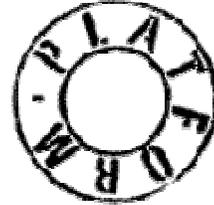


PLATFORM submission to the Foreign Affairs
Committee
"The FCO's human rights work 2010-11"



SUMMARY

1. Prioritising the promotion of British business interests has conflicted and currently conflicts with the promotion of values including democracy and human rights.
2. Oil exploration and extraction in undemocratic countries almost invariably leads to increased human rights abuses, escalating conflict and repression, and entrenchment of undemocratic regimes.
3. Thus when the FCO lobbies on behalf of British oil & gas corporate interests, it is often undermining and weakening human rights and democracy abroad.
4. Two case studies of Azerbaijan and Turkmenistan highlight the negative impact that FCO support for British oil interests can have on local human rights.
5. The structure of the FCO's Human Rights & Democracy report doesn't include a reflective or self-analytical examination of the FCO's own complicated impacts on human rights.

BACKGROUND

1. PLATFORM is a London-based research organization that has monitored the impacts of the British oil industry for over fifteen years, exploring the social, economic, environmental and human rights shifts that result from oil and gas exploration, extraction and transportation. Our work is regularly published and cited by governments, academia and media, corporations. We are consulted for expertise on specific contracts by human rights defenders, parliamentarians and journalists. We have deep knowledge of the interaction between British oil companies and Nigeria, Iraq, the Caspian and North Africa.

2. This submission has been produced by Mika Minio-Paluello, who has worked on conflict and human rights issues in the Middle East for over a decade. Since 2005, Minio-Paluello has focused on the impacts of oil in the Caspian region and North Africa.

FACTUAL INFORMATION

1. In July 2010 the Prime Minister announced that "I want to refashion British foreign policy, the Foreign Office, to make us much more focused on the commercial aspects...making sure we are demonstrating Britain is open for business. [...] I want to reorientate the Foreign Office to be much more commercially minded. [...] I want us to be much more focused on winning orders for British business overseas, attracting inward investment back into Britain."
2. Further, "I want to make sure that whenever any British minister, however junior, is meeting any counterpart, however junior or senior and for however short a time, they have always got a very clear list of the commercial priorities we are trying to achieve, whether that is pushing forward British orders, attracting inward investment or promoting bilateral or unilateral trade talks."¹
3. At the same time, the FCO's Human Rights & Democracy report states that although each country is different, "This does not mean that we will ever overlook human rights abuses; indeed, we raise our human rights concerns wherever and whenever they arise."²
4. So Ministers and the FCO abroad are to promote British business interests whenever possible, and human rights concerns whenever they arise. Inevitably, prioritising one means deprioritising the other, particularly when two conflict with one another. Such conflict is very

¹ <http://www.financenews.co.uk/politics/cameron-wants-to-focus-on-promoting-uk-business-abroad/>

² p11, Human Rights and Democracy: The 2010 Foreign & Commonwealth Office Report

difficult to avoid when the business being supported is fossil fuel exploration, extraction or transportation.

5. Oil extraction in undemocratic countries tends to contribute to increased human rights abuses because (a) such strategically important resources are closely controlled by and linked to the regime; (b) sites of extraction are then militarised by forces already connected with human rights violations; (c) oil extraction provides vast revenues, which are comparatively easy to siphon off and steal; (d) even when used "legitimately" in the budget, revenues are directed towards entrenching regimes, through arming militaries, police forces and short-term patronage.
6. Paul Stevens, then BP Professor of Petroleum Policy at the Centre for Energy, Petroleum and Mineral Law and Policy in Dundee described how "The revenues support existing regimes simply because they allow low tax rates and large patronage. They also allow large spending on internal security further entrenching regimes. The revenues increase the potential for internal conflict and even civil war. Such countries also tend to be more heavily militarised."³
7. We have seen how undemocratic and repressive regimes have repeatedly used their oil reserves, and involvement of foreign companies in exploiting these, to bolster both their ability to oppress their own people and to prevent democratization. This happened in Libya⁴, Egypt⁵, Syria, Burma⁶, Iraq under Saddam Hussein, Saudi Arabia, Oman⁷, Yemen and elsewhere.

