening for women is where there are individual leaders who have a vision and want to change things in their community, and it is the cooperatives led by those women that the company backs," she says. "The company tends to try and help the people who have a plan and a clear idea of what they need . . . we want to support projects that will lead to some kind of economic development that will be sustainable in the longer term, beyond the life of the oil project." The women the company works with are all exercising leadership both socially and economically in ways that may seem relatively modest, but are nonetheless ambitious in their own context. Naomi, a very organized Foe clan leader in the Kutubu area, has established frequent communications with the company. "She is always demanding help to get the resources she needs to implement her plans," says the gender officer. Naomi's strategy is dogged persistence, throwing energy and time at the problem until she has movement. She has formed a company with her women's cooperative and has formally registered in Port Moresby so the cooperative can provide services and supply food to the company's contractors.

the world in community relations work . . . they are pioneering some really innovative, cutting-edge practices that are far beyond the usual concern for good corporate citizenship." Only recently, however, have the interactions between the presence of the industry and the welfare of women started to receive attention, and the company has moved to include a focus on women in their efforts to catalyze local sustainable businesses with affected communities.

In the more remote area of Hides, Judy, who belongs to the highly patriarchal Huli clan, has also organized her local women's association into a registered company. The group catalyst was receiving some very basic training in baking and sewing techniques as part of a project funded by the World Bank Japanese Social Development Foundation (JSDF). Under Judy's leadership, these women have leveraged their new skills to start selling small goods and tailoring services to neighbors. The cooperative has raised enough money to build a semi-permanent structure for their economic activities; they plan to open a training center there. Kathy, another Foe woman, also formed a cooperative and, with help from the oil company, is in the process of starting a chicken-breeding project.

While the Christian Church (in many different denominations) has a strong presence throughout PNG, all three women entrepreneurs have particularly close ties to it; both Kathy and Judy are married to pastors. According to the community affairs officers of several resource companies in PNG, the Church can play an important role in increasing the success of women's cooperatives that originate under its auspices. In the provinces where state services are minimal, the Church often provides education to all, regardless of sex. The influential position of the Church confers social collateral to people with close links to it. This can allow women greater license to assume leadership roles than they would customarily be granted. The Church is also a key forum in the community that brings women together; within the context of the Church, the "unionizing" of women is legitimate rather than threatening. It is a place where they can cement bonds of trust and friendship and identify as a shared interest group. *"Sometimes when we are trying to get the cooperative off the ground one of the biggest problems we face is that women are not used to the idea of working together so they fight among themselves . . . they typically will ask 'what's in it for me.' "* said the coordinator of the women's training programs for the PNG Chamber of Mines and Petroleum. *"If the women are from the Church and part of the same group already, they already have something in common to bind them together and it is much easier for them to cooperate."* Other interviewees cautioned, however, against a simplistic interpretation of the influence of the Church on the status and opportunities for women, noting that in other respects, religious teachings have been invoked to undermine traditional women's leadership roles in communities. The Church is important to this discussion not because of its religious or ideological role, but because it exemplifies the value to companies

of working with and through whatever structures and institutions already exist in the community.

In Peru, varying degrees of success were observed in the levels of entrepreneurship that had emerged in the oil-rich communities visited. In the gas-producing Camisea region of the Amazon basin, for example, the main agricultural products grown locally are yucca, cacao, sweet potato, banana, and coffee. Since the arrival of the consortium, local women have also begun producing tomatoes and cabbages. These women farmers reported that they could not sell any of their surplus products to the consortium because, in order to do so, they would be required to become a formal company that meets requisite health standards and other regulations, a process that is onerous to navigate for geographically isolated community members in the absence of outside assistance. A well-designed local content policy could address the lost potential for mutual benefits in this kind of situation. In Papua New Guinea, the longest established oil company has a commitment to buy local produce when there is a surplus, and to assist producers in improving quality. Given the logistical challenges the company faces in a remote place where most supplies must be flown in, this strategy helps to reduce operating costs.

In northern coastal Peru, the company's social responsibility program offers support to local entrepreneurial initiatives. An executive committee of citizens disburses funds, working with the municipality to suggest projects for the participatory budget process. The company has also funded stand-alone enterprises such as a bakery and a carpentry workshop. One of these micro enterprises employs 12 dressmakers who sew uniforms for the company, and another is a community dining room run by eight local women as a small enterprise that hires 36 women per month. These women were trained for one year with the support of the company but, as they explained, they had to fight for the financial support to open their restaurant. *"When the company was about to drill a well in 2006, we were tired of waiting to start our dining room after all this training so we decided to take action and made the company general manager walk from the well to the main square,"* said one of the women who served our lunch in the restaurant. The women concerned felt that their gender had allowed their earlier requests for assistance to be easily brushed aside, and that it was only by adopting a more aggressive stance that they could gain traction. After this protest, sure enough, the company provided the resources for the restaurant to open its doors. The company currently pays the direct salary of three of the women, as the restaurant is providing catering services to the company.

1.2 Land Tenure and Landowner Royalties

"Land is their everything. It is their life, their history, their wealth, their passport . . . It is their everything."
—Community affairs officer of an international oil company in Papua New Guinea

1.2.1 Barriers

Financial assets in the form of production royalties, savings, and land represent a more reliable type of economic and social security than waged employment or starting a new business. Such assets can provide the baseline on which to develop wealth, and in harder times may help to underwrite the recovery and resiliency of communities that oil development affects adversely. From a risk-mitigation perspective, state protections are important to guard against a hostile variety of immigrant-entrepreneur in oil-rich areas: land speculators, or "land grabbers." In this instance, outsiders benefit from the rapid change of economic environment and the shortsighted vision of local landowners, to buy up land around the oil development. Caught off guard, locals may become permanently alienated from their ancestral lands.

Community-level research revealed the following patterns in barriers women face to gain equal access to land and associated compensation and/or royalties:

- Overt or unintended bias in legal and formal systems: In general the research revealed weak precedents for joint title; where formal provision had been made in the law for women to own land, the level of uptake was limited due to low awareness of land rights and how to access them among women. Field evidence suggested that women are also often less likely to have formal documentation of title due to their lower literacy and resulting exclusion from the formal administrative processes of the state.
- Customary/cultural traditions and norms: In clan-based customary landowner systems, women are not typically represented in clan leadership decision making, a practice that is then carried forward as the community enters dialogue with companies and governments. There may be side consultations with women before larger plenary sessions, but there are few examples of women being on an equal footing with men in community land negotiations. Such norms mean that women often miss out on opportunities to share in benefit streams that relate to land (compensation, royalties), or

influence decisions about the future of an asset, even if they are the ones who use it primarily. Given that women and men in subsistence cultures tend to follow a gendered division of labor, the perspective of women toward the land and environmental resources can be quite different than that of men, particularly where women are responsible for ensuring household food security.

- Logistical/administrative obstacles women face around land transactions: Discriminatory loan systems (requiring the signature of a husband or male family member in order for a woman to receive a loan) create unequal access for women to obtain the financing they need to improve land assets. In remote areas where oil-affected communities are typically found, the high time and travel costs required to access banking facilities appear to be particularly burdensome for women due to their multiple roles as providers, homemakers, and caregivers.

1.2.2 Evidence and Analysis

Land is a key productive asset and a security, so legal or customary barriers to women's land ownership both hamper the growth of their businesses and increase their vulnerability to shocks. Even where there are no formal restrictions on women's access to land, as the discussion below on Peru's gender-neutral land-titling legislation demonstrates, gender inequalities continue to run across this asset class. As many benefits derive from land claims, women therefore fail to share equally in compensation and royalty payments from companies. In Papua New Guinea, one former community affairs officer from the longest established oil company commented: "It was the same story every time . . .The men [male landowners] would go to [Port] Moresby to collect the cash [royalty payments]. In town the men were always living it up with young girls, staying in fancy apartments, driving around in big land cruisers, drinking and gambling away their wealth . . . meanwhile the first wife would be back in the village with no electricity, no running water, completely in the dark."

Papua New Guinea is the only country studied here with a regulatory structure that requires affected landowners to also become shareholders in resource projects—in part, a reflection of the troubled history of the extractives sector. The forced closure of the Panguna mine in Bougainville was the precursor for 10 bloody years of civil war and a new agreement charting a pathway to independence for Bougainville.

At the Ok Tedi mine in Western Province, significant environmental damage through the dumping of tailings and other waste in the Fly River led to a class action lawsuit by impacted communities and eventually resulted in the mine's main shareholder (BHP Biliton) divesting its stake and retreating from the country.

In the oil sector, equity arrangements and the proportion of production royalties to be shared with affected communities are determined in the development forum, a negotiation facilitated by the developer but agreed to by landowning clans and the national and subnational governments. This step is legally required before issuance of a development license. The law stipulates that the national government will receive 25 percent of production royalties, while 2.5 percent will be divided between the subnational government and landowners. One male landowner praised this system, emphasizing that without direct payments to landowner clans, local people would be unlikely to receive any benefits: *"Some districts have done well but in general getting money from LLG [local-level governments] is a nightmare mess . . . It is supposed to trickle down from provincial governments with development levies and royalties, but instead companies end up subsidizing the payments to help LLGs do the projects that the people need . . . There is a [local] treasury office but it is sitting rotting. Politicians want to catch votes and forget the people for the next five years. There is no shortage of funds in the government system but they make promises and then nothing. It is a lot of hot air."*

Despite the generous system of landowner benefits, most women in affected areas of Papua New Guinea have not shared in the prosperity. One of the outcomes from the Ok Tedi case cited above was a provision for mandatory agreements among the company, impacted communities, and the state called Community Mine Continuation Agreements (CMCAs). These would essentially put the social license to operate at the heart of the regulatory license to operate. In terms of gender equity, the CMCA process pioneered for Ok Tedi is truly innovative, with no known parallel in the rest of the world. Although this case is drawn from the mining sector, it is worth highlighting here as an experience oil companies could learn from, in terms of the groundbreaking inclusion of women in the 2007 agreement renegotiations, the gender-specific benefit streams that were secured, and the implementation challenges facing the process to date.

As observed in a recent World Bank Good Practice Note that profiles the Ok Tedi process, women at first were excluded from the main negotiating table, in line with customary traditions. With pressure from both

women in the community and the company, a female delegation was established at the midway point under the leadership of a local woman. This delegation succeeded in securing an earmarked set of legally enforceable rights for women. These included 10 percent of all project benefits, 50 percent of all scholarships and cash payments into family bank accounts (to which women are cosignatories) rather than the previous system of payments to male-controlled clan bank accounts, and mandated seats on the governing bodies implementing the agreement. From their research in impacted communities, the World Bank authors note that problems of inclusivity in administering the women's allocated fund, and low awareness of the processes involved in accessing it at the village level, have so far prevented its positive impact from being fully realized throughout the project footprint. On a positive note, the switch from making payments into clan accounts to instead depositing the payments in cosigned family bank accounts was found to have led to more productive use of money and a greater share of spending benefiting women and children. In the context of a dispersed and remote population, however, families face significant travel cost and time barriers in accessing their payments, a situation that could be resolved with mobile banking services.

Critically, the authors observe the precedent-setting power of the agreement in shifting communities toward a more tolerant stance on gender equity: *" . . . Male residents did not express any resentment or complaints about the women's 10 percent, other than a critique that the women weren't using their money. This may suggest a "normalization" of women having control over some portion of resources."* [3] From this perspective (and notwithstanding the practical challenges that remain in implementation) the Ok Tedi agreement model is worth replicating. In the first place, it provides a good practice example for gender-inclusive company-community engagement; as a powerful external actor, companies have unique latitude to reset social norms that disadvantage women. The fact that companies control substantial cash flows within communities gives them the potential to add teeth to a gender-equality agenda. The Ok Tedi example is also instructive to governments, as it demonstrates the potential to put gender-equitable development at the heart of the sector's regulatory regime.

In spite of the significant payments made to oil-affected landowners in Papua New Guinea, there has been little discernible translation to a higher quality of life for most residents in the communities. "Clan systems are often highly stratified, and benefits tend to accrue to older

male leaders," said one of the negotiators of the recent and large Papua New Guinea LNG Project. Not all community members will know how much money will be given to their clan. One women from Hides, where the LNG wellheads are located, said, "The men came back and didn't say anything. We women don't know what to think. We don't understand what money will come."

The ability of women to hold title to land—legally and in practice—is often central to explaining the gender asset gap in oil-rich areas. Examining the barriers to equality in land titling in Peru and Azerbaijan also helps to shed light on some of the complexities that governments need to unravel to facilitate inclusive development. In Peru, an aggressive land-titling formalization program has resulted in 43 percent joint ownership for titled land, due in part to the active campaigns of the women's organization Flora Tristan.[4] This NGO conducted research to find out what barriers prevented more women from owning land and concluded that the high number of women who lack formal identification papers was a significant hindrance (in addition to women having less education and being less likely to be bilingual in Spanish and their native tongue). In response, the NGO launched an awareness campaign on identification papers, which coincided with ongoing rural governmental programs. In 2006, 5.3 percent of people older than 18 had no identification cards; of these, 65 percent were women and 35 percent were men. Most people without IDs live in rural areas. Without a birth certificate, unregistered citizens cannot vote, access the financial system, hold title to land, or receive services of the state like the cash-transfer program Juntos, which provides 100 soles per month to mothers of children under the age of 14.[5]

Although there are no restrictions on women's access to land or bank loans in Peru, women have been able to hold property only within the last six years. Carlos Monge, Revenue Watch International's regional coordinator for Latin America, observed that in general women are much less likely to participate in formal economic and political processes than in informal ones. There is a 2007 constitutional law against discrimination on the basis of race, sex, or sexual orientation, but the law is not well known or enforced, particularly in the context of development in resource-rich communities.[6] *"The equal opportunity law is there, but it is not integrated with a plan for development, and people don't realize it exists,"* said Carlos Monge.

In Azerbaijan, joint ownership of land between husband and wife is legal but not common. Azerbaijan as a country has committed to

gender equality in its constitution and all legal documents. *"Landowners do have rights, and the oil company gave financial relief to people impacted along the pipeline. But the properties were owned by men, and decisions about the compensation money were only made by men, so women never saw the money. It was truly wasted,"* said Galib Effendiev, Revenue Watch International's regional coordinator for Central Asia. Undocumented marriages also complicate the issue, because without a marriage certificate women cannot jointly own land with their husbands or file for compensation in the event of abandonment. The rise in births outside of registered marriage ballooned from 2.6 percent of the total number of births in 1990 to more than 14 percent in 2010,[7] and it is surmised that many of these births occur within undocumented, underage, marriages. The legal age of marriage is 17, so underage marriages are not registered with formal authorities. A child marriage is not only risky to the child who is married off, but is a key tipping point in maintaining a cycle of poverty.[8] A research study released in April 2011 by the Azerbaijan State Statistics Committee found that 63 percent of women who married under the age of 18 said they had been forced to marry against their will. Reasons included parents' pressure (26 percent), financial need (11 percent), kidnapping by the groom (6 percent), pregnancy (2 percent), and "other reasons" (18 percent).[9] In situations where marriage is a primary means of economic security, undocumented marriages are an initial barrier to joint asset ownership, and child marriages are a form of ritualized slavery.

1.3 Education and Waged Employment

Seek knowledge, for through knowledge you cause doors to be opened and not closed to you.
He who feels no shame of learning can draw forth pearls from the water; rubies from the rock.
—The Seven Beauties (Haft Paykar) by Azeri poet Nizami Ganjavi (1197)

1.3.1 Barriers

Across the study areas, girls and women in rural areas reported having a difficult time gaining education and building bankable skills, starting with the challenge of getting to school in the morning and continuing with securing a "respectable" job once they have an education. Although the main barriers related to gender inequalities in education and waged employment originate early in the life cycle of communities and therefore often predate the arrival of the oil and gas industry, companies and—to an extent—governments have a unique opportunity to help to break this negative cycle through gender-sensitive policies and community investment programs. As fieldwork highlighted, a gender-inclusive focus on education and employment opportunities can generate payoffs in broad community satisfaction and a more productive, balanced workforce environment.

Community-level research revealed the following patterns in barriers women and girls face in gaining equal access to educational and waged employment opportunities:

- Opportunity cost of work required at home for girls: In subsistence communities where research was conducted, women and girls frequently have dual responsibilities for household production as well as childcare, cooking, and maintaining the home. Many communities expressed a pragmatic preference for allocating scare educational opportunities to boys, a norm that appears to be reinforced by a perceived absence of employment opportunities for educated young women.
- Early marriage and age of first pregnancy as an interruption to female education: Particularly in remote communities where traditional customs prevail, girls are often married at 14 and younger. Evidence suggests that the practice leads to poor health, isolation, and low confidence. In general, women appeared to have lower self-esteem and an inhibited sense of agency compared with men,

which undermines their ability to leverage any education gained into employment opportunities.
- Concerns about implicit or overt bias in oil-industry workforce: Both women and men noted that companies tend to perpetuate existing biases toward men through their hiring or job-advancement practices. While men frequently expressed the opinion that available industry jobs were clearly "men's work," many women felt they could theoretically perform these functions if allowed to compete on an equal basis. Cultural stereotypes favor and reinforce male recruitment and promotion in the industry. Several women commented that they had chosen not to apply to industry jobs for which they were qualified. Reasons for this included the perception that a masculine work culture and potential sexual harassment issues would make the workplace more challenging and less welcoming to women, and that the lack of support for childcare effectively prevents women from entering or remaining in the industry workforce.

1.3.2 Evidence and Analysis

In poor rural communities, educational infrastructure is typically weak or absent, reflected in low adult literacy levels, particularly among women. For example in some oil-affected areas of Papua New Guinea, up to 98 percent of women are illiterate. In Peru, national literacy and education indicators are roughly equal for men and women,[10] but when one looks at inequality more carefully, a different picture emerges. Among members of the population older than 15, 13.8 percent of women, compared with 4.6 percent of men, are illiterate. This situation is much worse for women living in rural areas, especially Andean and Amazonian women in indigenous areas visited, where 33.9 percent of women are illiterate, compared with 14.3 percent of men.[11] Indigenous women in particular are much less likely to speak languages other than their native dialect, which compounds the disadvantages they face and limits their opportunity to place their needs in the foreground of dialogue and decision making with companies.

Oil and gas companies are often credited with opening schools and health centers in isolated areas where government services do not exist, for example in Azerbaijan near the oil terminal operated by a large international company. In fact, in every country visited during the research, community member interviewees gratefully acknowledged company spending on education, citing school breakfast programs,

provision of school materials, university scholarships, and training programs. The long history of the oil industry in Azerbaijan and the wealth it has created has played a role in furthering the education of the country's women and girls. At the beginning of the 20th century, the Russian Muslim Boarding School for Girls was the first of its kind in Baku and the first of its kind for the Muslim world. The oil baron Haji Zeynalabdin Taghiyev (1823-1924) built the school in 1901. Haji Zeynalabdin became one of the richest men in the Russian Empire; owing to his philanthropy, Azeri girls became educated doctors, teachers, philologists, and poets. "First of all they became educated mothers, which raised their status in society and contributed to the positive socioeconomic feedback loop associated with the girl effect, whereby their children (particularly the girls) were more likely to emulate their educated trajectory," said Elmira Ramazanova, director of the Geotechnological Problems of Oil, Gas and Chemistry Scientific Research Institute. Azeri women have also contributed in the development of oil production, refining, and scientific research. *"Out of approximately 200 workers at the Geotechnological Problems of Oil, Gas and Chemistry Scientific Research Institute, 73 are women, or 37 percent,"* Ramazanova noted. On the other hand, certain areas of the oil workplace remain almost exclusively a male domain; according to a human resource specialist of the company, there are only 15 Azeri women technicians working on oil rigs in the Caspian Sea out of a total workforce of 600 employees.

