

TRANSNATIONAL OIL COMPANIES AND HUMAN RIGHTS. WHAT THEY SAY AND HOW THEY SAY IT.

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ABSTRACT

This paper focuses upon an emerging issue in a globalised world: the social responsibility of private economic actors. With reference to the Ogoni killings in Nigeria in 1995, and the following strengthening of “the codes of conduct” within the Royal Dutch Shell Corporation, the paper specifically examines the corporate social responsibility (CSR) policies within transnational oil companies (TOC) involved in exploration and production activities in developing countries. The article discusses the challenge of identifying publicised CSR policies within TOCs and how to differentiate such efforts from explicit human rights (HR) policies. Based upon such a classification, the paper identifies the geographical location of the corporate headquarters of those TOCs that have publicised CSR and HR policies. Finally, the article compares the rethorical differences and nuances within three selected TOCs and their publicised HR policies along three variables: workers rights, attitudes towards national political priorities and international HR conventions. The main findings indicate that although several TOCs show promising initiatives, much remains to be done to make CSR and HR policies accountable.

Key words: corporate social responsibility, human rights, oil industry, transnational oil corporations

1. INTRODUCTION

'They are clearly issues where we as a commercial organization have neither the right nor the competence to get involved, and they must be addressed by the people of Nigeria and their government'. Shell's answer to Human Rights Watch in 1995.¹

The statement cited above concerning the 1994 death sentence of Ken Saro-Wiwa and eight other Ogonis in Nigeria, is no longer representing the current more proactive Shell strategy. Royal Dutch Shell has recently strengthened corporate commitments on human rights and is making significant attempts to confront the "ghost in the global system". As recently stated by Shell: "We aspire to be a leader in the economic, environmental and social aspects of everything we do".²

But what is the situation among other oil companies operating in the same environments? Human Rights Watch (HRW) acknowledges Shell's recent efforts, but had significant problems in getting other oil companies operating in Nigeria to pay attention to documented human rights problems. This triggered our interest in conducting a more extensive study of policy statements of transnational oil companies (TOC's) operating in less developed oil producing countries. As we ask; *how many of the worlds TOC's currently involved in upstream exploration and production (E&P) activities are concerned with human rights?*

With reference to the Nigerian experience of HRW, we have clear indications that there prevails a huge variety on corporate commitments to human rights, particularly as this even was the case among other TOC's, including two Latin ones, operating within the Niger delta where Shell was scrutinised.³ Consequently we specify our question by asking: *do Anglo-Saxon TOC's pay more attention to human rights than Latin TOC's ?*

To elaborate on these questions we have organised the chapter in the following manner. Due to the nature of the issue-area, we have initially chosen to include a section dealing with methodological considerations. Subsequently, we present a general picture of publicised differences between those TOC's involved in upstream E&P activities in developing countries. We document a rather complex picture with significant variety. This triggered our interest in conducting a more specific study of individual TOC's, and the publicised human rights policies of Chevron, Totalfina/Elf and Statoil are subsequently analysed in detail.

2. METHODOLOGICAL CONSIDERATIONS

Although there are hundreds of oil companies in the world, not all are involved abroad through foreign investment and transnational corporate control. Further, only some of these are involved in upstream E&P activities. These TOC's are the relevant universe for our study. However, a significant share of the E&P activities is located within the OECD-area, as in Norway, Great Britain and the US. Triggered by human rights violations in Nigeria, and strengthened efforts among developing countries to reprivatise the previously nationalised oil sector, we have chosen to narrow our focus to E&P activities in non-OECD countries, which we simply term developing countries.

2.1 The challenge of identifying publicised human rights policy

The sample is defined, but it is challenging to identify the publicised human rights policy of the particular corporations. Our findings indicate that it is rather easy to classify TOC's according to their Environment, Health and Safety (EH&S) policies. EH&S issues are often profiled as part of separate departments within the company, and during the 1990's an increasing number of reports have been published on these matters. Despite the efforts of Shell, our findings show that this is not the general case of human rights. These issues are often vaguely described, and sometimes even camouflaged under terms like *corporate social responsibility*. Further, social issues are often regarded as integral components of the companies' strategic decision-making processes, or as fundamental guidelines for how

TOC's shall operate in local communities. This makes a specific identification of publicised corporate human rights policy rather demanding.