³ "Resource Curse and Investment in Oil and Gas Projects: The New Challenge", Professor Paul Stevens, June 2002

⁴ "How BP made friends with Mu'ammarr Gaddafi"
<http://blog.platformlondon.org/content/how-bp-made-friends-mu-ammar-gaddafi>

⁵ "BP support for Mubarak dictatorship revealed"
<http://blog.platformlondon.org/content/bp-support-mubarak-dictatorship-revealed>

⁶ Total oil: Fuelling the oppression in Burma,
http://burmacampaign.org.uk/images/uploads/total_report.pdf

⁷ <http://blog.platformlondon.org/content/royal-dutch-shell-profiting-sultans-absolute-rule-oman>

8. Current government ministers William Hague and Andrew Mitchell recognised the principle that oil exports and arm imports empower regimes and increase acceptability after a visit to Sudan in 2006:

"International diplomatic initiatives intended to decisively influence Khartoum continue to be thwarted by other countries more interested in pursuing their economic or political advantage than in promoting human rights... and that Sudan's status as an [...] oil exporter and a significant importer of arms has proven to be a successful deterrent against any united international action."⁸

9. Thus when a British minister meets a counterpart minister representing a repressive regime and promotes British business, this usually empowers the regime to continue to torture and arrest critics. Sometimes British government representatives will mix in words of concern over human rights, although not "wherever and whenever they arise", as claimed in the FCO's Human Rights report.⁹ But even when such questions are brought up, careful words of critique carry far less weight and impact than the hard support of revenues and business relationships.

10. British foreign energy policy currently tends to prioritise guaranteed supplies of energy resources and access to profitable contracts and access to oil fields, while deprioritising the human rights of foreign citizens.

11. During a 1993 meeting between Foreign Secretary Douglas Hurd and several directors of BP, "The Secretary of State emphasised that there were some parts of the world, such as Azerbaijan and Colombia, where the most important British interest was BP's operation." An expose later revealed BP's co-operation with parts of the Colombian army responsible for

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http://conservativehome.blogs.com/platform/2006/04/william_hague_m.html

⁹ p11, Human Rights and Democracy: The 2010 Foreign & Commonwealth Office Report

attacking civilian villages.¹⁰ When the FCO allows corporate oil interests to over-ride other concerns, human rights will fall by the way-side. This happened in Libya after 2005, in Algeria, in Nigeria. It is currently the case in Azerbaijan, Turkmenistan, Congo (DRC), Oman and elsewhere.

AZERBAIJAN

1. Britain is the dominant player in Azerbaijan's economy by a long way. Last year, the UK invested almost £1bn in the country or 51.9% of total foreign investment in Azerbaijan.¹¹ Most of this was made by BP, the largest foreign company operating in the country. Yet British involvement in the country has not led to an improved human rights situation. The current President Ilham Aliyev was touted as a potential "reformer" when he inherited power from his father.
2. However, the human rights situation has not improved. Dissent is met with repression, journalists are imprisoned on spurious charges and there is no freedom of assembly. In April, calm attempts at pro-democracy protests inspired by Egypt and Tunisia were violently quashed¹² and journalists are being harassed, kidnapped and beaten on a daily basis.¹³
3. Parliamentary elections in November were condemned by OSCE and European Parliament monitors as "not sufficient to constitute meaningful progress in the democratic development of the country", due in part to "restrictions of fundamental freedoms, media bias, the dominance of public life by one party, and serious violations on election day".¹⁴ Ilham Aliyev and his father Heydar Aliyev have ruled Azerbaijan for all but a handful of years since 1969.