In Papua New Guinea, the growing emphasis on the part of donors in helping the government to address gender inequalities has provided needed expertise and dialogue in this area. Over the past decade, resource companies in particular have become a willing partner in these efforts, with many providing scholarships, study programs, and funding to build schools in communities. In the mining and petroleum sector, a special course of training has been extended to affected community women through a World Bank funded partnership, the Women in Mining and Petroleum (WIMAP) Initiative. WIMAP has hosted three international conferences in Papua New Guinea to bring together mining, oil- and gas-industry representatives, donors, and government officials in a forum where they can listen to the direct testimony of women from resource-rich communities, and understand their capacity-related needs and challenges. In 2008, with a grant from the Japanese Social Development Fund (JSDF), local trainers taught short skills training courses for women's associations in the remote mining and petroleum areas of the country. Given a very low baseline of education and

opportunity among these women, training focused on their desire to make small, incremental, and practical improvements in daily life. The introduction of more efficient or new practices in sewing, baking, and agriculture proved highly successful and cost very little to implement, with several women's associations going on to form viable income-generating cooperatives (for example growing vegetables, selling baked goods, breeding chickens). Anguli, one woman whose cooperative originated in the JSDF training, said: *"I live 10 hours' walk from where the training was held. I am the only one in my village who learned the skills and now I am teaching other women."*

The most popular component of the course, however, was adult literacy. Crucially, a large part of the program's success reflects the fact that it represented the first time these women had been listened to or invested in, and offered them a chance for self-improvement. The program manager for the World Bank project remarked, *"Everywhere I went, the women cried . . . They told me that nobody had ever done anything for them before."* The program concluded with a clamoring for further support from women who participated, and has stimulated a budgetary commitment from the government to fund a pilot small-grants program for affected women in resource-rich areas.

When women have been given the opportunity to become educated, waged employment in the oil industry (as opposed to informal work or entrepreneurship) can be an important enabling route out of poverty. Employment is perhaps the most direct, tangible benefit stream created by the industry. The International Labour Organization (ILO) notes that the global oil industry directly employs more than 2 million workers in production and refining.[12] The ILO further estimates that each job in oil production or refining generates one to four indirect jobs in industries that either supply needed inputs or benefit from value-added activities Local job creation in the upstream phase of oil development tends to peak during construction; once oil production starts, those few workforce jobs that remain typically require skilled labor. Given the highly technical nature of most work in oil operations and the small numbers of overall jobs available, direct local employment is usually very limited. In this context of oversupply of local labor and intense competition for jobs, women who wish to work face particular obstacles to securing employment and often face cultural hostility from coworkers and family members if they enter the workforce.

Where there are repressive local stereotypes about what is "appropriate" work for a woman, unexamined oil company processes of labor recruitment, hiring, promotion, and corporate culture may compound

them. According to one interviewee formerly employed by an oil company in Uganda, *"Some oil companies are reluctant to take on girls because of pregnancy, time out for child care, concerns about security and the need for extra investment to cover separate accommodation."* A lack of gendered respectfulness on the job site and in far-flung, isolated, male-dominated locations can make it more difficult to attract or keep technically qualified female engineers. Men often may fare better in promotions because the dominant work culture in oil companies grants them an advantage. After years of stalled progress watching their male peers move into management roles, some women may feel frustrated and unappreciated and drop out of the industry.

The example of a large international oil company in Azerbaijan demonstrates that companies can and should bear in mind creative ways to help level the gendered playing field when recruiting and retaining locals, especially qualified women, in their workforce. In 1997, when the "contract of the century" was signed, giving this company the right to develop the Shah Deniz field in the Caspian Sea, Azerbaijan was in the depths of an economic recession. From 1920 to 1991, the country had gone from supplying half the world's oil to being the poorest republic in the Soviet Union, and after the fall of the USSR in 1991, the economy collapsed even further. Many men left for Russia, Iran, or the United States in search of work, leaving behind their wives and children. When the company opened its first offices in Baku, it hired more women than men in positions that were open to locals because demographically there were more women to hire, and they were considered a better fit for the international work culture. In addition, the educational level of workers of both sexes was high, a legacy of the USSR.

From the perspective of contributing to local economic development, one major constraint faced by oil companies is the relatively small cadre of workers required on operational sites. Of those jobs, most are highly skilled and require tertiary education or technical expertise that cannot be sourced in many of the rural and poor areas of developing countries where oil is often found. In Azerbaijan, much of the oil is extracted near Baku or in surrounding areas and offshore, so the oil industry had an advantage with respect to local labor recruitment. Consequently, many of the industry's skilled workers are citizens of Azerbaijan. The industry is dominated by two very large companies, one national and one international. The international oil company's efforts at gender sensitivity are institutionalized in its "Diversity and Inclusion Plan," which seeks to promote gender balance. The plan has

Box 2: Feedback and Accountability Mechanisms in Azerbaijan

The international oil company's Azerbaijan Code of Conduct oversees the process for managing conflict in the workplace, but employees are also encouraged to use their "OpenTalk" phone line. The OpenTalk line exists for individuals all over the world wherever this company operates, but in Azerbaijan its use is among the highest in the world, according to the vice president of human resources. The line goes out of the country, is multilingual, and completely anonymous. In spite of its high use and the fact that they were also eligible to partake of the service, none of the women in the communities that we spoke to had heard of it, though it was well known by employees in Baku. This may point toward the need for better communication between company and community, to ensure that women are able to use the resources made available to them, and that the company receives the credit it seeks.

three parts: intervention, policy, and affinity groups. Under "intervention," the office of human resources holds diversity and inclusion training sessions that are compulsory for senior managers, covering issues of harassment and discrimination codes of conduct, as well as softer issues like communication styles. "Policy" covers workplace policies like flexible working hours and maternity leave. "Affinity groups" are groups of women encouraged to form a discussion forum for a range of issues of common concern; for example Women Technicians; Women in Engineering (which links to groups in Turkey and Georgia); and WIN (Women's International Network).[13]

Though a large international oil company operates the production-sharing agreement, it is dwarfed by the national oil company (NOC), which by some estimates employs 50,000 people. The research team was not able to interview a representative of the NOC, though many attempts were made. A woman in upper management at the international company noted that the state company *"is a huge company, and it is very likely that you'll find some best practices there with regard to gender, but I can say that the women that work here would be much less comfortable working there."* The NOC recently appointed one female vice president to its executive team.

Unemployed Azeri men take a stronger defensive and negative view toward efforts to reach gender equality in the workforce, as shown in the responses to the survey done by the Oil Workers Right Protection Organization: 40 percent of "unemployed men" agreed with the phrase "women began to dominate the men," while only 10 percent of unemployed women did. Labor force participation of women has been hovering near 62 percent since 1980 (the first year measured) without much variability, so the impression that women are taking over the economy is false (interestingly, 22 percent of respondents who were members of parliament also agreed with the statement).[14] One internationally educated Azeri man working in the United States, where he brings an earnestly held commitment to gender equality to his job, commented: *"Azeri women don't need or want jobs . . . What is important is getting married. Once they are married, they have no need for work because their husband will support them."* Similar attitudes were echoed in the focus groups in Azeri oil communities, primarily by men but also by some women.

Elsewhere in the world, the three communities researched in Peru differed starkly from one another with respect to employment opportunities for local men and women. In the Contamana district in the northern Amazon of Peru (Loreto region), very few indigenous community members (and no women) had secured jobs with the international oil company operating there. In relation to job generation near the Camisea Consortium near the Urubamba River in the central Peruvian Amazon, men complained that local hires for the consortium are discriminated against, compared with other workers. They reported that if they did not accept the conditions offered to them or if they failed to obey orders to work unpaid overtime, then contracts were not renewed and workers were dismissed. Community members complained bitterly about the unfairness of the two-tiered hiring system, citing workers from Lima who were designated as "specialists" and given much higher status, pay, and conditions. Both men and women perceived that there was an implicit regulation against hiring local women because they are "weak."

At the third Peruvian community visited, in the dusty town of El Alto on the northern coast, there is a formal agreement (established in 2006) by which the oil company must source and employ 70 percent of its labor force locally (about 1,400 people in total). But with only a few years of oil remaining in the ground, jobs are drying up. Unemployment was therefore the biggest negative impact mentioned in focus groups. Virtually every job in the town is linked directly or indirectly to

oil. One woman we interviewed, whose family owned the field where oil was first discovered, said, *"In the 1950s and '60s, the oil brought everything to the area: roads, schools, the town, services . . . Without oil, none of that development would have happened. The land would still be desert occupied by small peasant farmers."* [15] She also noted that oil provided a vehicle for education; although opportunities for women were fewer, the industry still employed secretaries and nurses and administrators who were female, including several members of her family. At that time, she remarked this was "quite radical progress" for women from poor rural areas of Peru.

Since then, little has changed in the gender stereotypes around technical and nontechnical employment, while women's expectations, education levels and aspirations have continued to evolve. In the focus groups, interviewees agreed that in El Alto today, men take most company jobs. One man remarked, "The company has more administrative staff [where there are greater opportunities for women] in Talara and Lima than in El Alto." Women complained about the unqualified and temporary jobs they get: "There are 50 rotating jobs for local women, such as secretaries and assistants, but only when they are not brought from Lima. They also do the cleaning of lot 10. There is no decent work for local women who only get jobs to sweep streets and wash cars, but nothing more qualified."

Recommendations to Reduce the Gender Asset Gap

G = Government, **C** = Company, **DP** = Development Partners (civil society, donors)

- **Facilitate access to gender-fair, no-interest or low-interest loans.** Where the legal system and/or custom make it hard for women to directly access money linked to company benefit streams (compensation, royalties, employment) identify lenders to facilitate concessionary, gender-fair loans. Another option where women are interested in providing direct contracting services to the company (e.g., transport, construction services) is to consider providing capital-intensive inputs (e.g., machinery) on a lease-purchase basis. **(C, DP)**
- **Enact legislation that requires local communities to become shareholders in the project.** Both men and women from affected communities should be entitled to become shareholders in the project, thus combining the social license to operate with the regulatory

license to operate. Mandate creation of a separate benefit fund to be managed by women, for spending on projects that will benefit women and children. Ensure that women also have access to community-wide benefit streams by requiring women to cosign when payments are distributed. **(G)**

- **Support inclusive financial literacy.** Provide training in basic financial literacy and help men and women to open bank accounts, especially for savings. Facilitate rollout of banking (mobile where possible) services in remote locations. Offer investment advice to landowners when royalty payments will be received. **(C, DP)**
- **Implement local content policies that are gender-smart.** Devise an ambitious local content policy with aggressive targets for gender equality, and provide business-development support as an integral component of community affairs. Ensure that tenders are broken down and translated, and provide preferred access to locally owned companies. Require bids to meet minimum gender targets. Consider community investment activities that will build the capacity of women and women's groups to form enterprises. (**C, G, DP)**
- **Adopt legislation that requires companies to commit to gender-smart local recruitment.** Require companies to hire a portion of their workers locally at each level of the workforce, including white-collar jobs and including a minimum quota of female hires. Establish tertiary and vocational training centers and provide scholarships for men and women. **(G, DP)**
- **Support adult literacy for men and women, followed by context-appropriate vocational training and/or livelihood-skill-building training.** In order to take advantage of negotiated benefits from the company, help men and women to attain basic levels of literacy and numeracy. Follow up literacy efforts with training programs for women that deliver content based on their self-identified needs and interests. The goal of these programs should be to foster skills that expand opportunities for women to develop economic self-reliance. Partnerships may be available through existing programs; seek opportunities to fund and scale up successful models and ensure integration with local and national government plans. The World Bank–Japanese Social Development Foundation model from Papua New Guinea discussed above provides an instructive example. (G, C, DP)
- **Ensure gender-fair hiring and workplace policies.** Commit to a diversity plan, enforce a zero-tolerance policy on sexual harassment,

adopt quotas for female hiring to match the applicant pool at every level of the workforce, ensure equal pay for men and women who perform the same jobs, offer subsidized child care, maternity and paternity leave, and practice positive discrimination in promotions. **(C)**

- **Enact legislation granting women equal rights to land, credit, and property ownership.** Ensure that women's rights are legally enshrined. Publicize awareness of equal entitlements in oil communities at the very beginning of engagement, ensuring that information is available in multiple accessible formats and communicated through trusted channels to all community members, including women. **(G)**
- **Demarcate land boundaries in a gender-informed and participatory manner.** Carry out social mapping to establish rightful landowners, informing this exercise with existing gender-aware socioeconomic studies and community consultation. Carry out GPS demarcation of land boundaries for compensation with the participation of affected men and women to ensure agreement is reached transparently. **(G, C, DP)**
- **Ensure essential project infrastructure is constructed where possible in a gender-sensitive manner.** Where possible, when constructing roads and installing electricity and Internet services, design infrastructure to provide spin-off benefits to local businesses and microentrepreneurs by aiding market access. Seek partnerships with community members to contribute labor for the building and upkeep of infrastructure, and with government to cover any recurring operating costs. **(C, G)**

Notes

1 Total. http://www.total.com/en/our-challenges/driving-shared-development-/our-actions/employment-and-economic-development/local-content-201060.html.

2 Interview on April 17, 2012 with Sam Koyama, senior adviser, land and community affairs, Esso Highlands; former policy officer with the PNG Department of Petroleum and Energy.

3 Menzies and Harley. 2012.

4 Fuentes and Wiig. 2009; Deere and Leon. 2003.

5 Eliana Villar interview with E. Dasso, June 13, 2011. According to some, the cash transfer program has been one of the biggest drivers in decreasing the number of unregistered persons because the program includes registration as one of the initial stages of enrollment.

6 Laws of the World Relating to Women's Human Rights. 2010. http://www.hsph.harvard.edu/population/womenrights/womenrights.htm.

7 State Statistical Committee of Azerbaijan. http://www.stat.gov.az/source/demoqraphy/indexen.php.

8 World Development Report 2012. World Bank. See also Chaaban and Cunningham. 2011.

9 State Statistics Committee survey of 19,711 women from 20 regions. 37 percent acknowledged that they had married before the age of 18; 29 percent when they were between the ages of 18 and 19. Only 9 percent of the women surveyed got married at or after the age of 25. Source: figures reported in "Azerbaijan: Baku Confronting Issue of Early Marriages" in Eurasianet.org, by Sitara Ibrahimova and Shain Abbasov, June 24, 2011.

10 The literacy rate is 97 percent for women and 98 percent for men. World Bank GenderStats.

11 Villar. 2011.

12 International Labour Organization. 2002. http://www.ilo.org/public/english/dialogue/sector/sectors/oilgas.htm

13 Of the roughly 130 senior managers in Azerbaijan, 26 are female, primarily in human resources, communication, and finances. Out of 15 vice presidents, one is a woman. Though this is in some ways modest, it is gender aware. Ratios of new recruits are expected to match the ratio of graduates coming out of the universities, the selection pool. The office of Human Resources is also obligated to track attrition and promotion rates to uncover hidden biases.

14 Oxfam Novib and Oil Workers Rights Protection Organization. 2011.

15 Interview on June 18, 2011, with Mercedes Lu, biochemist and environmental lawyer, originally of the El Alto district.

2. The Gender Information Gap

To be able to freely represent individual preferences, access information, express grievances, and demand transparency from those in positions of power in order to build trustful relationships and improve the quality of potential oil-related benefits

2.1 Consultation processes

"The woman grinds the flour but doesn't decide which ox shall be slaughtered."
—(Runyankole-Rukiga proverb, Uganda)

2.1.1 Barriers

The consultation process is one of the first formalized interactions between companies and project-affected communities; it is therefore important to initiate carefully, as it sets the tone for the relationship that develops. In respect of local customs, companies usually begin their engagement with communities by working through existing leadership structures. Within the community, there is therefore a gap between those few (usually older, male) representatives who participate in the process and the rest of the community, meaning that information frequently does not get properly disseminated to all affected persons and that decisions made may not be in the interests of all of those who will have to live with the impacts. Women may be left out altogether, or included in the process only as passive recipients of information.

The following barriers to women's equal participation in community consultation processes were reported in focus group discussions:

- *Cultural restrictions on women's voice and participation in mixed-sex consultation forums and in decision-making processes:* Traditions often prohibited women from directly engaging with outsiders (particularly men), and from actively participating in the main discussions around decision making in the community. Some women reported that they

were given the opportunity to contribute through a sidebar meeting with a male elder, who would then agree to represent their views in the main forum. A common complaint, however, was that information flowed in just one direction, as nobody returned to explain the outcome of meetings.

- *Negotiators are unable to communicate in local languages:* Particularly in indigenous areas, women who were able to attend consultations to participate or (more commonly) to observe reported that companies had previously sent representatives who were not able to communicate in local languages or dialects. Women are often less able than men to speak English or the dominant regional or national language. This can preclude them from following the discourse or understanding the implications of any agreements reached.
- *Process structure lacks sensitivity to gender:* Interpreting many men's and women's descriptions of the consultation process suggested that a significant barrier was the lack of independent, gender-sensitive advice and mediation available to the community. This may be due in part to the absence of gender-sensitive legal structures mandating local benefit sharing as part of the company's regulatory license to operate. In other respects, the challenges are more logistical: for example the timing and venue of consultations may be incompatible with women's responsibilities at home.

2.1.2 Evidence and Analysis

There is great variation between the countries visited in terms of what level of community consultation, negotiation, and agreement is legally required of companies before activities are begun under a government-approved permit or license. As a result, there were wide differences in the kinds of benefit streams that were negotiated by communities, ranging from voluntary funding for social investment projects provided by the company, to mandated contributions, to trusts, royalties, and equity payments. From the perspective of harnessing oil as a positive contributor to local economic development, the best outcomes appear to be secured when the law places the company's so-called "social license to operate" at the heart of the regulatory framework. This approach entails extensive prior consultation with communities and places a high minimum baseline around negotiated benefits, thus helping to offset the problematic asymmetry of power between the actors. As mentioned earlier, in the discussion of Papua New Guinea, there is a strong need for the inclusion of women in this process to avoid further entrenching the inequalities they

face. The discussion of Peru below will highlight both the need and the scope for companies and the state to work together to improve the system of community consultations in a way that benefits affected women and men.

The information gap in oil-affected communities is often especially acute for women, and is frequently evident in a lack of understanding of relevant legal frameworks that the state has put in place to govern the sector. Of the land around her town, one woman in Peru noted, "*This is nobody's land; it doesn't belong to anybody. How can it be sold to the companies?*" Customary restrictions on the participation of women in public consultation forums and their lower levels of literacy and bilingual capability undermine both their ability to exercise voice and agency, and the likelihood of their securing benefits from the outcome of consultations. None of the countries examined for this study had regulatory regimes that required companies to conduct their community consultations and benefit-sharing negotiations in a gender-sensitive manner.

As field research in Peru exemplified, the workload of women and men in the household, and their different productive and reproductive roles, mean that they are often not available to meet at the same times. The current process of consultation is mediated through existing community decision-making structures that are almost always male-led or exclusively male. Thus interviewees repeatedly said that men tend to dominate negotiation of benefit-sharing arrangements, and the needs of women are easily overlooked. In the Amazon basin, for example, one of the leading companies in the Camisea consortium pays the community a lump sum each year, conditional on the community putting forward ideas for specific projects to justify the disbursement, but the account is controlled by the male chief *(apu),* with oversight by a (male) community committee that authorizes budgets and receives detailed information on how the money is spent. Women community members who were interviewed had no knowledge of the amount, distribution, or actual use of the community money. Many of them did not even know the name of the company and had never had any contact with its representatives.

Respecting existing local leadership structures is not inevitably incompatible with a lack of women's engagement. In many instances, the design of the structure that companies impose on the consultation process would benefit from the assistance of an anthropologist or knowledgeable and independent facilitator to ensure that the process is sensitive to existing cultural space for women's participation. An emblematic case was relayed in interviews. This was a conflict with an oil company operating near the Achuar community in the Amazon of Peru. In 2005,

at the request of the Achuar community, the national ombudsman's office found evidence of lead and cadmium poisoning linked to the company's operations. During the two days of the Achuar negotiation, the ombudsman's office officials observed that the chief (Apu) would regularly go the "women's spaces" to consult with women. Though they were absent from the main negotiation itself, the inclusion of women in side meetings was promising and suggested that no agreements would sustainable without their buy-in. At the end of the process, there was a ritualized enactment of the negotiation presented to the whole village. It was a theatrical record of history and a way to include all the men, women, and children, whether literate or not, in the "war" that had been won primarily by the men of the community.

One major potential shift in the consultation process in Peru is the recent enactment of the *Consulta Previa* in 2008. This law requires all development proposals to be presented to the local community by qualified interpreters with a deep knowledge of local customs, and states that the views and concerns of the community must be incorporated into the plans. It further mandates adaptation of the consultation process to the specific customs and concerns of each local community. Guidelines for its implementation are still in draft; there is an opportunity to incorporate gender into this process by drawing on some of the recommendations at the end of this section.

2.2 Grievance Procedures

"The oil and gas industry is an elephant walking into a glass store; they are too large an actor in too sensitive an ecosystem."
—Interviewee (Peru)

2.2.1 Barriers

The following barriers to women's equal participation in grievance redress mechanisms were reported in focus group discussions:

- *Misunderstandings and lack of information on grievance procedures:* It often followed that from inability to participate equally in consultations, women reported ignorance or a confused understanding of what mechanisms were in place to report a grievance to the company.
- *De facto exclusion from formal judicial systems:* Where they are required, access to lawyers or police may be more difficult for women to arrange given their lower social standing and a cultural acceptance among women to "grin and bear it." Some women commented that in the

hypothetical event that they had a grievance, they would be expected to rely on their male family members to take action on their behalf. In many areas a lack of female law enforcement officers and judges, and a lack of gender-sensitivity training of male personnel, underlines the invisibility of women's exclusion. A problem identified by both men and women where disputes had arisen was the lack of access to an independent ombudsman and an independent judicial system.

2.2.2 Evidence and Analysis

Even in situations where exemplary state and corporate governance exist, policies and laws that protect the rights of local men and women, and multinational or state oil companies that have strong records of safety and responsibility to their nearby communities, something always goes wrong. It is impossible to anticipate all the impacts and benefits that the oil industry will have on individuals and communities, but companies and governments need to set up systems to take complaints and suggestions seriously. In the event of conflict, independent mediation and legal recourse for affected persons can help to prevent escalation and the development of a standoff that requires everyone involved to forfeit potential benefits.

In Azerbaijan, a large international oil company has a multilingual phone line that goes directly to its corporate headquarters outside the country, but no women in the communities interviewed knew about it. From the government's perspective, interviewees stated that the ombudsmen's office—the official state body charged with intervening in situations of conflict—is tiptoed around with caution, as anyone with complaints about the government is afraid of being targeted with *"future red tape."* Azerbaijan is typical of many oil-rich developing countries in that its government is highly centralized, but the lack of human-rights protection means that citizens feel abandoned by the state. These impressions appear to be as common among men as women, but women respond differently than men, according to both the director of a women's crisis center and the founder of the Baku-based OWRPO (Oil Workers Rights Protection Organization). Both interviewees noted that in formal settings, women are less likely to raise a complaint on their own behalf, but may exhibit more bravery on behalf of other people. As the founder of the OWRPO said in an interview, *"Azerbaijan has all the right laws, but we have to fight for them to be upheld."* Another interviewee said, *"I'm working in this sector because there needs to be someone to filter out the lies. What we do is*

harm reduction, not total change. We are going through changes painfully and slowly, but we are going forward."

In Peru, the reach and influence of the government—national, state, district and local—is highly uneven, and conflicts range from small to large. Many women we spoke to told us that they play a key role in supporting conflict that they think is righteous or justified, but that they are also uniquely vulnerable to conflict and the dissolution of social norms that accompanies conflict. In one area on the north coast, we found that policemen and police cars are not available for local people because they are paid by the oil company to work with their private security, paying more than the government salary, according to interviewees. They are hired during the day to protect company wells instead of protecting people, or they are hired to control strikes. According to interviewees, this arrangement leaves local people totally unprotected and women especially vulnerable in the event of domestic violence and alcohol abuse, which were cited as growing concerns by community members. Yet as this particular grievance has not risen to the level of conflict, it has not been registered into any grievance mechanism with the company or state.

This philosophy of attending to concerns only when they reach a crisis point was identified by interviewees in both government and the communities as leading to significant problems. During our key informant interviews we identified multiple redundancies built into the conflict-management processes in Peru, but very few mechanisms for handling local-level grievances relating to private oil company operations. Grievance procedures are especially critical in remote areas where communities' only method of making contact with the company is to wait until a community affairs officer is dispatched to their locality.

2.3 Transparency Mechanisms

2.3.1 Barriers

The main goal of transparency mechanisms is to build trust: trust that commitments will be held, that promises will not be broken, that community investment projects will reach completion, and that feedback will be safe and fair. This requires the interplay of community, government, and industry responsibilities, where all three sectors can be held to account for their actions, according to expectations and commitments. One example of this interplay, discussed in more detail below, is participatory community monitoring to ensure that state-mandated limited for

environmental pollution are adhered to by companies and enforced by governments.

Interviews in oil-affected communities highlighted the following barriers to women's equitable participation in transparency mechanisms:

- *Lack of easily accessible public information in local languages and for illiterate people on contracts, compensation, and conflict resolution:* The limited information that is available may be less readily accessed by women because of their lower literacy rates and lack of direct contact with company representatives, as described above.
- *Lack of opportunities for men and women to participate as equals in monitoring of the company's social performance and commitments:* If women are not given the opportunity to participate in these initiatives, the goals of the process become self-defeating.

2.3.2 Evidence and Analysis

Creating trust between company and community requires action and a demonstrated practical commitment to collaborate on solving problems, and reciprocal, iterated communication. This process is the cornerstone of transparency and can unleash a chain of positively reinforcing effects. An instructive example from Peru is the successful contribution of a participatory water-monitoring project (known by its Spanish acronym PMAC) in enhancing collaboration both between women and men within the community, and between the community and the Camisea consortium companies in the Amazonia region of Peru (see box 3).

Projects such as PMAC play a critical role in building and maintaining trust during the operational life of a project, and demonstrate a practical channel through which the company can both satisfy its own interests at the same time as ensuring equal opportunities for local women to engage. The way in which the company exits the community is also critical. The boom of oil does not last forever, nor does it usually create many direct jobs. If few alternative vehicles for development exist and unemployment is already high, however, the absence of transparency and clarity around a transition plan for a post-oil future can cause profound anxiety and stress. In El Alto, Peru, oil has a long history of creating jobs, but with diminishing reserves and more sophisticated technology they have gradually dwindled. Men have overwhelmingly been the main beneficiaries of oil-related employment over the last century of peak production. During focus group discussions several men expressed their concern about the loss of the few jobs that remain, which they perceived as threatening not only their incomes but also their masculine identity

as providers and breadwinners. Other men expressed their concern that the community was not sufficiently prepared for a new economic reality when oil production stopped. Now the wells in El Alto are almost dry. Production may have just five or possibly 10 years left before it closes down.[1] One man said: *"People did not seem to notice that oil exploitation is not sustainable and will not last long; however, they have not thought what they will be doing when oil is over. In the hypothetical case of having no oil exploitation, they say they would go for developing artisan fishery and tourism, but there are no actions on that direction, and other regions can compete better than us."* The frustration and isolation of the community was underscored by their marked lack of confidence in the town mayor, the third one elected in as many years.

National structures like the EITI (Extractives Industry Transparency Initiative), a voluntary initiative in which candidate countries and the operators within them reach compliance by agreeing to publish all mineral receipts and undergo an independent reconciliation, begin to address issues of accountability in important ways, and create models to learn at local and national levels. Azerbaijan's experience as the first EITI compliant country has drawn a limited ring of transparency around the revenue reporting between companies and the government, but in every interview conducted in Azerbaijan, men and women mention that they feel that oil wealth is being stolen from the citizens by their government through corruption and graft. In general, awareness of this initiative was lower among women, possibly reflecting the above-mentioned difficulties with ensuring that information is distributed equitably to both genders given lower female literacy rates and representation in community leadership. Some male interviewees acknowledged that the EITI initiative has helped to open a window for civil society to ask questions and partake in a consensus process through the formation of the National Budget Group and the EITI NGO Coalition.

Recommendations to Reduce the Gender Information Gap

G = Government, **C** = Company, **DP** = Development Partners (civil society, donors)

- **Educate affected men and women on relevant rights-related laws and the different benefit streams that will flow to the community from project revenues.** Provide information in non-technical, multilingual formats, and work through local networks and

Box 3: Participatory Environmental Monitoring in Peru

PMAC started nine years ago and represents the first participatory monitoring project in the country. The water monitors (members) in PMAC represent equal numbers of men and women (11 men and 11 women) who come from nine native communities and two settlements. Although initial resistance from male leaders was reported about sharing this platform with women, the stipulation for gender equality on this committee has since assumed its own dynamic, and the place of women goes unquestioned. Committee members receive a payment from Pluspetrol for their role in monitoring the volume and quality of water flows in rivers downstream from the company's main operational center. As part of their negotiated partnership with the company, members receive technical assistance training every month from a local NGO, Pro Naturaleza, to support their work. Samples of water are collected at routine locations and in places where PMAC visits in response to a community alert on water quality; these samples are analyzed in independent laboratories. In the case of proven pollution, the state, the company, and the community together negotiate monetary compensation and remedial action.

PMAC is by no means perfect. There has been some controversy about who is eligible for compensation in the event of pollution. PMAC members also complain that they still lack the kinds of sophisticated equipment that would improve their jobs despite their pressure over the municipality of Echarate to buy this equipment. However as a whole, focus group participants generally saw the system very positively.

PMAC has helped substantially to build partnerships of accountability with a good alignment of interests between community and company. Critically, from the perspective of the women involved, it has elevated their status to that of decision makers and participants alongside the men. From the perspective of community leaders, seeing women fulfill this role proficiently alongside men has enhanced their perception of women's capabilities in general.

civil society organizations to reach a wide audience of both men and women in project areas **(G, C, DP)**

- **In addition to mixed-sex consultations, offer men and women separate consultations.** Female facilitators should be available for

the women's groups. Facilitators should be assigned a local interpreter or should be able to directly communicate in local dialects and in nontechnical language (to accommodate illiterate populations). Rarely do all women suffer similar levels of disadvantage and exclusion. Care should be taken that consultations with "women" are in fact representative of the interests and concerns of a broad cross section of community women rather than simply the elites. **(C)**

- **During final negotiations, mandate a quota (or percentage) for women to be present among nominated representatives from the community.** The example discussed earlier from the renegotiations over the Ok Tedi mine continuation agreements in Papua New Guinea highlights the power that companies have to reset social norms even in a context where there are limited precedents for women's participation in decision making. In order for this strategy to be most effective, there has to be sufficient value on the table for the community in terms of potential benefits. Women should also be offered support where needed to increase their confidence and formulate their negotiating agenda **(G, C)**
- **Hire independent advisers for the community.** In addition to qualified local interpreters to present the development proposal to the community, pay for the community to have access to independent environmental, legal, and accounting advice during negotiations. Community and company representatives should jointly agree on these appointments. All advisers should ensure that the women's delegation is not sidelined but provided with the same access to counsel and guidance as the men. **(C, G)**
- **Require the negotiation of continuity agreements, and mandate a quota for women's inclusion at the main negotiating table.** The consultation process should be held not only before the project begins, but also at regular intervals to give company, state, and community representatives an opportunity to review the terms of the social and regulatory license to operate and make changes where necessary. Women should be given a seat at the main negotiating table through a mandatory quota for their involvement. **(G, C)**
- **Maintain a sensitive, approachable, and respectful presence in communities.** Community affairs officers may be the only conduit available for grievances and information and assistance requests. The teams deployed to communities should include women, should commit to spending significant time building inclusive relationships with local people and should attempt where possible to travel without heavy security convoys, large land cruisers, and other accoutrements

of power that may make their presence intimidating or offensive. In a similarly humble fashion, senior management (board, CEO) should be required to join community affairs officers on a visit to impacted communities at least once a year. **(C)**

- **Provide multiple avenues for grievances.** Offer free company hotlines with multiple language interpreters to allow everybody, especially women, to advocate on behalf of themselves without fear of reprisal or shame. This is especially important in areas where state intimidation is practiced and/or where communities are dispersed widely throughout remote areas. Identify ways to use social media to increase accountability and unstructured two-way information flows between community and company. Encourage and train everyone, especially women and girls, to use each mechanism, and provide counsel and make the process simple. **(C)**
- **Provide an independent mediator and clear grievance processes.** Set regulations to delineate a process for community members to follow if they have complaints as the project develops. Mandate a state body to mediate between communities and private companies (the equivalent of the ombudsman function, but for the private sector). Encourage and train women to use these processes. **(G)**
- **Use social media for communications and transparency with local communities** With the emergence of social media in places that have been isolated, companies and governments face an environment where negligence and lack of community stewardship will be more easily called to account. The presence of the Internet is already established in many remote areas, even where roads have not yet penetrated. Interestingly, research shows that women tend to be more active users of social media than men.[2] Early implementation of a social media strategy can provide an open access forum for bidirectional communication with community members in a way that potentially expands participation by bypassing the established hierarchies and structures that tend to exclude women. This mechanism is likely to become increasingly democratic with the growing penetration of affordable, cellular-based Internet throughout the developing world. **(C)**

Notes

1 Interview on June 22, 2011, with Fabricio Miguen, PetroBras community relations manager.

2 Pew Research Center's Internet and American Life Project.Winter 2012. http://pewinternet.org/Commentary/2012/March/Pew-Internet-Social-Networking-full-detail.aspx.

3. The Gender Vulnerability Gap

To be able to strengthen community resilience against the external pressures that can exaggerate social dislocation (social capital) and rely on guarantees of sustainable environmental management that ensures physical and material security for all families (environmental security)

Based on interviews with men and women in the oil-affected areas surveyed, it is clear that women exhibit greater vulnerability than men in terms of their reliance on social capital and environmental security, both of which can undergo dramatic changes when oil development begins. Whereas the gender economic asset gap and the gender information gap are measured in terms of access to benefits and assertion of agency respectively, social and environmental capital are measured in terms of vulnerability to risks and negative impacts. These key aspects of well-being are often more essential to women than to men because of their primary roles in child rearing and elder care.

3.1 Social Capital

3.1.1 Barriers

Social capital is an important factor in determining the extent to which the stresses of economic and environmental transformation that can result from oil production work to undermine community resilience and fuel negative social behaviors. Social capital has been defined by Robert Putnam as a "virtuous circle" of group membership, trust and informal social ties, and a prerequisite for a healthy functioning democracy.[1] High or low social capital can therefore be both a determinant and an outcome of oil-related local impacts. Trust and social capital are closely linked. As scholars Eric Uslaner[2] and Robert Putnam[3] have shown, in societies with higher levels of trust and social capital, people are more willing to collaborate to solve problems: These societies achieve greater stability and

higher rates of growth. In contrast, societies with low levels of trust and social capital tend to have rising rates of economic inequality, high levels of corruption, ineffective governments, less optimism, closed markets, and lower growth.

Community focus group discussions revealed the following risks to social capital related to the industry that serve to heighten the greater vulnerability of women as compared with men:

- *Risks associated with material and emotional safety and security:* "Boom-town" effects often include increased pressure on marital partnerships, manifest through domestic tension and violence and alcohol abuse. Women are often obliged to stay in abusive relationships due to their lack of financial independence and an absence of safe refuges where they could be accommodated with their children. Society-wide patterns of increased alcohol consumption, as well as a rise in prostitution and antisocial behavior may also have a negative impact on the wider family, as these can lead to less safe space for children to play and an insecure physical environment in public spaces.
- *Risks associated with a weak law enforcement system for women:* Although laws at the national level may uphold the rights of men and women equally, in many communities the state does not have the capacity to enforce the rule of law. This enables elite capture of justice services by those already in positions of power (frequently men). In addition, there are few female lawyers, police officers, and judges. Some women felt that official demeanor toward and intimidation of women was an issue. Other women professed a limited knowledge of or information on civil rights protections and how to assert them, as well as fear of reprisal for bringing a suit to trial or making a formal complaint.

3.1.3 Evidence and Analysis

The findings of this study suggest that where social capital is low before oil development or where threats to it are not actively mitigated, the risk of conflict and social dislocation is much higher. Oil investment accelerates modernization and monetization of the local economy. The cash that oil brings to local economies introduces powerful incentives that have the potential to destabilize existing social relations, induce corruption and widen the gap between those who are well positioned to benefit, and those who are not. In the worst case scenario and without sufficient sensitization or planning, the rapidity and foreignness of these changes can fuel a litany of social ills including acceleration of STD transmission, alcoholism, domestic violence, prostitution and family abandonment.

These social changes can be called "boomtown effects." As fieldwork revealed, this process accentuates existing inequalities, including those between men and women. Negative social impacts can also have wider ramifications, beyond undermining development prospects for community members. Companies may find their operating environment increasingly less stable, and face growing challenges in building relationships of trust and cooperation with their local hosts. Governments may witness the steady erosion of productivity and local growth prospects from regions of oil investment; to protect future flows of oil revenues they may have to intervene to mitigate escalating crime and conflict.