¹⁰ "BP hands tarred in dirty pipeline war"

<http://www.guardian.co.uk/world/1998/oct/17/1>

¹¹ <http://www.ft.com/cms/s/0/7a3080c8-4e59-11e0-98eb-00144feab49a.html#axzz1KlUGQlTk>

¹² <http://www.bbc.co.uk/news/world-europe-13136598>

¹³

http://www.ifex.org/azerbaijan/2011/04/13/coe_recommendations/

¹⁴ <http://www.osce.org/odihr/elections/74100>

4. In interviews with PLATFORM in 2009 and 2010, civil society actors and independent observers operating in Azerbaijan were clear that BP's role in the country buttresses and bankrolls the regime.¹⁵ British corporate investments provide Aliyev's authoritarian government with international acceptability and relevance as a "strategic partner of the West"¹⁶, enabling continued denial of freedom and democracy to the people of Azerbaijan.
5. Trade missions and invitations boost President Aliyev's reputation further. In particular, the Duke of York's repeated visits have enabled Aliyev to build an "image as someone . . . received at the very highest level of the European aristocracy", according to Ilgar Mammadov, an opposition spokesperson. "We never felt that Prince Andrew's contribution has helped the democratic process."¹⁷
6. Meanwhile the Aliyev regime has been explicit that BP oil revenues will be spent on militarizing and arming the country so that it can outmatch Armenia. In October 2010, President Aliyev announced that "Next year, our total military spending will be more than \$3 billion. If we consider that the entire state budget of Armenia, which continues to keep our lands under occupation, is slightly above \$2 billion, we can see that the task we have set earlier that Azerbaijan's military expenses should exceed Armenia's total budget has already been fulfilled. It is a reality today. Over time, we, of course, will further increase our costs."¹⁸

TURKMENISTAN AND NABUCCO

1. The FCO has taken an active role in promoting British oil investments in Turkmenistan, and British oil majors like BP and Shell are very eager to break into and expand operations in the country. According to the

¹⁵ Minio and Marriott, "The Oil Road", Verso, (forthcoming in 2011)

¹⁶ <http://www.upstreamonline.com/live/article236111.ece>

¹⁷ <http://www.ft.com/cms/s/0/7a3080c8-4e59-11e0-98eb-00144feab49a.html#axzz1KlUGQlTk>

¹⁸ "Opening Speech", Ilham Aliyev, <http://www.president.az/articles/922/print?locale=en>

History page on the Embassy's website, 2010

"has been very fruitful in terms of further strengthening UK-Turkmen relations, a further Ministerial visit by the UK's Minister of State for Energy, Lord Hunt, took place in early March. Lord Hunt had a number of high level meetings with key Turkmen officials. His meeting with the President of Turkmenistan was another push for the development of further co-operation in energy and the fuel sector as well as diversifying energy routes from this hydrocarbon rich country. During the visit, Lord Hunt also kicked off the second British-Turkmen Energy Business Forum in Ashgabat."¹⁹ No activities are mentioned in relation to human rights.

2. According to the FCO's Human Rights & Democracy 2010 report, Turkmenistan is a country of concern, highlighting torture, prison conditions, the fact that human rights defenders can't operate and a lack of freedom of expression and freedom of belief.²⁰ The FCO's report claims that "The UK took all appropriate opportunities to raise human rights with the government in 2010."²¹
3. However, the lack of explicit mention of any human rights concerns on the UK Embassy's website is marked. Further, it's very clear from the FCO's report of Lord Hunt's visit in 2010 that promoting oil interests was prioritized over human rights concerns
4. During his meeting with President Berdimuhamedov, Lord Hunt expressed Britain's wish to co-operate in the development of Turkmenistan's energy sector.

"I congratulated the President for the successful diversification of gas export routes, and reconfirmed UK support for a Southern Corridor and Nabucco", said the Minister. "I also took the opportunity to thank the President for Turkmenistan's constructive role in Afghanistan, including humanitarian assistance. I also encouraged further developments on democracy, human rights and good governance, while welcoming areas

¹⁹ <http://ukinturkmenistan.fco.gov.uk/en/about-us/our-embassy/embassy-history/>

²⁰ p318-322, Human Rights and Democracy: The 2010 Foreign & Commonwealth Office Report

²¹ p318, Human Rights and Democracy: The 2010 Foreign & Commonwealth Office Report

of progress and noting the range of UK assistance projects in these areas."