Interviews and research for this study identified prostitution around oil production sites to be a concern in every country, especially at the early stages of development. The construction phase is a particularly sensitive time, as periods of rapid migration and male labor camps occur. The issue of prostitution creates a dual vulnerability for women: trafficking of the sex workers (many of whom are poor young women coerced and controlled by organized crime networks) and STD transmission, especially HIV, among women whose male partners visit brothels. Women are both more likely to contract HIV, and more likely to die of AIDS when they do contract it.[4]

In Peru, both men and women interviewed for this study associated increased prostitution, crime and antisocial behaviors in their communities with the influx of cash and outsiders who migrate to work in the company, or who have moved in search of wealth as the area develops. In El Alto, for example, where oil has been produced for more than 100 years, women had an intergenerational narrative of rising prostitution, alcoholism, drug abuse, and the proliferation of liquor canteens, which they associated strongly with the presence of the industry. While prostitution was mentioned as a matter of concern in focus group discussions with men and with women in El Alto, both groups agreed that women (sex workers and wives) were at particular risk for both STD transmission and family abandonment. One woman said, *"In local canteens there are young women who apparently come to work but they [are] actually drug customers and steal from them. These women and other local women come with children and work as prostitutes because they need the money. The canteens where prostitutes work have no health control . . . Men cheat on their wives with prostitutes or even fall in love with women who work in canteens, which causes family crises."* Indigenous women around the site of the Camisea gas development in the Amazon complained: *"Money earned by oil workers brings female prostitutes to the canteens. They give STDs to local men, and then the women get them from their men."*

In Azerbaijan, conservative cultural norms, the current context of political repression under the dynastic Aliev administration, and the short time horizon of fieldwork for this study made it difficult to engage oil-impacted communities in frank discussions about the social problems they faced. Fidenka, Kochladze, and Dennis (2006) noted similar constraints in their comprehensive study of the gendered impacts of the BTC pipeline project in Azerbaijan and Georgia, and the Sakhalin II oil and gas project on Sakhalin Island:[5] *" . . . People are still afraid to speak freely about their own estimation of perceptions about the pipeline, especially with foreigners."*[6] By drawing on interview data collected by Azerbaijan's sole Women's Crisis Center, however, the researchers found that the pipeline's gendered impacts range from increased poverty of women and dependence on men; driven or forced prostitution; and acceleration of STD transmission. According to the head of the police of one of the regions, the increased narcotics trade and AIDS spread are directly connected with increased prostitution due to the pipeline's construction. A journalist investigating the issue writes: "Trafficking is blossoming in places of intensive economic activities. So-called Mama Rozas hire 15–20 girls and take them to various places where intensive construction work or trade is going on . . . Girls were taken to cities where the Baku-Tbilisi-Ceyhan pipeline is being laid . . . where their services are in demand."[7]

Even where oil companies make painstaking efforts to minimize disruptions, the example of the Kutubu Oil Project in Papua New Guinea's Southern Highlands region highlights that some profound changes to social capital and gender relations have occurred with the introduction of monetary benefits to landowning clans, unintentionally deepening the disadvantages experienced by women. The Fasu people live in the closest proximity to the Kutubu operations. A recent study of the Fasu by anthropologist Emma Gilberthorpe notes: "On the surface the social and environmental impact of the project seems minimal. Villages retain a traditional structure, subsistence lifestyle, and principles of sociopolitical exchange . . . From an economic perspective, the Fasu receive considerable royalties disseminated through the Incorporated Land Groups (ILG) system."[8] Gilberthorpe observes that in previous times, the Fasu drew on wide networks of exchange with near and distant neighbors and relatives to create economic value. After the arrival of oil and the incorporated landowner group (ILG) system, clan boundaries have become more tightly defined. The traditional role of women in Fasu society has been to attend to the time-consuming production of the staple sago crop, an activity that continues to the present day. Women are therefore less likely to be educated or literate and are more likely to remain confined

within village localities. Marriage ties have historically formed an important part of exchange networks. However with cash circulation and the Fasu group's exclusive boundaries under the ILG system, males show a preference for establishing broader ties—for example, seeking brides from other booming regions of the country, like Port Moresby. Therefore, as Gilberthorpe observes: "A number of Fasu women remain unmarried with increasing pressure to provide the staple starch (sago), causing . . . a feminization of subsistence in contexts of development."

3.2 Environmental Capital

3.2.1 Barriers

In the rural areas where oil is often found and subsistence livelihoods predominate, the short- and longer-term physical and material security of communities depends directly on the quality of their environment. Access to clean water for irrigation and drinking as well as access to productive land for small-scale agriculture are directly linked to the health and food security of local people, and can be adversely affected by the arrival of an oil company. From the company's side causal factors include lax environmental safeguards, poorly supervised contractors, and inadequate enforcement of health and safety standards, which can lead to pollution of water, air, and soil. From the government's perspective ensuring sound custodianship of the natural resource base during oil development requires strong championship from the executive branch, adequate staff and resources to devise and implement an environmental protection regime, a strategy to manage the additional pressure of economic migrants flooding into the oil region, and good coordination across the many levels of government and responsible agencies with mandates in this area. The capacity and political will to set and enforce strict, coherent environmental regulations in the sector can vary dramatically from country to country. As discovered during field research, unfortunately this is often an area where available resources fall far short of need until conflict and crisis demands an intervention.

Community focus group discussions revealed the following risks to social capital related to the industry that serve to heighten the greater vulnerability of women as compared with men:

- *Water quality:* Pollution can result in adverse prenatal health impacts, birth defects, and the bioaccumulation of environmental contaminants in breast milk. Women may have longer distances to travel for

safe water collection and require more time from their day to care for themselves and sick relatives, reducing the time available for other productive activities.

- *Air quality:* Dust from construction has a negative impact on crops, reducing agricultural livelihood opportunities (particularly affecting subsistence growers, who are often women). Gas flaring is linked by community members to an increase in stillbirths and negative impacts on the reproductive health of women, while gas in the air creates an unpleasant smell, particularly within low-quality homes with poor air circulation.
- *Food security:* Food insecurity through loss of land and the deterioration of fisheries causes greater cash dependence and effectively reduces household income, leaving women to provide for the family with fewer resources. Women are often unable to assert their right to compensation for lost productive assets. Changes in diet result in previously unreported diseases like obesity and diabetes, increasing the time and work burden of women as primary caregivers. The introduction of cash-based systems and processed food may devalue the traditional work of women in local food production, undermining their agency and status.

3.2.2 Evidence and Analysis

As relations to land tend to be highly gendered in poor subsistence communities, men and women experience differently the impacts of oil exploration and production on the environmental security of the subsistence economy. In rural, oil-impacted communities in Uganda, Papua New Guinea, and many parts of Peru, women are primarily responsible for cultivating crops for the household and for ensuring the health of the family. For example women in the oil-rich Albertine Graben region of Uganda are responsible for producing 80 percent of food and providing 70 percent of total agricultural labor. However male-headed households have between 80 and 90 percent of land-ownership rights.[9] Therefore, if oil development leads to land loss, water pollution, or other changes to the resource base that affect the ability of women to carry out their daily activities, they do not receive compensation for the additional burden placed on them. Similarly in Papua New Guinea, women face a demanding daily routine that begins with 5 a.m. prayers, sweeping and cleaning the house, cooking, fetching water and fuel, and then going out to tend the food gardens with children in tow. When asked where men fit into

this picture, one woman we interviewed looked surprised: *"Men don't do anything. They are men. So they sleep in the house. Some good men will come if they are asked and help in the garden, but most not. Many women are abandoned by their husbands."* Yet despite the norm that women shoulder most of the productive work, with the arrival of resource projects compensation for land and the loss of crops in gardens accrues to male clan leaders and customary titleholders. Women, who are primarily responsible for tending to gardens, cannot directly access payments or exert any influence over how it is spent without the consent of male relatives. The operator of Papua New Guinea's Kutubu oil project has recently commissioned research to investigate community concerns that "increasing populations and changes in lifestyles have placed undue pressure on fish and other natural resources of . . . the surrounding environment such that the traditional subsistence way of life and practices based on these natural resources are no longer sustainable for the communities."[10] As a result, the company is implementing an extensive program of agricultural training and food security in its operating area, primarily targeted at women.

In Peru, food security was also a primary focus of concern for women visited in the northern Amazon where the Shipido-Konibo indigenous group is embroiled in a bitter dispute with their resident oil company. Both women and men interviewed reported that polluted water has killed livestock and chickens, and that the tribe can no longer eat fish from the river. They stated their belief that plants and trees absorbed the gas released from the production facilities, which then weakens and kills them when they ingest produce gathered from the forest. Men noted a loss in flora and fauna: For instance, mahogany and cedar trees have reportedly disappeared, and medicinal plants are now difficult to gather because much land has been cleared to accommodate the production facilities. Water pollution was also blamed for less availability of fish and their diminished size and nutritional value, and for less productive harvests (particularly yucca, a staple of the diet). Participants, especially women, saw these developments as a serious threat to their survival. In fact during focus group discussions, the women appeared to systematically ignore specific questions and stuck doggedly to a single discourse of fear and anger around the several oil spills and the consequent pollution of their natural resources. Similarly, although men appeared much better informed about the details of how the company functioned, most testimonies focused heavily on the oil spills in 2009 and 2011, which adversely affected the community's main water sources. Villagers reported that community members have died after exposure to oil-contaminated food and water, and that sickness has become more widespread since oil

production began. *"Company ordered us to clean up the oil with our bare hands, without any safety equipment . . . They said you do not need gloves, you are indigenous,"* stated one man, echoing a widespread belief among community members that their neglect at the hands of the company is partially a product of racism. The problems of water pollution were also attributed to the disrespectful attitudes of outside workers, who were accused by the community of frequently throwing plastic garbage and other nonbiodegradable trash items into the river during the night.

Elsewhere in Peru, problems with water access and cleanliness remained the most cited environmental concerns among community interviewees. In El Alto, a dry northern coastal town that has seen continuous pumping of oil for more than 150 years, the community links early use of dynamite in oil extraction to the exceptionally low level of the water table today. Most of the town has no running water. Water is shipped in by trucks and is therefore very expensive, and the shortages affect everything from the preparation of food to health, care for children, washing, and laundry. Women, who are normally in charge of running the households, bear the brunt of this burden. One participant commented: *"Having so much oil in the area and yet not having basic services such as running water makes people from El Alto think that oil is not a blessing after all."*

Among the other complaints mentioned by El Alto residents, most were reported by women and/or affected primarily women and children. Examples included "swollen" ovaries and kidney problems from the stress of having to carry household water every day; increases in miscarriages and premature birth; increased child mortality; breast, uterine, and stomach cancer; increased urinary tract and kidney infections; diabetes; skin allergies due to pollution and dust; psoriasis; ear viruses; malnutrition and stomach parasites; respiratory illnesses; mycosis; sinusitis; giardia; diarrhea; respiratory and eyesight problems (due to air pollution); and skin spots on the face (again linked to air pollution, according to interviewees). Though these perceptions are anecdotal, San Sebastien and Hurtig (2004)[11] conducted a study of the health and environmental impacts of oil in the Amazon Basin of Ecuador, known as the Oriente. The environmental damages of production in this area were extreme; in a 20-year period ending in 1992, three times the amount of oil spilled by the *Exxon Valdez* was discharged into the Oriente. This resulted in concentration levels of hydrocarbon pollutants up to 10,000 times those recommended by the EPA. Women in this study reported a high incidence of skin mycosis, tiredness, itchy nose, sore throat, headache, red eyes, ear pain, diarrhea, and gastritis. After adjustment for possible confounding

factors, the symptoms significantly associated with exposure were those expected from known toxicological effects of oil. In another study,[12] San Sebastien found that spontaneous abortion for residents of oil-producing regions in Ecuador was 2.5 times higher than in other regions. While causally inconclusive on its own, this effect of oil contaminants has been found in several animal studies and in another study in Bulgaria, suggesting the possibility that oil contaminants negatively affect pregnancies.

The men in the El Alto community were very concerned about reports that nitrogen will be used in the ongoing search for more oil, a process that could further pollute groundwater. Other reported environmental impacts included pollution of rainwater, river water, and the disappearance of coastal estuaries for migratory birds. At the drilling sites themselves, men reported that due to contamination, vegetation and small desert fauna have all died off. Men also complained that the oil company is currently carrying out illegal logging, which adversely affects wildlife. One man commented: *"The company made a commitment during public hearings to replace every felled tree with five new ones, and this is being done, but the new plantations are not properly managed and there is no money given to maintenance, so they are not sustainable."* The community links high levels of airborne dust to the use of dynamite by the oil industry that lowered the water table. These, they say, have caused the carob trees to stop bearing fruit or die off completely. The trees were previously an important source of feed for cattle. One man reported: *"Up to 40 livestock companies have disappeared since I can remember due to soil degradation and dust pollution."*

In Peru and Azerbaijan, management of airborne waste products from production emerged as a major concern. Both men and women reported a foul-smelling gas at night, most likely connected to the sulfurous acid used in wells. The process of flaring excess gas (when gas is released into the air and burned off) was seen to be wasteful and offensive. One woman commented: *"Why do they waste it? We don't have household gas. Instead this remaining gas could be given to local people."* Whereas gas flaring used to be common practice, now CNG is often used or injected into the ground. Gas venting negatively impacts respiratory health, crops grown around the flares, causes acid rain, which increases the acidity of the soil and thus damages crops. Such gases include oxides of sulfur, nitrogen, carbon, particulate matter, hydrocarbon, petrochemical oxides, ash, and hydrogen sulfide. These toxins pollute the air and cause respiratory problems, including bronchitis and asthma (Gabriel and Olusegun).[13] [14] In Azerbaijan, women also had many health complaints, especially of miscarriages, and felt that

environmental pollution was negatively affecting their lives. *"In the early mornings the smell of gas makes us suffocate. It kills us [metaphorically], and we don't get compensation for the smell."*

According to an interview with the ombudsmen's office in Peru, most conflicts in the oil sector are primarily motivated by environmental degradation and secondarily by social impacts. Communities in almost every country visited, with the possible exception of Papua New Guinea, voiced their frustration and sense of abandonment in the face of their struggle to hold companies to account as good neighbors. In El Alto, Peru, women said that when they complained, the company commissioned a report from a consultant—and the process failed to find evidence that linked pollution to health problems. In the opinion of the community, this was due to a conflict of interest in the consultant's assignment. In Azerbaijan, the community claimed that the company and government were equally unresponsive to their concerns of environmental degradation. The dust- and pollution-monitoring station erected in the community was not in operation at the time of the field visit, and looked as though it had been out of use for a long time. According to interviewees there, *"Local authorities are not really interested in engaging themselves to protect the people's best interest and do not show any commitment to report violations or enforce monitoring—for instance, with regard to environmental issues."* One man was more skeptical, saying that community members also neglected their own responsibility in the process: *"Local authorities and local people show little interest in participating in the discussion of the EIA [Economic Impact Assessment]; however, they complain when they do not take the time to inform themselves better."* Meanwhile, in Peru, the Shipido-Konibo indigenous people have leveraged external resources from local and international NGOs to take the company to the International Finance Corporation (IFC) ombudsman. The International Finance Corporation is a backer of the company and has established a global benchmark, with performance standards[15] widely recognized as a groundbreaking achievement in the field of corporate sustainability. The outcome of the case remains under deliberation.

Recommendations to Reduce the Gender Vulnerability Gap

G = Government, **C** = Company, **DP** = Development Partners (civil society, donors)

- **Prepare for and mitigate boomtown impacts:** Before and throughout project operation, help the community anticipate and mitigate likely negative effects. Engage a trusted NGO or local organization to carry out public health information campaigns for men and women (including on gender-sensitive topics like prostitution, family abandonment and domestic violence). Forge partnerships to equip health services to expand services, including counseling for vulnerable community members. **(C, G, DP)**
- **Increase the capacity of local authorities to govern:** Regulate immigration to oil regions, and ensure that all outside company workers engage respectfully with locals. Provide funds and human resources, and build capacity to enable local governments to enforce rule of law, particularly curfews on public liquor consumption. Levy heavy penalties on perpetrators of violence against women. **(G)**
- **Carry out training and sensitization of workforce:** Require all community affairs officers to undergo training to enhance their understanding of boomtown effects and their gender dimensions. Require all operational staff and management to complete an abbreviated version of the course. **(C)**
- **Monitor environmental quality indicators with community participation:** Recruit, train, equip, and pay local men and women to monitor changes to their natural resource base, particularly water sources. Ensure all laboratory results are independently analyzed and the results carefully explained to all community members. Provide guarantees of a maximum response time for resolution of problems. **(C)**
- **Enforce strict environmental compliance:** Participatory monitoring of air, water, and soil quality needs to be complemented by state monitoring and strict enforcement of penalties or license revocation in the event of noncompliance. With regard to environmental practices, nothing should be tolerated in the company's area of operations that the CEO would not be happy to accommodate in his or her own backyard. **(G)**

Notes

1 Putnam, R. 2000.

2 Ulsaner, E. 2008.

3 Putnam, R. 1993.

4 Matlin and Spence. 2000. http://www.un.org/womenwatch/daw/csw/hivaids/matlin-spence.html.

5 The title of this study coined the descriptor "Boomtown Blues," to capture the social costs of oil-related wealth booms.

6 Fidenka et al. 2006. http://www.genderaction.org/images/boomtimeblues.pdf.

7 "Those who are sinless," by Gulnaz Guliev, as cited in Bacheva, Kochladze, and Dennis (2006).

8 https://ueaeprints.uea.ac.uk/33785/1/Fasu_Solidarity_AmAn_2007.pdf.

9 AFIEGO Newsletter. August 2010.

10 "Food Sources Diversified." Papua New Guinea *Post-Courier.* August 23, 2012.

11 Hurtig and San Sebastien. 2004.

12 San Sebastien et al. 2002.

13 Gabriel. 2004.

14 Olusegun. 2009.

15 IFC Sustainability Framework, 2012 edition: http://www1.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Sustainability/Sustainability+Framework/Sustainability+Framework+-+2012/.

Conclusion

Each country visited for this study had different governance, gender roles, socioeconomic conditions, ecosystems, and available technologies, as well as prospects for and maturity of the oil industry. In each situation where an oil project is to be developed, a thorough systems analysis is needed to understand the specific gender dimensions of the sector. This will help to answer questions such as:

- When are productive times for assistance?
- What are the needs and aspirations of men and women in their own terms?
- How should interventions be structured for inclusivity and long-term sustainability beyond oil?
- What kind of partnerships would be most effective to promote greater connectivity and voice for affected men and women?
- How can existing strengths of men and women be complemented and built on?
- How can the leverage of outside actors and money help to shift stubborn customs that subordinate women?
- How can men be included as partners and champions for women's empowerment?

As a start, and an imperfect one at that, the research and reporting conducted for this paper identifies three key points. First, women are aware of unequal impacts with regard to economic assets and opportunities, social risks, and environmental contamination. Second, the most important interventions for the empowerment of women in oil-affected communities would be in the support and assistance for access to education, capital accumulation, and land. Thirdly, all progress with regard to gender equality and quality of life can be undone without transparency, information, and accountability.

In each of these key areas, embedded within the interventions should be a clear, context-specific definition of goals, targets, and indicators, building from rigorous baseline analysis. This paper helps to map out the scope of gender-differentiated impacts in diverse places, but it does not explicitly link problems at the micro level to solutions

at the macro level. That linking takes an iterative process of working with governments, companies, and communities to establish ever better partnerships, and reliable indicators to measure success or failure. Organizational change agents in companies, communities, and governments, who are living, breathing, and experiencing the challenges in real time, are key to the path this process takes. These are the leaders who need most support—particularly those men and women who serve as role models and active champions for bringing about more inclusive development for their communities.

Awareness of issues related to the economic gender asset gap and the gendered effects of oil boomtown effects is growing, and mechanisms for the protection of women's rights at both national and international levels has received considerable attention. Because of the historical disadvantage suffered by women, their distinctive role in increasing economic health, and this increased awareness, management of gendered effects of the oil industry is increasingly important.

Within companies, senior management backing and commitment can drastically improve the morale and functioning of community affairs teams on the front lines by providing them with funds, equipment, training, and recognition on par with operational teams for the invaluable work they are doing. Within governments, strong support from the executive branch for an inclusive, gender-equitable oil-development policy should translate to greater resources and capacity for local-level government to represent the state, and well-oiled coordination between all responsible regulatory, mediation, and enforcement agencies in oil-rich areas. Finally, donor support plays an important role in the form of grants, concessionary loans, technical advice, knowledge of best practice models from around the world, and international encouragement to reaffirm the validity of placing gender at the center of the oil-for-development agenda.

This paper closes with a consolidated list of all the recommendations made in each of its constituent sections. A qualifying note should be offered here on the importance of drawing from a broad option of recommendations, rather than relying on a few alone to improve prospects for gender equality. Briefly reviewing interventions that have been evaluated (primarily through randomized experiments) in terms of their effectiveness in promoting gender equity (albeit none of the evidence cited is specific to the oil and gas sector) proves this point. Analysis by Woodruff, de Mel, and McKenzie (2008) [1] of microenterprises and credit provision for men and women in Sri Lanka suggests that capital inputs alone are unlikely to result in developmental gains for women. Similarly, a 2012

survey paper by McKenzie and Woodruff [2] on the effectiveness of business-training programs suggests that little reliable conclusive evidence is available to date to causally link such programs with long-term improvements in business outcomes. An overview of related literature points to the obvious likelihood that there is no single "magic bullet"; rather as advocated here there are a variety of approaches, which in combination increase the likelihood of progressing efforts towards gender equality.

Finally, it is also important to acknowledge a few key points around the role of companies as active agents in promoting gender equality and minimizing harms. Namely: a) the extent to which many large oil and gas companies are already working to address many of the issues identified in this paper, most notably through gender-aware community investment programs; b) the extent to which some of the issues that communities perceive are beyond the scope of the company to change and in fact reflect the need for a more responsive, functioning state presence; c) companies have limited power in some spheres, particularly around forming legislation; d) where existing workforce capacity is low, the ability of companies to increase the number of local female employees who can be hired is limited; e) while companies can help to steer the creation of more opportunities for women, they should be wary of interventions that could be perceived as "social engineering."

The annotated bibliography at the back of the paper provides a curated selection of useful practical tools and resources for oil company representatives, government officials, and NGO and donor partners.

G = Government, **C** = Company, **DP** = Development Partners (civil society, donors)

- **Facilitate access to gender-fair, no-interest or low-interest loans:** Where the legal system and/or custom make it hard for women to directly access money linked to company benefit streams (compensation, royalties, employment) identify lenders to facilitate concessionary, gender-fair loans. Another option where women are interested in providing direct contracting services to the company (e.g., transport, construction services) is to consider providing capital-intensive inputs (e.g., machinery) on a lease-purchase basis. **(C, DP)**
- **Enact legislation that requires local communities to become shareholders in the project:** Both men and women from affected communities should be entitled to become shareholders in the project, thus combining the social license to operate with the regulatory license to operate. Mandate creation of a separate benefit fund to

be managed by women, for spending on projects that will benefit women and children. Ensure that women also have access to community-wide benefit streams by requiring women to cosign when payments are distributed. **(G)**

- **Support inclusive financial literacy:** Provide training in basic financial literacy and help men and women to open bank accounts, especially for savings. Facilitate rollout of banking (mobile where possible) services in remote locations. Offer investment advice to landowners when royalty payments will be received. **(C, DP)**
- **Implement local content policies that are gender-smart:** Devise an ambitious local content policy with aggressive targets for gender equality, and provide business-development support as an integral component of community affairs. Ensure that tenders are broken down and translated, and provide preferred access to locally owned companies. Require bids to meet minimum gender targets. Consider community investment activities that will build the capacity of women and women's groups to form enterprises. **(C, G, DP)**
- **Adopt legislation that requires companies to commit to gender-smart local recruitment:** Require companies to hire a portion of their workers locally at each level of the workforce, including white-collar jobs and including a minimum quota of female hires. Establish tertiary and vocational training centers and provide scholarships for men and women. **(G, DP)**
- **Support adult literacy for men and women, followed by context-appropriate vocational training and/or livelihood-skill-building training:** In order to take advantage of negotiated benefits from the company, help men and women attain basic levels of literacy and numeracy. Follow up literacy efforts with training programs for women that deliver content based on their self-identified needs and interests. The goal of these programs should be to foster skills that expand opportunities for women to develop economic self-reliance. Partnerships may be available through existing programs; seek opportunities to fund and scale up successful models and ensure integration with local and national government plans. The World Bank–Japanese Social Development Foundation model from Papua New Guinea discussed above provides an instructive example. (**G, C, DP)**
- **Ensure gender-fair hiring and workplace policies:** Commit to a diversity plan, enforce a zero-tolerance policy on sexual harassment, adopt quotas for female hiring to match the applicant pool at every level of the workforce, ensure equal pay for men and women who perform the same jobs, offer subsidized child care, maternity and

paternity leave, and practice positive discrimination in promotions. **(C)**

- **Enact legislation granting women equal rights to land, credit, and property ownership:** Ensure that women's rights are legally enshrined. Publicize awareness of equal entitlements in oil communities at the very beginning of engagement, ensuring that information is available in multiple accessible formats and communicated through trusted channels to all community members, including women. **(G)**
- **Demarcate land boundaries in a gender-informed and participatory manner:** Carry out social mapping to establish rightful landowners, informing this exercise with existing gender-aware socioeconomic studies and community consultation. Carry out GPS demarcation of land boundaries for compensation with the participation of affected men and women to ensure agreement is reached transparently. **(G, C, DP)**
- **Ensure essential project infrastructure is constructed where possible in a gender-sensitive manner:** Where possible, when constructing roads and installing electricity and internet services, design infrastructure in order to provide spin-off benefits to local businesses and microentrepreneurs by aiding market access. Seek partnerships with community members to contribute labor for the building and upkeep of infrastructure, and with government to cover any recurring operating costs. **(C, G)**
- **Incentivize communities to eradicate child marriage:** In Abu Dhabi, couples get a marriage bonus of $50,000 for registered marriages. In part of India, girls get a monthly stipend of roughly $3 for not becoming pregnant. In other parts of India, self-help groups for women have prevented an estimated 5,000 child marriages. **(G, DP)**
- **Educate affected men and women on relevant rights-related laws and the different benefit streams that will flow to the community from project revenues:** Provide information in nontechnical, multilingual formats, and work through local networks and civil society organizations to reach a wide audience of both men and women in project areas **(G, C, DP)**
- **In addition to mixed-sex consultations, offer men and women separate consultations:** Female facilitators should be available for the women's groups. Facilitators should be assigned a local interpreter or should be able to directly communicate in local dialects and in nontechnical language (to accommodate illiterate populations). Rarely do all women suffer similar levels of disadvantage and exclusion. Care

should be taken that consultations with "women" are in fact representative of the interests and concerns of a broad cross section of community women rather than simply the elites. **(C)**

- **During final negotiations, mandate a quota (or percentage) for women to be present among nominated representatives from the community:** The example discussed earlier from the renegotiations over the Ok Tedi mine continuation agreements in Papua New Guinea highlights the power that companies have to reset social norms even in a context where there are limited precedents for women's participation in decision making. In order for this strategy to be most effective, there has to be sufficient value on the table for the community in terms of potential benefits. Women should also be offered support where needed to increase their confidence and formulate their negotiating agenda **(G, C)**
- **Hire independent advisers for the community:** In addition to having qualified local interpreters present the development proposal to the community, pay for the community to have access to independent environmental, legal, and accounting advice during negotiations. Community and company representatives should jointly agree on these appointments. All advisers should ensure that the women's delegation is not sidelined but provided with the same access to counsel and guidance as the men. **(C, G)**
- **Require the negotiation of continuity agreements, and mandate a quota for women's inclusion at the main negotiating table:** The consultation process should be held not only before the project begins, but also at regular intervals to give company, state, and community representatives an opportunity to review the terms of the social and regulatory license to operate and make changes where necessary. Women should be given a seat at the main negotiating table through a mandatory quota for their involvement. **(G, C)**
- **Maintain a sensitive, approachable, and respectful presence in communities:** Community affairs officers may be the only conduit available for grievances and information and assistance requests. The teams deployed to communities should include women, should commit to spending significant time building inclusive relationships with local people, and should attempt where possible to travel without heavy security convoys, large land cruisers, and other accoutrements of power that may make their presence intimidating or offensive. In a similarly humble fashion, senior management (board, CEO) should be

required to join community affairs officers on a visit to impacted communities at least once a year. **(C)**

- **Provide multiple avenues for grievances:** Offer free company hotlines with multiple language interpreters to allow everybody, especially women, to advocate on behalf of themselves without fear of reprisal or shame. This is especially important in areas where state intimidation is practiced and/or where communities are dispersed widely throughout remote areas. Identify ways to use social media to increase accountability and unstructured two-way information flows between community and company. Encourage and train everyone, especially women and girls, to use each mechanism, and provide counsel and make the process simple. **(C)**
- **Provide an independent mediator and clear grievance processes:** Set regulations to delineate a process for community members to follow if they have complaints as the project develops. Mandate a state body to mediate between communities and private companies (the equivalent of the ombudsman function, but for the private sector). Encourage and train women to use these processes. **(G)**
- **Use social media for communications and transparency with local communities:** With the emergence of social media in previously isolated places, companies and governments face an environment where negligence and lack of community stewardship will be more easily called to account. The presence of the Internet is already established in many remote areas, even where roads have not yet penetrated. Interestingly, research shows that women tend to be more active users of social media than men. [3] Early implementation of a social media strategy can provide an open access forum for bidirectional communication with community members in a way that potentially expands participation by bypassing the established hierarchies and structures that tend to exclude women. This mechanism is likely to become increasingly democratic with the growing penetration of affordable, cellular-based Internet throughout the developing world. **(C)**
- **Prepare for and mitigate boomtown impacts:** Before and throughout project operation, help the community anticipate and mitigate likely negative effects. Engage a trusted NGO or local organization to carry out public health information campaigns for men and women (including on gender-sensitive topics like prostitution, family abandonment and domestic violence). Forge partnerships to equip health services to expand services, including counseling for vulnerable community members. **(C, G, DP)**

- **Increase the capacity of local authorities to govern:** Regulate immigration to oil regions, and ensure that all outside company workers engage respectfully with locals. Provide funds and human resources, and build capacity to enable local governments to enforce rule of law, particularly curfews on public liquor consumption. Levy heavy penalties on perpetrators of violence against women. **(G)**
- **Carry out training and sensitization of workforce:** Require all community affairs officers to undergo a training course to enhance their understanding of boomtown effects and their gender dimensions. Require all operational staff and management to complete an abbreviated version of the course. **(C)**
- **Monitor environmental quality indicators with community participation:** Recruit, train, equip, and pay local men and women to monitor changes to their natural resource base, particularly water sources. Ensure all laboratory results are independently analyzed and the results carefully explained to all community members. Provide guarantees of a maximum response time for resolution of problems. **(C)**
- **Enforce strict environmental compliance:** Participatory monitoring of air, water, and soil quality needs to be complemented by state monitoring and strict enforcement of penalties or license revocation in the event of noncompliance. With regard to environmental practices, nothing should be tolerated in the company's area of operations that the CEO would not be happy to accommodate in his or her own backyard. **(G)**

Notes

1 De Mel et al. 2008. http://siteresources.worldbank.org/INTAFRREGTOPGENDER/Resources/arewomenmorecreditconstrainedmckenzie.pdf.

2 McKenzie and Woodruff. 2012. http://ftp.iza.org/dp6895.pdf.

3 Pew Research Center's Internet and American Life Project. Winter 2012. http://pewinternet.org/Commentary/2012/March/Pew-Internet-Social-Networking-full-detail.aspx.

Country Profiles: Gender, Oil, and Gas

Situating case-study evidence

Azerbaijan

The Republic of Azerbaijan is an independent and secular state, formerly of the USSR. At the crossroads of Europe, Asia, and the Middle East, it is a global mixing pot of ideas and lineages and a source of commercial petroleum that has been internationally traded for hundreds of years.

In 1890 Baku oil met half of the world's demand for crude. At that time, Baku was a small city in Azerbaijan. It grew exponentially throughout its first oil boom of the early 1900s, with an influx of laborers from surroundings states, especially Iran and Russia but also Europe and America. The first girls' school was opened in 1901, and religious tolerance and ideas of equality between men and women were hallmarks of Baku society. Women were given the right to vote in 1918, well before the United States granted suffrage to women. In 1920 Baku was occupied by the Soviet Union, and Baku's oil millionaires and their families were persecuted. Azerbaijan became one of the poorest Soviet territories. As one interviewee said: *"If I got any benefits from being the granddaughter of the first oil billionaire [Haji Zeynaladdin Tagiyev], it would be wonderful. Some doors were opened secretly to me, but in Soviet times my mother could not talk about her father. It was dangerous for us."* During the Soviet era, both gender and economic equality were institutionalized, but investments in oil and gas ceased. After the fall of the USSR in 1991, the economy collapsed even further and many men left for Russia, Iran, or the United States in search of work, leaving women and children behind.

Of the former Soviet countries, Azerbaijan's economic recovery has been among the most rapid. Many economists and interviewees attribute the recovery to the "Contract of the Century" signed in 1994. The "Contract of the Century" envisaged a new oil strategy to develop oil in the Caspian Sea and transport it by pipeline to Turkey. It included 13

oil companies (AMOCO, BP, McDermott, UNOCAL, SOCAR, LUKOIL, Statoil, ExxonMobil, Turkish Petrol, Pensoil, Itochu, Remco, Delta) from eight countries (Azerbaijan, the United States, Great Britain, Russia, Turkey, Norway, Japan, and Saudi Arabia). After it was initiated, male out-migration slowed, but women still outnumber men in the general population.[1]

Oil and gas commodities now represent roughly 90 percent of Azerbaijan's exports, and the planned expansion of the Shah Deniz field in the Caspian Sea will triple overall gas and condensate production from the field within five years. The largest oil operations in Azerbaijan are offshore in the Caspian Sea, with the main terminal located in a southern district of Baku called Sengachal. The firm engaged in production and operation is primarily BP, and SOCAR (the State Oil Company of Azerbaijan) oversees most of the land-based operations. In Azerbaijan, many of the households near the Sengachal terminal are among the poorest in the country and are headed by women, who rely on the support of their brothers or the community to make ends meet. Financial and geographical forces dramatically multiply the inequality gap between wealthy urban Baku and these communities. Oil revenues flow into certain sectors of the economy, expanding them, while other sectors contract. The physical location of oil production where the risks are distributed make even starker the difference in quality of life between people who are wealthy and those who are poor.

Gender focal points have been designated in all government institutional structures, and the state provides resources and works with donors to support gender equality. Global commitments have also been made to UN CEDAW (the Convention on the Elimination of All Forms of Discrimination against Women) and the UN Beijing Plan for Action. The legislative base for ensuring gender equality and eliminating domestic violence in Azerbaijan was also developed in accordance with international standards, but there are still major discrepancies in implementation and enforcement.

Addressing gender in the extractives in Azerbaijan must be understood in the context of gender equity in Azeri culture. The first girls' school was opened in 1901, women were given the right to vote in 1918, and there are currently more female college students than male college students. Religious tolerance and ideas for equality between men and women were hallmarks of Baku society beginning generations ago, but there are still fundamental challenges to women's autonomy embedded in the culture. In traditional Azeri feminine culture, women are meant to focus on traits of chastity, grace, humility, and love of

family, and are traditionally seen as the "responsibility" of male relatives.[2] Unmarried women are meant to defer to male relatives, even younger ones; upon marriage, this responsibility transfers from the males in her family to her husband, who will determine her level of autonomy. Thus, women interviewed reported that challenging career goals came with an awareness of potential social drawbacks. *"I made sure to always keep myself beautiful, and to take care of my husband before I followed my own career,"* said an interviewee in her 60s working in government on policy and advocacy for women's rights in Azerbaijan

"It is good for the man to have more power than his wife; a psychological upper edge," said the deputy dean of social sciences of a large university whose wife, 10 years younger, was from his parents' village in the south of Azerbaijan. For many families, marrying off daughters at a young age is a means of economic survival, as their daughters are not only another mouth to feed, but receive a "dowry," or mahr, from the husband's family. There are deep social pressures as well, including the fear that if they wait too long, they will not find a good husband for their daughters; such an important life event that no chances should be taken to risk it. While the legal age of marriage is 17 years, many girls are contracted into underage marriages that are not registered with formal authorities. Women in such undocumented marriages are placed at greater legal and economic risk, as they cannot jointly own land with their husbands or file for compensation in the event of abandonment, along with a host of other less dramatic inconveniences. The documented rise in births outside of registered marriage has ballooned from 2.6 percent of the total number of births in 1990 to more than 14 percent in 2010. A research study released in April 2011 by the State Statistics Committee found that 63 percent of women who married under the age of 18 said that they had been forced to marry against their will. Reasons ranged from parents' pressure (26 percent), financial need (11 percent), kidnapping by the groom (6 percent), pregnancy (2 percent), and "other reasons" (18 percent).[3]

According to a young student interviewee at Baku State University, *"most girls my age have progressive ideas about gender equality, but no boys do."* There are currently more female college students than male college students. Yet, according to the director of a family support center in Shuvalan, a distant suburb of Baku and site of the first commercial oil operations in the late 1800s,[4] *"A big challenge is that rural women can't go outside to get educated after 4th grade. When they are 9 or 10 years old they sit at home and wait to get married at 13 or 14. Some progressive families allow their daughters to go to school, and get married at about 20, but it's not common."*

Many Azerbaijan women work outside the home (a 65 percent labor force participation rate vs. 71 percent for men in 2009),[5] but wage differentials are large. According to interviewees, unemployed men feel stress from not living up to social expectations to be breadwinners, and this is compounded by an "expectation inflation" regarding employment potential, which is often linked to the presence of the oil industry. In Azerbaijan, men are twice as likely to be diagnosed with a mental disorder and are roughly twice as susceptible to die of diseases and accidents at every age (State Statistical Committee, 2010).[6] Several women in the focus groups theorized that the gap between expectations and reality resulted in higher stress and lower male life expectancies. Women also said the higher mortality rate was due to accidents.