5. Which areas of progress Lord Hunt was welcoming is unclear. Purported legislative "reforms" under President Berdymukhammedov, including a revised constitution, have removed government term limits and enabled increased repression, not less.²² Since President Berdymukhammedov took power in 2006, physical and legal attacks on civil society organisations and individuals have intensified, particularly on those who "slander our democratic, legal, secular state."²³
6. When the British Ambassador, visiting Ministers or the Duke of York promote increased co-operation, access and involvement by British companies in the Turkmen oil sector, they are promoting a change that will strengthen Berdymukhammedov's regime and leave it with less interest in democratic reforms.
7. Crude Accountability, the foremost and most knowledgeable watchdog of human rights in Central Asia,
"does not advocate for isolation of Turkmenistan, but, rather, engagement through a principled stance. Standards of engagement should be uniform, regardless of whether the country of operation is in Europe or in Central Asia. Seeking to "improve" human rights and civil society conditions in Turkmenistan—or any country—by engaging with oil and gas companies is an exercise in absurdity. Pretending that the presence of one or another US oil company in Turkmenistan is going to improve the lives of average Turkmen citizens is the height of cynicism."²⁴
8. The same holds for British support for UK oil companies, and when the FCO lobbies in favour of the proposed Nabucco Pipeline, which could bring Turkmen gas to Austria.

²² p8-15, *Reform in Turkmenistan: A Convenient Façade*
<http://www.crudeaccountability.org/en/uploads/File/turkmenistan/Reform%20in%20Turkmenistan.pdf>

²³ p12, *Reform in Turkmenistan: A Convenient Façade*
<http://www.crudeaccountability.org/en/uploads/File/turkmenistan/Reform%20in%20Turkmenistan.pdf>

²⁴ p40, p12, *Reform in Turkmenistan: A Convenient Façade*
<http://www.crudeaccountability.org/en/uploads/File/turkmenistan/Reform%20in%20Turkmenistan.pdf>

9. British oil companies do not have a progressive role in Turkmenistan, and have proven that they are willing to engage with the regime in illegal and undemocratic activities. In November 2010, Shell "and six other companies agreed to pay a combined \$236 million to settle allegations that they or their contractors bribed foreign officials to smooth the way for importing equipment and materials into several countries," including Turkmenistan.²⁵

REPORT STRUCTURE

1. Human Rights and Democracy: The 2010 Foreign & Commonwealth Office Report highlights the FCO's work towards improving human rights, and also details certain concerns over conditions in other countries. However, it does not explore or evaluate those situations in which the FCO has found itself in conflict or has contributed to a worse human rights situation. As a result, the first 118 pages read like a celebratory funding report, detailing all the wonderful work completed - but without an honest evaluation of overall impacts and complications faced.

RECOMMENDATIONS

1. The next such report should include a more reflective chapter, identifying situations in which the FCO has not raised human rights concerns and the reasons for this, and situations in which the FCO feels like it contributed to a weaker human rights situation. This is standard practice in the charity sector, and should also be so in government.
2. There is currently limited oversight and accountability over the FCO's human rights abroad. Specific embassies should report on their websites as to the work they are conducting.
3. The FCO should make a clear statement that values will be prioritised over business interests. Human rights are meaningless and not universal if they are

²⁵ <http://www.marketwatch.com/story/shell-six-other-firms-settle-foreign-bribery-probe-2010-11-04>

- negotiable.
4. Before the FCO commits itself to lobbying heavily on behalf of a particular oil or gas project - as it did over the Baku-Tbilisi-Ceyhan pipeline in the Caspian-Caucasus region and over BP and Shell's contracts with Gaddafi in Libya - it should commission an independent human rights impact assessment. This should lay out the current human rights context, and likely changes resulting from the oil or gas project being developed. The human rights impact assessment should be made available both in Britain and the partner country.
 5. The FCO should not provide support for fossil fuel projects that will contribute to human rights abuses, increased repression or conflict.
 6. Any British company hoping to gain government support should operate with transparency, clear human rights standards and democratic values. This is not currently the case for much of BP or Shell's operations in North Africa, the Middle East, the Caspian or sub-Saharan Africa.
 7. British oil companies should be held legally responsible in Britain for their part in human rights violations abroad caused by contracted private mercenaries and security entities.