As mentioned by almost all female participants interviewed at the community level for this study, the root causes of the problems they experience are unemployment, financial instability, and the high level of dependence of single women. Most of the women interviewed at the community level did not have husbands for various reasons: Some left for jobs in Russia, while others died in the Karabakh war. In such cases, the women lived with their brothers and were financially dependent on them. There was only one woman with a working husband in the group. They suggested that creating employment opportunities for women through the implementation of income-generating projects and small enterprise development assistance would solve most of their problems. They pointed out the unrealized potential offered by the high numbers of educated women and girls in their community; most women also possess marketable vocational skills such as tailoring and carpentering.

Representation of women in the workforce and in government has declined since Soviet times, but elucidating the relationship between oil industry and the status of women is complex. The ombudsman's adviser for gender and women's issues, Sabina Gaxramanova, noted that to provide equal career advancement for men and women it is important to not only create opportunities through job training and offerings, but also create conditions for women under which they will be free both from household chores and fears of doing stereotypically male labor. In a recent survey done by the Oil Workers Rights Protection Organization (OWRPO), members of parliament overwhelming thought that the oil revenues have increased opportunities for women (85 percent), while the percentage of women who think so is much smaller (40 percent).[7]

Summary of gender-gap analysis from community interviews and focus group discussions in Azerbaijan

Assets

Employment appeared to be an emotive issue in communities, and one with marked gendered dimensions. Men expressed a strong affinity to cultural ideals of masculinity defining the husband and father as a provider, breadwinner, and unquestioned authority figure in the household. High male unemployment in areas around the oil terminal was therefore experienced as emasculation, loss of status and shame/anger. Interviewees stated that there had been employment centers set up by the oil company, but that these were now closed. Sought-after professional jobs were felt to be inaccessible without high-level connections in the company or government to secure not only a job offer but also access to the education required for qualification. Several men preferred to be unemployed and have their wives work as maids, rather than accept menial labor. The subject of female employment was met with hostility or rejection by many men, or explained as an indication of the husband's failure to provide. Unemployment was also evident to an even greater extent among women. Women themselves appeared divided between a desire to gain more autonomy through employment, and their allegiance to perpetuate the "feminine" behaviors expected in Azeri society, including subservience to male authorities, and the role of homemaker.

There were a small number of outliers among key informant interviewees (as opposed to community women); these were women who had good jobs and were earning as much or more than their husbands with full endorsement from the families concerned. No women-owned businesses could be identified within the community. Some women were employed in the brick factory, but they were not a majority. As mentioned by almost all female participants, the root causes of the problems they experienced were unemployment, financial instability, and the high level of dependence of single women. They suggested that creating employment opportunities for women through the implementation of income-generating projects and small enterprise development assistance would solve most of their problems. They pointed out the unrealized potential offered by the high numbers of educated women and girls in their community; most women also possess marketable vocational skills such as tailoring and carpentering. However, none of the women had concrete ideas or suggestions as to how, practically, this aspiration could be realized.

In terms of land, joint ownership between husband and wife is legally permitted but not common. Women require a marriage certificate to claim for joint title, and the number of undocumented marriages is high and growing. Landowners along the length of the oil pipeline received compensation, but most often this accrued to the male titleholder along with the right to make spending decisions.

Information

Within communities around the oil terminal, both men and women appeared to feel a low level of trust in the company due to an apparent mismatch in terms of both expectations and communications. Several women cited the indifference of social workers assigned by oil companies to work with the community: *"Mostly those social workers are not interested in listening to the people. Thus, most of the problems expressed by the community population are not properly communicated to the authorities who deal with these issues."*

Although community members brought grievances forward during focus group discussions, many people were reluctant to pursue official grievance mechanisms. The lack of transparency and democracy in the governance context of Azerbaijan appeared to translate into a sense of hopelessness among people that their complaints would be listened to without negative ramifications. The company's free, anonymous helpline, which reportedly has a very high use in Azerbaijan, was not used in the villages; the women had not heard of it. There was also a common suspicion articulated that outsiders the industry brought in could not be trusted. One man said: *"Some Azeri people are used [to] giving bribes; here too. But we invested in this place with our own money and it shouldn't be stolen from us by the contractors."*

Vulnerability

Community interviewees identified several issues related to environmental and social risks. Specific ecological problems were alleged to have appeared since the oil infrastructure was constructed (bad smell, contaminated air, pollution of the surrounding area). Women complained about noise pollution that increases during treatment processes in the terminal, and trembling of the land that damages buildings in the village. The community felt that health problems faced by women of reproductive age were linked to the presence of the oil facilities—in

particular miscarriages, stillbirths, and premature births. Heavy trucks from the cement plant were alleged to be causing damage the roads of the community. As a positive impact of the oil industry, several men mentioned that the overall infrastructure links in the area had improved, though they still felt physically and economically isolated from the prosperity and power in the adjacent city of Baku.

Notes

1 This is true despite the fact that sex-selective abortions favor boys. There are three primary factors associated with the demographic gender imbalance: the war with Armenia, a higher mortality rate for men at every age but especially over the age of 50 due to accidents and sickness, and outward migration after the collapse of the Soviet Union. Male deaths have maintained a rate at roughly 110 percent of women's deaths since 1939, according to the State Statistical Committee. Furthermore, according to one interviewee at USAID: If a couple's first child is a girl, they are more likely to ensure, through sex-selective abortion, that their second child is a boy. Over the entire country in 2009, there were 15 percent fewer girls born than boys, or roughly 13,000 missing girls. In one oil-producing town called Naftalan, the number of girls born was roughly half the number of boys in 2009. Source: Women and Men in Azerbaijan, State Statistical Committee of the Republic of Azerbaijan, 2010 edition. See pages 191–193, "Number of births and deaths by economic and administrative regions, 2009." The region referred to is called Naftalan, where 33 girls were born and 58 boys.

2 "Gender Attitudes in Azerbaijan: Trends and Challenges." 2007.

3 Ibrahimova and Abbasov, 2011. State Statistics Committee survey of 19,711 women from 20 regions. 37 percent acknowledged that they had married before the age of 18; 29 percent when they were between the ages of 18 and 19. Only 9 percent of the women surveyed got married at or after the age of 25.

4 The center, one of 11 situated around the country run by the State Committee for Women and Children, offers tutoring and counseling services for children with special needs. It also offers training and counseling services for women in reproductive health.

5 World Bank Data, Gender Statistics. http://databank.worldbank.org/.

6 Except, of course, maternal mortality, which is 10 times higher in Azerbaijan than Europe, according to the World Health Organization.

7 Oxfam Novib and Oil Workers Rights Protection Organization. January 2011.

Peru

Peru is a resource-rich country of 29 million people on the Pacific coast of South America. It attained independence from Spain in 1821, and its current political order is characterized by elections every five years that are regarded as free and fair. In 2011, President Ollanta Humala's victory over Keiko Fujimori, his more conservative rival, was widely interpreted as a vote of protest against rising social and economic inequality and the marginalization of indigenous groups, and a vote in favor of greater redistribution of wealth from the extractive sector throughout the rest of the economy.

The booming resource sector helped to fuel Peru's rapid economic expansion, and coupled with the government's conditional cash transfers and other programs, this wealth has helped to reduce the national poverty rate by more than 19 percentage points since 2002. Yet roughly a third of the population still lives below the poverty line and persistent levels of inequality prevail, especially between men and women.[1] These tensions often boil over in resource-rich areas. To date, oil and gas have been discovered and exploited in two of Peru's three main ecosystem zones: the dry coast and the Amazon rain forest. Currently the oil industry represents only 3 percent of Peru's GDP; the mining industry in the Andean highlands has been the primary engine behind Peru's commodity boom and export-driven economic growth,[2] but oil and gas production are anticipated to grow as a result of 25 new oil exploration and long-term production contracts signed in 2007.[3]

Oil and gas are in a sector of the economy that has a dramatic history, from the links between gold, colonial conquest, and the Inca empire[4] to the current resource-fueled conflicts between indigenous peoples and the modern nation state that are erupting throughout Peru. The human cost of conflict has been severe: 89 people have been killed in 3.5 years and 1,300 have been wounded.[5] The conflicts also destabilize Peru's investment climate. According to the ombudsman's office (defensoria del pueblo), US$50 billion in foreign direct investment (FDI) has been committed to extractives projects over the next 10 years, and the state may be unable to manage the correlated conflicts associated with the future rise in FDI. According to several interviewees, some of the rise in conflicts is attributable to a 2007 editorial by then-President Alan Garcia published in the newspaper El Comercio with the title, "El Perro del Hortelano," or the dog in the manger. President Garcia argued for development of Peru's natural resources[6] in the resource-rich Amazon, the metaphorical "manger." In response to Garcia's subsequent policies opening the Amazon to

mineral exploration and development, the number of conflicts increased from four in 2002 to 170 in 2009. In 2011 there were fewer—98 conflicts classified by the government as both active and latent. Of these, about 56 percent are social and environmental conflicts. Of that 56 percent, roughly 70 percent are due to mining issues, 25 percent to oil, and 5 percent to gas.[7]

Within this tense governance context for the sector, the government of Peru has created impressive policy architecture to manage revenue from resource extraction. The Canon Minero and Canon Petrolero,[8] laws that delineate how much of the income tax from extractive industries is distributed to different regional governments, are transforming the regional economies, but the absorptive capacity of regions is low. A national investment program has been set up to monitor and govern the utilization of funds at the local level, called SNIP (Sistema Nacional de Inversión Pública). It was created to improve the quality of public investments and prevent misuse of public funds, with the stipulation that SNIP funds should be used for investments in capital-intensive projects like infrastructure. Several people have commented that the system is rigid, but a larger problem is related to the limited capacity of human resources outside of Lima to prepare and submit plans for using the funds and moving money through the complexities of the SNIP. This is also an obstacle for inclusion of balanced gender intelligence in the local development process, since women in the region are less likely to have educational parity with men. SNIP does not have an explicit gender aspect.

In April, July, and September 2011, a small research team funded by the World Bank went to each of three areas in Peru to conduct interviews and focus groups. The fieldwork sites were selected to provide three contrasting sets of circumstances that follow the history of Peruvian oil and gas, which has been developed in three phases. In the late 19th century and early 20th century, the first wells were drilled on the northern coast, where crude oil was bubbling up at the surface, in the Piura region. Our research team visited the small oil town of El Alto in Piura. The subtropical desert area is characterized by scrub grazing land resembling west Texas and a mesquite crop called algorrobo that is used to make a popular type of syrup. Small farms were river-irrigated and are now also well-irrigated. In the early years of oil exploration, the foreign firms drilling there—the London Pacific Petroleum Company and Pacific Petroleum Company Lobitos—avoided legal regulation by the government and did not submit taxes to the state until the 1960s, when the left-leaning military government expropriated and nationalized many industries in Peru,

including the oil wells and refinery in Talara.[9] During this decade, Peruvian demand for oil outpaced the national supply, and Peru became an oil importer. This economic milestone sparked a commitment to explore for oil in other areas of Peru.

In the mid-1970s, a second wave of development occurred in the northern tropical Amazon, in the Loreto region. Due to the state of technology and national law at the time, produced water was not reinjected, and the Amazon River watershed area absorbed huge quantities of industrial waste. The firms that were operating in the area are currently involved in litigation; impacted communities have charged that pollution from oil spills has caused health issues, declining fish stocks, and ecosystem deterioration. Two international NGOs are supporting the complaint and litigation processes. Our research team visited this area, the Contamana district, in the northern Loreto region. It is the midpoint between the city of Pucallpa and the two communities of Canaan de Cashiyacu and Nuevo Sucre. The area is remote and is the customary land of the Shipibos people, who number around 35,000 and live along the great valley of the Ucayali River.

Lastly, in the late 20th century and early 21st century, gas resources have been exploited in the southern Amazon, in the Cuzco region, specifically Camisea. During an interview, Jose Luis Carbajal, an anthropologist at the Ministry of Energy and Mines, described Camisea as "a laboratory for setting higher standards for relations between oil companies and people." Additionally, through the Canon, about $120 million is channeled to the district government while the Cuzco government receives roughly $1 million per day. Due to the government's inability to meet the requirements of the SNIP, more than $800 million has accumulated and is yet to be spent.[10] In 2008, 14 regions showed female poverty rates higher than the national rate of 36.2 percent, and Cuzco was among them. Our research team visited the Camisea Gas Project near the Urubamba River in central Peru, and the San Martín Reservoir in the indigenous Matsiguenga community of Camisea in the jungle of Cuzco.

As per the key informant interviewee testimonies and documented in statistics, Peruvian women outside of Lima have fewer educational and employment opportunities, less decision-making power, and lower incomes. Women carry out different roles and responsibilities than do men; often they have a greater workload than their male counterparts when informal jobs, childcare, and domestic work are taken into account. Women hold roughly 80 percent of the informal jobs, and therefore are in more precarious positions, according to ENAHO, the

National Statistics Institute.[11] In Peru, the richest 20 percent of the population receives roughly 58 percent of income, of which only 15 percent accrues to women and 43 percent to men.[12] A striking gender discrepancy also exists among undocumented citizens. Most people without IDs live in rural areas, especially in the jungle. In 2006, 5.3 percent of people older than 18 had no birth certificate; of these, 65 percent were women and 35 percent men. Without a birth certificate, unregistered citizens cannot vote, access the financial system, or receive services of the state like the cash-transfer program Juntos, which provides 100 soles per month to mothers of children under 14.[13] In order to address the regional disparities, the Ministry of Women has budgeted technical assistance to 20 out of 24 regions for increasing awareness of the Equal Opportunities Law, but as of the date of our fieldwork, there is little evidence of impact from this activity. "The equal opportunity law is there since 2007, but it is not integrated with a plan for development, and people don't realize it exists," said Carlos Monge.

Even among women in high-income, urban classes, there are stereotypes about leadership that pose barriers to women's advancement. Twenty nine percent of firms have female participation in ownership, but only 14 percent of firms have a top female manager.[14] In contrast to the low numbers of women in upper management, women represent 35 percent of full-time workers, though only 12 percent of full-time nonproduction, or skilled, workers.[15] Compared with Latin America as a whole, Peru has almost 10 percentage points fewer women business owners. As in the United States, women are viewed as less qualified or natural in most leadership roles, and when women adopt culturally masculine behaviors often required by these roles, they may be viewed as inappropriate.[16]

There are positive signs for women's leadership in Peru. There is one woman vice president at PeruPetro, the private company under government of Peru oversight that is responsible for promotion, licensing, initial community consultations, and collection of royalties from upstream hydrocarbon activities. There are two women vice ministers of the environment, and the mayor of Lima is a woman. The Ministry of Energy and Mines (MeM), which is authorized to establish and regulate much of the environmental and social impacts protection policy and impose administrative sanctions against companies in violation of policy, is primarily a male environment.

Summary of gender-gap analysis from community interviews and focus group discussions in Peru

Assets

In the focus groups, interviewees in all three location agreed that men take most jobs. Women in El Alto complained about the unskilled and temporary jobs they are left with: "There are 50 rotating jobs for local women, such as secretaries and assistants, but only when they are not brought from Lima. They also do the cleaning work, which is difficult and hazardous. There is no decent work for local women who only get jobs to sweep streets and wash cars, but nothing more qualified." Men in Camisea and the northern Amazon complained that local company hires are discriminated against compared with other workers (e.g., they receive a much lower salary and are expected to work 12 hours daily). If they do not accept these conditions or they do not obey orders to work unpaid overtime, contracts are not renewed or workers are dismissed. In contrast, people from Lima are hired as "specialists," with much higher status, pay, and conditions. Community members also claimed that there is an implicit regulation about not hiring local women because they are "weak" (this point was articulated by both women and men).

In El Alto, the long-term, paternalistic culture of the oil industry was linked by local people to the lack of entrepreneurship within their community. A few men stated that this would have to change with oil reserves declining, although a majority still spoke of their hope and expectation for a salaried job. Agriculture is the mainstay of the economy in both Amazon sites visited, and theoretically has potential to provided the basis for small enterprise development. According to men interviewed, the main agricultural products grown locally are yucca, cacao, sweet potato, banana, and coffee. Since the arrival of the industry, the community has also begun producing tomatoes and cabbages for children, and several women intended to form a cooperative to expand other produce in the hope of supplying food to the company. Unfortunately, the women cannot sell any of these products to the company at present because they would be required to become a formal company, meeting the requisite health standards and other regulations. Most women are illiterate and do not possess the support that would be required to navigate company processes to become supply contractors.

Information

It is interesting to note that there were very few mentions of the central, regional, or even district government during the focus groups in all three locations. In fact there seemed to be a vacuum where the state should be, and an accepted sense of overreliance on the company for meeting community needs. In Camisea, when asked why all actions, requests, and complaints were addressed to the oil and gas company and none to the state, participants responded that pushing the company "is more direct . . . You do not get anything from the state." Participants pointed out that [President] Humala was too far away and that the municipality of Echarate (of which Camisea is a part) does not care about their problems. However, they acknowledge the importance of the recent approval of the consultation law because it potentially gives communities an elevated importance in the decision-making process.

Both communities in the upper Amazon articulated a sense of frustration that they had been abandoned by the state, which was effectively absent in the community until the dispute with the oil company gained international media attention. There was also a self-awareness of the "David and Goliath" nature of the dynamic, and the power asymmetry between the tribal communities and the large multinational corporation. It is important to note the relative youth of the apus (chiefs) from Canaan and Sucre (28 and 27 years old, respectively), which explains their limited experience in negotiating on behalf of their communities with assertion and self-confidence. However in spite of this disadvantage, both men appeared committed, articulate, and determined to represent the interests of their people.

In El Alto, one woman articulated the most common view recorded: *"In the past the company provided free gas, water and school materials for children. In the past we had free gas [from the English company]. Now there is no gas and no water. This is the company's social responsibility to provide not only school breakfast but also more support to control crime and public safety."* At the root of all the governance-related grievances, the research team identified a series of failures in communication: between community and company, between company and government, and between government and community. One example was the lack of enough reliable information given to the population about the terms of the contract and taxes paid by the oil company. This had fueled many misconceptions about the different roles and responsibilities of each major stakeholder: the state (national and local) and the oil company. Among both men and women,

the company was overwhelming perceived as a replacement for the absent state, and consequently the channel through which all demands and complains should be addressed. Rather than putting pressure on the local government to demand service improvements, people preferred to blame the company. People reported: *"When national authorities have mediated, they have appeared biased in favor of the company."*

The research team also found a lot of distrust in each stage of the development process; for example, the allegation that the EIA was done with secrecy between the company and the Ministry of Energy; the perception that there is little transparency in the contract with the company; and the suspicion of a hidden agreement between local unions and the company.

Vulnerability

Both women and men in the Amazon expressed concern about negative impacts on food security and the environmental impact of the company. They stated their belief that plants and trees absorb the gas released from the plant, which then weakens and kills them. Men noted a loss in flora and fauna: For instance, mahogany and cedar trees have reportedly disappeared, and medicinal plants are now difficult to find as much land has been cleared to accommodate the plant and associated facilities. Water pollution is also blamed for less availability of fish and their diminished size/nutritional value, and for less productive harvests (particularly yucca, a staple of the diet). Participants saw these developments as a serious threat to their survival because in the past they enjoyed much better health and had all they needed to eat. Women complained that, in violation of the company's own regulations, its workers frequently throw plastic and other nonbiodegradable trash into the river during the night.

In Camisea, health problems that community members linked with pollution from the industry included stomach ulcers in children, skin problems, rashes, backache, and hair loss. Most of these symptoms were manifest after bathing in the river adjacent to the oil facilities. They also have noticed a change in the river's color since the plant became operational, as the water has taken on a greenish hue. During the focus group discussions with women in the upper Amazon, they appeared to systematically ignore specific questions and seemed to have a single discourse around the several oil spills and the pollution in the area. Similarly most testimonies of men focused heavily on the oil spills in 2009 and 2011 that affected the community's main water sources.

Members of the Shipibo-Konibo indigenous communities allege that they have endured years of the company's contamination, including six oil spills in their territories in the past three years. Villagers report that community members have died after exposure to oil-contaminated food and water, and sickness is widespread. The company is also accused of regularly releasing oil residues into water tributaries and onto agricultural land. In relation to contamination from the spills, community members complained about livestock and chickens dying as a result of drinking oily water. Following the spills, male community members allege that contractors paid by the company forced them to clean up the oil spill from the river with their bare hands, refusing to provide any safety equipment or protective clothing.

In Camisea, selling beer to company workers has emerged as a lucrative sideline for community members, including the chief. Additionally, it was clear during the research for this study that alcohol abuse is prevalent among the men in the community. This was affirmed during interviews with a woman-focused NGO, Flora Tristan, which works with female victims of domestic violence and attributes the increase in cases to increased drinking and associated problems. Interestingly, during the focus group discussion, women denied the presence of domestic violence in the community and argued that all beer brought by traders is consumed by company's workers. As has been noted by other researchers working on the subjects of domestic violence and addiction, a longer presence is needed to establish trust in confidentiality and compassion.

In El Alto, cash availability and the influence of outsiders have provoked other changes in the district, according to community members. There is a common understanding that crime and bad habits are due to outsiders who came to work in the company. For example, the women mentioned a wide set of social impacts such as the lack of respect from children to adults; family crisis, increasing level of corruption (e.g., policemen working for the company instead of protecting people); a case of formal documentation prepared by local people and sent to congressmen that ended up in the company's hands; prostitution; alcoholism; drug abuse—cocaine, marijuana (there are many young people, 14 to 15 years old, selling and buying drugs in parks), proliferation of liquor canteens; increasing family violence that encourages aggression in children; and school bullying.

Notes

1 CIA *World Factbook*.

2 Nicholas Drouin, interview at the Canadian Embassy, June 14, 2011. Oil, gas, and mining together represent 60 percent of exports.

3 USGS *Mineral Yearbook*. 2009

4 In 1533, the Incan chief Atahualpa was executed by the Spanish in spite of the room full of gold that the Incans filled as a ransom for his life. This story is so well known that there is a syndrome associated with it, "the syndrome of the rescue room." Many Peruvians anticipate betrayal by foreign companies and their own government with respect to natural resources. Source: Alvaro Barnechea, Francisco Tumi, *El Sindrome del Cuarto del Rescate*. Paraca Comunicaciones. Lima, Peru. April 2011.

5 The most significant of these occurred in June 2009: A conflict between indigenous groups from Bagua Province and government police resulted in the deaths of 32 people.

6 See an English translation of the editorial here: http://www.peruviantimes.com/30/president-alan-garcias-policy-doctrinethe-dog-in-the-manger-syndrome/2860/.

7 Interview with Victor Aragon, office of the president for conflict management.

8 The Canon Petrolero is 12.5 percent of the ad valorem petroleum production and is distributed equally among the provinces in the region where the oil is produced, and then distributed to the district level based on criteria such as population, geographical area, whether it is a provincial/regional capital, and whether the population is greater than 100,000. In addition to benefits flowing to regional governments and local governments, revenues are also shared with national universities and colleges, the Pedagogical State Technology Institute, and the Research Institute of the Peruvian Amazon. Source: *Restoring Fiscal Discipline for Poverty Reduction in Peru: A public expenditure review*, World Bank, 2003.

9 Interview on June 18, 2011, with Mercedes Lu, a biochemist and researcher for the Environmental Law Alliance Worldwide (ELAW), by email.

10 Interview with Jose Luis Carbajal of MeM, confirmed by Carlos Vives of PeruPetro.

11 Villar. 2011.

12 Ibid.

13 Dasso. 2011. The cash transfer program has been one of the biggest drivers in decreasing the number of unregistered persons because the program includes registration as one of the initial stages of enrolment.

14 Enterprise surveys, http://www.enterprisesurveys.org

15 Nonproduction workers are usually taken to represent skilled workers. Enterprise surveys, http://www.enterprisesurveys.org

16 Koenig et al. 2011.

Papua New Guinea

Papua New Guinea (PNG) lies to the north of Australia and forms the eastern half of the island of New Guinea, with the Indonesian province of Papua over the border. PNG is a resource-rich country of more than 6.9 million people. While its 2011 GDP growth rate was high at 9 percent, inflation also rose to 9 percent as a result of supply shortages in critical areas (for example, housing in Port Moresby, as well as skilled labor, construction, and transport) and the appreciation of the kina with export earnings.

PNG has a dual economy: oil, gas, and mining account for almost two thirds of export earnings, while the majority of people (about 85 percent) live in rural areas and depend on traditional subsistence agriculture. There is a growing trade in cash crops such as copra, coffee, cocoa, vanilla, and forestry products. The population is composed of a multitude of different ethno-linguistic groups or clans; more than 800 distinct languages are spoken in PNG. Following independence in 1975, PNG adopted a commonwealth government based on the Westminster model, with a democratically elected prime minister and the queen as head of state. In practice, the electoral system is plagued by irregularities and an aggressive "cash-for-votes" system prevails. In many areas of the country, resource companies have taken on a de facto government role, providing services, jobs, and infrastructure to local people as part of benefit-sharing agreements with affected landowning clans.

The troubled history of early projects in PNG's extractives sector has influenced the engagement of subsequent developers and the government, particularly in their approach to benefit sharing and environmental custodianship. Foremost among these experiences was the Bougainville disaster. The Rio Tinto-owned Bougainville (Panguna) copper mine operated through the 1970s and 80s; at this time it was one of the world's largest open pit mines; payments from the mine contributed 20 percent of the national government's budget. Bougainville leaders, however, alleged that no benefits were shared with islanders. The company was accused of a raft of serious social and environmental abuses, including the institution of an apartheid system of discrimination between locals and expatriate workers and poisoning the Jaba River, leading to previously unseen birth defects and the extinction of the flying fox. In 1989, the Bougainville Revolutionary Army forcibly closed the mine on environmental grounds, beginning a decadelong war for

secession that led to the deaths of tens of thousands of islanders and an eventual peace accord that creates a path for Bougainville to gain full independence from PNG.

Elsewhere in the Western Province of the country, the BHP-owned Ok Tedi mine began production in 1984. Shortly thereafter, the mine's tailings dam collapsed, releasing toxic contaminants into the Ok Tedi and Fly River systems and causing widespread damage to their ecosystems and the livelihoods of some 50,000 people living in the watersheds. A class action lawsuit brought by local landowners against BHP resulted in the retreat of the company from PNG and the divesting of the company's shareholding to the newly created PNG Sustainable Development Program, set up to hold the benefits of the mine in trust for future generations.

The development of the petroleum sector in PNG has largely followed from and been informed by the lessons of Bougainville and Ok Tedi. In 1986, Oil Search Ltd. discovered PNG's first major oil field, at Kutubu. Despite a difficult investment climate following the Bougainville disaster and significant logistical challenges in accessing the remote Southern Highlands site, a period of intense development activity followed, with the field beginning production in 1992. Oil production in PNG is now in slow but steady decline, with production of an average of about 30,000 barrels per day produced during 2011.[1] The focus is now on gas exploration and production, with investors and developers competing for lucrative commercial prospects in three main areas of the country: the Gulf Province (InterOil); the southwest of the Western Province (Talisman and its joint-venture partners); and the Hides/Angore/Juha gas fields together with gas contained in the existing Southern Highlands oil fields of the Fold Belt (a consortium led by ExxonMobil and Oil Search).[2] The latter dominates the current investment landscape, constituting the $15 billion PNG LNG project scheduled to begin production in 2014. The project employs more than 8,500 citizens (about 60 percent of its total workforce).[3]

Recognizing early on that significant potential existed for gas development, the PNG government has put in place a number of legal and policy frameworks to ensure smooth commercialization of the sector by mandating fair sharing of wealth. The customary structure of land tenure in PNG combined with the weak penetration of national government into the hinterland has led to an unusually generous degree of benefit sharing from oil and gas projects at the local level. Almost all of the land—99 percent— is held under customary ownership, with land rights

recognized through membership of kinship groups or clans. The 1998 Oil and Gas Act, section 47, mandates that prior to obtaining a development license, a company must conduct an ethnographic "social mapping" report of the project area on behalf of the government to identify the rightful landowning clans.[4] This report provides the basis for the government to issue invitations to clan representatives to join the "development forum" process.

The development forum serves two purposes: to inform and educate affected people about the project's scope, nature, and impacts; and to agree on the benefits to be shared. The outcome of the forum is a transparent forum record (a memorandum of agreement) that details commitments to provide infrastructure and services to landowners, as well as their respective shares in project equity and royalty payments. The Oil and Gas Act requires that 30 percent of royalties and equity dividends be paid into a future generations trust, and a further 30 percent be paid into a community investments trust. The remaining 40 percent will be paid to project-area landowners.[5] In exchange, the landowners agree not to disrupt the project. Finally, all parties agree to an ongoing consultation process throughout the life of the project.[6] Landowning clans must form a registered company (incorporated landowner group) to be paid their agreed dues when production begins.[7] Development forums and incorporated landowner groups in PNG have facilitated a trend toward shifting wealth from national to local level. This process has not necessarily been equitable, however, and in many cases has led to the concentration of extreme wealth in the hands of a few male clan leaders and representatives who may not be those most directly affected by the project. Influxes of cash to bank accounts together with low levels of financial literacy have led to a pattern of spending rather than investment or savings. Women in particular have failed to capture a share of project monies from the oil and gas sector.

In spite of its endowment of gold, silver, nickel, oil, natural gas, copper, and other valuable natural resources, human development indicators for PNG continue to be among the poorest in the East Asia and Pacific region. In 2011, PNG's human development index (HDI) value was 0.466, ranking it 153 out of 187 countries.[8] PNG was placed similarly low (124 of 157 countries) on the United Nations Development Programme (UNDP) gender-related development index and has one of the highest rates of violence and abuse anywhere in the world. About 67 percent of women in the country report experiencing violence and in some remote highlands communities, this figure rises to 90 percent. Almost

80 percent of children are estimated to have experienced some form of physical, verbal, or sexual abuse.[9]

Both men and women carry out subsistence farming in the rural areas, with women doing the majority of the day-to-day work tending gardens and selling any surplus at market. Women's market access is significantly constrained by poor road networks and transport services. Lack of access to banking services and credit also restricts women's opportunities for saving and income-generating activities, combined with their poor financial literacy and basic business skills. The World Bank's 2011 Country Gender Assessment reports: *"Men are almost twice as likely as women . . . to hold a wage job in the formal sector (40 percent of men vs. 24 percent nationally) and that gap is consistent across urban (43 percent vs. 23 percent) and rural (36 percent vs. 18 percent) areas. Women in formal sector jobs in PNG report average net monthly pay that is less than half that reported by men (682.17 kina vs. 1,404.12 kina for men, based on answers from 2,381 respondents nationwide)."*

Summary of gender-gap analysis from community interviews and focus group discussions in Papua New Guinea

Assets

In the Southern Highlands of Papua New Guinea, community interviewees were severely constrained by geographical access issues in terms of both gaining the skills and education necessary to secure employment, and in accessing markets where they could trade or sell goods and services. Women appeared to be particularly disadvantaged by the inaccessibility of remote communities, as men monopolized transport options and the money to pay for them. Most women spoke in a very matter-of-fact manner about the role they played in their household as one of facilitating the family and obeying their husband's demands and expectations, which in turn were underpinned by ingrained social beliefs casting women as male possessions. Most women worked only in their garden, growing root crops and keeping pigs for subsistence purposes; many complained that men in the household did very little work but were quick to complain and turn violent if they felt their wives were not working hard enough.

Male-owned landowner companies that provided construction or transportation services to the oil companies also employed several

women on a cash-income basis in administrative or unskilled roles. Although considerable capital is flowing into communities via negotiated license agreements with landowning clans, clan leaders receiving royalties, equity, and compensation payments are male, in keeping with customary traditions around ownership of land. Female interviewees explained that their ability to use or influence spending of this cash is minimal. Lack of access to start-up funding for new business ventures was a commonly cited barrier among women in contrast with men who have set up profitable landowner corporations: *"If the company could help us lease or buy machinery, we [can] provide safe, good services for them,"* said one woman in Papua New Guinea. Interviewees acknowledged that the company was "active" in their communities, particularly in the area of supporting new small business ideas. Support programs aimed at giving women tools and funding to set up self-sustaining enterprises were the most commonly cited request among focus group participants. From the company's perspective, the absence of active government in these areas had led them to a position of de facto service provider, with community expectations focused entirely on the companies to respond to their requests.

Information

The isolation of many villages within the footprint of the LNG project and the older oil activities in the Southern Highlands Province poses significant challenges in terms of regular communication with impacted communities. Several villages are accessible only by foot (one week walking) or helicopter. This challenge is compounded by the ethno-linguistic diversity of the area. Literacy among women in particular is as low as 2 percent in this region, and is only marginally higher among men. Women complained that although companies and government organized many meetings and negotiations in the villages around the oil and gas activities, only men as official landowners attended these. Often men would hold a meeting with community women before attending and promise to represent their interests, but none of the women had learned anything further about the outcomes of discussions or what had been agreed in terms of community benefits and entitlements. Lack of knowledge and ability to participate in negotiating access to benefit streams from oil and gas activities was identified as a major issue by women interviewees.

Vulnerability

Women mentioned that, similar to patterns observed in mining areas of the country, the local benefit flows from oil activities were not realized by the household as a whole but rather by the male household head. Frequently women stated that the male household head would collect the money in Port Moresby and remain there to spend it on alcohol, expensive hotels, and cars. Several women mentioned that their husbands had second wives in Port Moresby and even property on the Gold Coast of Australia, while the village home of the first wife lacked electricity or running water, and her children did not go to school. Violence against women is unfortunately a common baseline in all areas of Papua New Guinea, and it was therefore difficult to discern whether communities viewed the influx of oil-related wealth as fueling an increase in domestic violence.

The operator of the Kutubu oil project has recently commissioned research to investigate community concerns that increasing populations and changes in lifestyles have placed undue pressure on fish and other natural resources of the surrounding environment such that the traditional subsistence way of life and practices based on these natural resources are no longer sustainable for the communities. As a result, the company is implementing an extensive program of agricultural training and food security in its operating area, primarily targeted at women.

Notes

1 Oil Search Limited. 2012. http://www.oilsearchcareers.com/minigen/default.asp?action=showContent&contentID=42.

2 PNG Chamber of Mines and Petroleum. 2012. Petroleum in PNG. http://pngchamberminpet.com.pg/petroleum-in-png/.

3 Ibid.

4 Interview on April 17, 2012, with Sam Koyama, senior adviser, land and community affairs, Esso Highlands; former policy officer with the PNG Department of Petroleum and Energy.

5 PNG LNG Benefits Sharing Agreement. http://www.pnglng.com/media/pdfs/publications/PNG_LNG_BSA_9.pdf.

6 Fischer. 2007.

7 Power. http://www.ausaid.gov.au/Publications/Documents/MLW_VolumeTwo_CaseStudy_1.pdf.

8 UN Resident Coordinator, Papua New Guinea. 2011. http://www.undg.org/rcar2011.cfm?fuseaction=RCAR&ctyIDC=PNG&P=1507.

9 UNICEF. Papua New Guinea. http://www.unicef.org/png/reallives_15277.html.

Annotated Bibliography: Selected Tools

IFAD. 2002. *Toolkit for Practitioners: Gender and Poverty Targeting in Market Linkage Operations.*

The toolkit is designed for practitioners who will be involved in planning and implementing village-level gender and market linkage diagnostic studies. It aims to explain to practitioners what participatory tools are available for rapid market problem diagnosis, socioeconomic and gender targeting, and—for each tool—how to use it, how to analyze the information, and how to use the findings in designing, implementing, and evaluating projects. Each of the toolkit's three sections can stand on its own or be used in combination. They are: a) diagnostic study tools, b) stakeholder workshop tools, and c) gender and poverty-sensitive M&E tools. For company representatives who are interested in developing a research-based strategy for incorporating gender into local content policy, this resource provides useful practical guidance.

Anglo American. 2012. *SEAT: Socio-Economic Assessment Toolbox.*

This tool is intended to help extractive industry operations to benchmark, monitor, and systematically improve management of their local social and economic impacts. The process laid out in the toolkit enables companies to take a more strategic view of key areas of concern including local employment and the inclusion of marginalized groups, as well as the provision of training, procurement, and community investment. Although the toolbox is not designed with an explicit gender lens, its components are very easy to use and well designed for adaptation in the oil and gas sector. Overlaying these with gender-disaggregated data would be straightforward.

Rio Tinto. 2010. *Why Gender Matters: A Resource Guide for Integrating Gender into Communities Work at Rio Tinto.*

This guide was designed as a resource that provides practical, tried-and-tested guidance for how to integrate gender concerns into mining operations. It draws from examples of successful company practices and case studies throughout the world, on a wide variety of topics: women's retention in the workforce, gender and cultural heritage work, participation in benefit sharing, gender and community mapping, and dedicated women's investment projects in project footprint areas. Several of the ideas and practices presented are directly applicable to the oil and gas sector.

ANU. 2008. *Gender Impact Assessment —An Introductory Guide.*

The guide offers an introduction to the key concepts, methods, and steps performed during a gender impact assessment within a community affected by an existing or proposed mining development. It aims to offer step-by-step guidance to company community relations officers on how to manage, steer, and conduct this process. Oil and gas company community relations officers should also find this tool broadly relevant.

IFC. 2007. *Stakeholder Engagement: A Good Practice Handbook for Companies Doing Business in Emerging Markets.*

This handbook endeavors to provide a comprehensive overview of good practice in stakeholder engagement, with a dedicated focus on stakeholder groups that are "external" to the core operation of the business, such as affected communities, local government authorities, nongovernmental and other civil society organizations, local institutions, and other interested or affected parties. The handbook is divided into two parts: Part One contains the key concepts and principles of stakeholder engagement, the practices that are known to work, and the tools to support the delivery of effective stakeholder engagement. Part Two shows how these principles, practices, and tools fit with the different phases of the project cycle, from initial concept, through construction and operations, to divestment and/or decommissioning.

IFC. 2009. *Addressing Grievances From Project-Affected Communities.*

Grievance mechanisms are an important part of IFC's approach to requirements related to community engagement by clients under the Performance Standards. This Good Practice Note provides expanded guidance for companies on the grievance management pillar of stakeholder engagement. It provides guidance on basic principles and general process steps that organizations from any sector and of any size should take into account when dealing with concerns and complaints from affected communities. The document also includes examples from private-sector projects of IFC clients around the world, ranging from large oil, gas, and mining projects to medium and small manufacturing companies. This publication is intended to benefit practitioners working on community and social development issues in a developing country context.

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Annex 1: Sample Questions for Community Focus Group Discussion

Country	**Date**
Region	**Time started:**
Community	**Time ended:**
Location/address of meeting	**___# of participants**

Agenda:

Key Takeaways:

Notes on introductions: Observations on who was there, where they sat

Format:

- **Selection of participants:** This group would include women only. If possible, select group to include at least one female head of household; at least one woman who works either directly (workforce) or indirectly (service provider) in the oil/gas industry; at least one female business owner; and a range of ages and socioeconomic circumstances. If this is not possible, it will be fine to conduct the group with whoever has time to attend.
- 6-10, seated comfortably in a circle in an indoor or outdoor space—somewhere chosen to maximize privacy and minimize interruptions.
- International consultant and translator positioned unobtrusively outside the circle, observing.
- Facilitator records name, age, education level, occupation, marital status, and if any children.
- Materials required: recording equipment, flip chart, and markers; other supplies at the discernment of the facilitator.

Introduction from facilitator:

- **Thank you:** Thanks for coming, and for your time. We appreciate you are very busy, so are grateful you came to talk with us and will try to use your time well.

- **Brief introduction:** Who is there: other study team members and their roles
- **Explanation of the visit:** We are here because we are doing research for the World Bank. We have chosen your community, because we want to understand how oil and gas affects life here. Our goal for the study is to try and use the information you share with us to influence decisions that will work better for you, as women.
- **What we are asking for help with:** We want to learn from you what it is like to be a woman here—what your work is every day, what are the challenges you face, whether you feel you have benefited from the oil/gas industry, what future you would like to see for yourselves and your families.
- **Rules:** We want you to feel free to speak openly. We will listen carefully to what you say, but we will not use your names in our report unless you would like us to—so your opinions are safe and will be respected. If you would like to speak one-on-one with any of us, please ask and we will make time to do that afterwards.

1. Warm-up exercise:
After introductions and the explanation of the study, give each participant two pieces of paper (cut in strips) and a marker. Ask participants to think about one negative impact of the industry and write it down on one of the pieces of paper. National consultant collects pieces of paper and sticks them onto the flipchart in view of all participants, and then goes through each one, facilitating a discussion in the group.

Repeat of the same exercise but for positive impacts.

Suggested questions for discussion: The list below covers the sorts of topics that we would like to find out about in the focus groups. However the discussion should have a 'natural' feel/flow to it, and so the national consultant should feel free to improvise and allow people to speak freely, stepping in if the conversation starts to veer too much off track.

2. Activities and time use

- Can you describe your typical day? When do you wake up? What are the things you do during the day? Who is around you at each time of the day? What duties are you responsible for? When do you go to bed?
- What would your preferred work be, if you could choose (e.g., stay at home with children, work in agriculture/household productive activities, work for cash income, other)?
- What are the duties you have if you are a mother/wife? What are the challenges you face and the worries you have as a mother/wife?
- How many women here work on household production activities or in agriculture? What kind of work does this involve? What are the challenges there? What options do you have to address these challenges? How have these challenges changed over time?
- How many women work for cash income? Where are they employed? What are the challenges there? Who or where can they look to solve these challenges? How have these challenges changed over time?
- For all: what resources do you need for your work, and what would help you to do it more successfully (e.g., education, skills development, finance, etc.)? Do you think men face a similar set of obstacles?
- How many women have their own businesses? What are those challenges? Are these different from the challenges faced by men? Who helps you? How do you access finance?

Facilitator: Notes on discussion of time use

2. Intra-household and community power structures

- How is decision making made within the household: about money, reproduction, work, child rearing, other areas? Which are the decisions that are made jointly/by your husband/by you? What happens when you disagree? Is there a cost to disagreement?
- Are there any female-headed households in the focus group? Do they face any special problems? Do they have any special advantages?

- Do you have your own bank account? Could you open one if you wanted to? Why not, if not?
- Who can you turn to when you are worried or having a hard time? Who do you confide in about your worries? Does this person do the same for you? What are you most worried about right now? What are you most worried about when you think of your future, and the future of your family?
- How does decision making happen in the community where you live (e.g. local government officials, elected representatives, tribal council, village development association etc.)? Who are the most powerful people in your life—inside or outside the community? Who are the most powerful women? Why are they the most powerful?
- How do you communicate with the community decision makers? Do you feel as though your interests and priorities get represented? Do you have a union? If you disagree with decisions or if you are unsatisfied, how do you show your disagreement/ protest? Is there a cost to disagreement?

Facilitator: Notes on discussion power

Benefit flows from oil and gas

1. Social empowerment—consultation and participation

- Where, how often and for what reason does the company talk to/communicate with your community? Who are your representatives in meetings with the company?
- What information has been given to you about the oil/gas project, both before it started and up until now? Was this information from the company, or from a third party? Did you have any questions or concerns? Have you been able to address them? If not, why not?
- Does the company provide the community with any benefits (apart from jobs) (e.g., water, infrastructure, power, road, school)? Were you consulted in the decision-making process leading up to these investments? Were you consulted in the design of [any existing community development project/ community funding available from the company]? Does the project meet your priorities in terms of services needed in

the community? If not, why not? Do you think that men and women have different priorities?
- If you could recommend to the company how to improve their communication and consultation, what would you say?

Facilitator: Notes on discussion of consultation

2. Economic empowerment—cash flows, employment

- Direct employment: How many women in the community are directly employed in the industries? What kinds of jobs are women hired to do? What jobs are they not hired to do? Are these attractive/competitive jobs? Do women face any taboos/stigma?
- (If there are any women oil/gas workforce members present in the group): How do they feel about their pay? Do they earn the same/more/less than their husbands? How do they spend their pay (savings? investments? consumption?) How do their families feel about their jobs? How do they feel about their experience in the workforce as women? How do they negotiate with managers? How do they see their opportunities for promotion? How is this different to the experience of men in the workforce? Do they enjoy this work? What are the costs? How does it fit with other priorities in their lives?
- Indirect employment: Does the company use any local suppliers for goods, services, or catering? How many women work in these types of jobs, compared with men? Why?
- Induced employment: Have the numbers of shops and businesses servicing the local community (not just the company) increased since the arrival of the oil/gas project? Have women been able to start businesses, as well as men? If not, what are the barriers?
- Remittances (if appropriate): Is there money coming into the community from workers who do not live there? Who receives this money? How is it spent? Have women-headed households increased with migration? What are the costs and benefits of this for women?
- Savings, investment, and spending patterns: Have the jobs created by oil and gas for both men and women raised incomes in the community? Do people have more money to spend? What

do they spend it on? What have been the positive changes? The negative ones?
- Community development projects: What should oil/gas revenues be spent on? How could the money best be invested to improve life in your community?

Facilitator: Notes on discussion of cash

3. Education, skills, and well-being
- Has your education enabled you to access the kinds of jobs you would like to have? If not, where were the gaps and what prevented you from gaining more education? Do you feel this is the same for men? Has there been any improvement in educational opportunities for younger generations of women?
- If you work in the oil/gas workforce, what kind of training did you receive (if any)? What kind of support/skills building would help you in the workplace?
- If you don't work in the oil/gas workforce: what kind of skills building and training opportunities would be useful for women in the community (e.g., financial management, business education, literacy, negotiation)? Are the needs of men the same, or different? How so?
- Do you feel the health care provision you receive is good, adequate, or poor? How would you describe your physical health and happiness? What are the problems? What would help you cope with these better?
- Do you feel safe at all times? When do you not feel safe, and why? If you experience threats or harassment, where can you look for help? What measures could help you feel safer, both at work and outside work?

Facilitator: Notes on discussion of education

Annex 2: Sample Questions for Key Informant Interview (company representative)

Name of Interviewer: **Date:**
Name of Interviewee: **Job title:**
Location:

Introduction (some of this will be covered in pre-introductions): We are working for the World Bank on a study of the oil and gas industries in several different countries. We recognize that in every country, this industry has unique potential to bring a lot of benefits to the communities who live in areas of production, but also risks. These are different for men and women, and often these differences can interact with development challenges over the longer term. We are interested in understanding how the industry, the government, and community members can better work together so the impact of the industry can be as positive as possible for women and men. We would like your cooperation and expertise as we try to understand better how 1) job opportunities and the employment culture differ for men and women in the industry workforce and supply-chain contractors, and 2) community consultations happen with men and women who live near industry operations.

Background/context:
The discovery of oil and gas can transform the economy of a country like [COUNTRY]. The question we are interested in is: How does the transformation affect women and men differently? In general, more money coming in to families raises the quality of life for everyone in the family. This is especially true when women are involved in control and decisions over household finances. When women benefit, everyone benefits.

This link may be complicated by dynamics in the oil and gas industry in particular, because the mostly male employment opportunities and male domination in community consultation can reinforce traditional gender roles, with women becoming more dependent on their husband's income and voice. So we're taking a look at where the money flows into the community, and how community consultation with the company/local government happens, to find points of intervention and missed opportunities for improving community

development and community investment. We are also looking for best practice cases that can be shared. We really appreciate your helpfulness and sharing your perspective, since you're in the field with all the direct observations.

There are several main areas of focus that you can help us understand, and our questions will be grouped around those areas, although we'd like to keep the conversation as open as possible.

Gender norms
In your opinion, do cultural conditions determine the kinds of jobs women can be hired for within the industry? Do you think it is possible for an outside actor to change this? Or desirable, from the company's perspective, to change it? As a company, do you think differently about the benefits and costs of hiring women vs. men?

Have you noticed any changes over time in the cultural norms around gender in your areas of operation?

Negotiation and consultation process
Before the oil/gas project began, was there any type of consultation conducted with the community? Who carried this out? When was the first contact made with the community? Who in the community were spoken to? What issues were discussed?

(If there is a community development project or if there are locally distributed fiscal revenues from the industry): Is the project/revenue sharing voluntary (company CSR initiative) or mandated by government? How does the consultation process and fiscal management for community development funds and projects work? Who decides what money should be invested in? How well do you think the community, government and company talk to/work with each other? If there are problems, why is this the case? What works well?

Is there a specific effort made to listen to women's voices in community investment projects, or other consultation, and if so, how? (What about monitoring and evaluation? Disbursement of community funds?)

Women and employment

Approximately how many community members do you employ in your workforce here? What range of jobs does this cover? What data do you keep on your workforce (e.g., recruitment, promotions, retention, training, attendance, firing, health and safety issues, conflicts)? Is any of this data disaggregated by gender? Would it be possible to share any of this?

How many women are employed directly by the company (or what percentage) and what jobs are they for? If you don't know exact figures, can you estimate? Has this changed over time? Can we talk to any of them?

Does the company use local suppliers? What do you know about the employment of women indirectly (e.g., through catering or other sourcing from these suppliers)? Is there a rough estimate you can give?

The oil/gas money in the community usually means people have more cash to spend. Do you have any insights about how women take advantage of induced employment opportunities, such as work in hotels, rentals, restaurants, nail salons, etc.? How do you see women taking advantage of the local "boom," if there is one, or observe gaps in ability to take advantage?

Company policies and culture around gender

How does the company think about gender? Is there a gender desk? Any liaison with women's groups or women's representatives? Any other efforts made in the area of gender relations? (This could include workshops and skills training for women, child care for employees, educational programs, girls' schools, or scholarships for women)

What are your views on the number of women currently working in the sector? Should it be an area where more women are encouraged to work? What are the problems or barriers from the company's perspective to recruiting more women? Are there any provisions in employment policies for equal opportunity? How are these practiced or not in reality? Are there any provisions for maternity or child care?

Is there a process for managing conflict, complaints, or sexual harassment within the company? Do you have instances of men feeling discomfort at the presence of women in their work environment? Is it safe for women in the workplace, and to walk back and forth to work? Are there any measures in place (e.g., provision of company buses, security guards) to cope with safety?

How does the culture within the company make it hard or easy for women to work, and if there were things you could change within it, where would you start?

Annex 3: Sample Questions for Key Informant Interview (government representative)

Name of Interviewer:
Date:
Name of Interviewee:
Job title:
Location:

Introduction (some of this will be covered in pre-introductions, emails and phone calls):
We are working for the World Bank on a study of the oil and gas industries in several different countries. We recognize that in every country, this industry has unique potential to bring a lot of benefits to the communities who live in areas of production, but also risks. These are different for men and women, and often these differences can create or make worse development challenges over the longer term. We are interested in understanding how the industry, the government and community members can better work together and communicate with each other, so the impact of the industry can be as positive as possible for all concerned. We would like your cooperation and expertise as we try to understand better how the [LOCAL/NATIONAL] government engages with communities and companies in upstream and midstream phases of the production cycle.

Background/context:
The discovery of oil and gas can transform the economy of a small/poor country like [COUNTRY]. The question that we're looking at is how does the transformation affect women and men differently? There is a lot of data showing that more money coming in to families raises the quality of life for everyone in the family. This is especially true when women are involved in control and decisions over household finances. When women benefit, everyone benefits.

This may be complicated by dynamics in the oil and gas industry in particular, because the mostly male employment opportunities and community consultation reinforces traditional gender roles, with women becoming more dependent on their husband's income and voice. So we're taking a look at where the money flows, and how community consultation happens, to find points of intervention

and missed opportunities for improving community development and community investment. We are also looking for best practice cases that can be shared. We really appreciate your helpfulness and sharing your perspective.

There are many things you can help us understand, and we have some questions to guide us loosely in our discussion.

Role of government
The first series of questions is to help us understand your job and the role of government, local or national, as intermediaries of company-community dynamics.

1. Tell me about your role in the government.
2. (If relevant to job): How easy or hard is it to keep track of the oil/gas projects in the area? Communities? Do you feel your role is as a mediator, facilitator, regulator/police, or observer of the company-community relationship dynamics?
   (Do you have any women colleagues who work in any of these roles? How many women are working in government ministries that work with oil/gas companies or in community development?)
3. What kind of relationship do you or your office staff have with the companies? What is the extent of your regulatory role? How often do you communicate, and with whom? What are the range of issues you discuss? How do you communicate about community issues? Is there any oversight of company operations/projects/funds that occurs in the communities?
4. What kind of relationship do you have with the communities? Who do you talk to there? How often do you visit? Are there conflicts in the community that you know of? Do these increase at certain times, or have you observed a pattern over time? If/when conflict happens, is it predictable or unpredictable?
5. What functions and services does the government provide to the community (e.g., school, hospital, roads, etc.)? Where are the gaps? What other actors (e.g., civil society, company) are involved in meeting these gaps? What do you see as the priorities for development in these communities?
6. Are there ways in which the oil/gas industry has made life easier for women in the community? For men? Are there ways in

which you think life has been made more difficult for women? For men? How many of these benefits/costs will be long term?

Informal and formal institutions

The second series of questions is to try and pinpoint the reality of how laws are implemented, and the strengths and challenges of the institutions on the ground that help communities and companies disseminate and disburse community development funds.

1. Laws, policies and regulations: We've done some background research and I'd like to share a brief summary to see if we understand it correctly (share summary of our main findings with regard to laws and policies in each place at each point in the value chain, and ask for comments, reactions or feedback).
2. However, as well as the official framework, we're interested to know the reality of how it works in practice. If you have any experience in this area, do you think you could give a summary of how you see and understand who are the really important actors and what legislation actually has traction? Which are the key pieces of legislation that impact the lives of men and women living in communities where the oil and gas industries are? Which are the laws that govern the distribution of local benefits there?
3. Have you observed, or can you recall any instances of women having very different demands or concerns with respect to industry activity or community changes in their town? Is there a way that this has been accommodated in spite of policy, or due to policy? Or in spite of cultural norms, or due to them? Is there an institutional process for managing complaints, conflict, domestic violence, making sure that women's voices are heard?

Solutions for the future

The third series of questions covers future solutions and points that you think could be good entries for community incentives, policy, or company initiative.

1. What is the biggest problem facing women, and if you had a long time horizon and access to all the right institutions to initiate a change, how would you start?

2. What can be done to give women more voice in the community? What can be done to give them more opportunities to work or gain access to income? What can be done or what is needed to improve their well-being, education and skills?
3. How can the oil/gas industries—either through direct jobs, greater wealth creation, local revenue sharing, or sponsorship of community development projects—help to improve the lives of women? What barriers exist to making these suggestions happen *(political will, money, conflict, disinterest, culture)*?

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The World Bank
1818 H Street, N.W.
Washington, D.C. 20433
USA
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World Bank Group's Oil, Gas, and Mining Unit
Sustainable Development Network
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The Oil, Gas, and Mining Unit series publishes reviews and analyses of sector experience from around the world as well as new findings from analytical work. It places particular emphasis on how the experience and knowledge gained relates to developing country policy makers, communities affected by extractive industries, extractive industry enterprises, and civil society organizations. We hope to see this series inform a wide range of interested parties on the opportunities as well as the risks presented by the sector.

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Cover photos: Oil rig, hematite-banded ironstone, LNG tanker

The World Bank Oil, Gas, and Mining Unit

The World Bank Group's role in the oil, gas, and mining sectors focuses on ensuring that its current interventions facilitate the extractive industries' contribution to poverty alleviation and economic growth through the promotion of good governance and sustainable development.

The Oil, Gas, and Mining Policy Division serves as the Bank's global sector management unit on extractive industries and related issues for all the regions of the world. It is part of the Sustainable Energy Department within the Sustainable Development Network.

Through loans, technical assistance, policy dialogue, and analytical work, the unit leads a work program with multiple sector activities in more than 70 countries, of which almost half are in Sub-Saharan Africa. More specifically, the Oil, Gas, and Mining Unit:

- Advises governments on legal, fiscal, and regulatory issues and on institutional arrangements as they relate to natural resources, as well as on good governance practices.
- Assists governments in setting up environmental and social safeguards in projects in order to promote the sustainable development of extractive industries.
- Helps governments formulate policies that promote private sector growth and foreign direct and domestic private sector investments.
- Advises governments on how to increase the access of the poor to clean commercial energy and to assess options for protecting the poor from high fuel prices.

In essence, the Oil, Gas, and Mining Policy Unit serves as a global technical adviser that supports sustainable development by building capacity and providing extractive industry sector-related advisory services to resource-rich developing country governments. The unit also carries out an advocacy role through its management of the following global programs:

- The Extractive Industries Transparency Initiative (EITI) Multi-Donor Trust Fund, which supports countries in implementing EITI programs.
- The Global Gas Flaring Reduction (GGFR) Public-Private Partnership, which brings governments and oil companies together to reduce gas flaring.
- The Gender and Extractive Industries Program, which addresses gender issues in extractive industries.
- The Petroleum Governance Initiative (PGI), which promotes petroleum governance frameworks, including linkages to environmental and community issues.
- The Extractive Industries Technical Assistance Facility (EI-TAF), which facilitates "rapid-response" advisory services on a demand-driven basis to build capacity for extractive industry resource policy frameworks and transactions.