Corporate social commitments are often expressed through a variety of company statements on *Community Relations*, or formulated in the corporations *Codes of Conduct* and/or *Ethics*. As an illustration, the Italian state-owned enterprise ENI expresses its social concern through Community Relations statements. As stated: "In all the countries in which it operates, ENI and its member companies have always sought to establish cooperative relationships with the local communities. A key priority is supporting local economic development while ensuring compliance with the laws and respect for the local culture and the local environment".⁴ According to HRW however, ENI (through its subsidiary Agip) did not respond satisfactorily on their request for further information on activities in the Niger delta.⁵ Consequently, it is difficult to interpret the actual social concerns of this Italian TOC.

Statements on social responsibility can be associated with human rights concerns. However, as exemplified with the case of ENI, they do not necessarily address such issues, neither information on how the company relates to these challenges. Thus, we argue that statements on human rights must be treated somewhat more cautiously than those on corporate social responsibility. This is why we have included an additional classification, focusing explicitly on human rights⁶. This is exemplified with the case of Unocal: "At Unocal, we recognise our responsibility to support fundamental *human rights* and to advance the development of civil society".⁷

But what does this actually mean? To further operationalise statements on human rights, facilitating a more thorough study and comparison, we subsequently distinguish between three issue-areas that we argue can reflect corporate concerns for human rights. These are issues concerning:

- Workers rights
- Attitude towards national political priorities
- International human rights conventions

We will return to these matters as terms of references when reviewing the particular human rights policies of Chevron, Totalfina and Statoil.

2.2 Methodological shortcomings

Even though we have clarified our conceptualisation and operationalisation of social responsibility and human rights, this might turn out to be different from what others would do. Further, it can even be the case that some TOC's having a policy equivalent to our definition, still are not included. This is partly due to our approach, and partly because of limited representation. Thus, the number of TOC's included might be underreported. However, our classification follows the line of reasoning that *Amnesty International* (AI) has put forward. That means, to speak about human rights or social responsibility in the first place, requires that the companies at least have to provide ethical codes of conduct. But according to AI "[the companies]...specific codes of conduct do not address

fundamental problems...[which] limits their meaning as a vehicle for a human rights policy".⁸ An interpretation of this can be that companies quite explicitly must focus on human rights issues. This is why we have included two distinct categories, separating corporate concerns for social responsibility from human rights.

An additional shortcoming in this study relates to the fact that this as a pilot study, is solely based on corporate information provided through Internet. The information on these pages is the background material upon which the quantitative presentation is based. Likewise, the study of the individual TOC's is also based upon Internet sources. Thus, none of the TOC's involved have been contacted, neither have they been given the opportunity to provide additional information nor to make corrections to this study. However, considering the globalised environment in which this industry operates, and the fact that providing digital information for clients and stakeholders has become a core area of corporate strategies, collection of data based on such resources may prove fruitful. It could even provide another dimension of analysis. Our purpose is primarily to present a first broad-based study of corporate policy-statements, upon which more specific case-studies of TOC's practices in developing countries will be conducted.⁹

2. THE CHALLENGING DYNAMICS OF THE OIL SECTOR

When the project was proposed, 85 individual firms represented the 80 companies identified as the relevant sample. Amoco has merged with BP, and BP Amoco is currently acquiring Arco. Consequently one unit of analysis is disappearing. The Belgian oil company Petrofina has merged with French Total, and the new giant is currently making efforts of acquiring Elf Aquitaine. Two more cases are gone. The shareholders recently approved an even larger merger, when Exxon merged with Mobil. The Argentine YPF has merged with Repsol and become Spanish. The consequence is the reduction of our relevant sample from 85 to 80 firms. By the first of January 2000, the third minor Norwegian oil company Saga Petroleum will also disappear as it is merged with the other two Norwegian TOC's, Statoil and Norsk Hydro.

All these corporate entities, either disappearing or merging with former competitors, did have relevant publications on corporate social responsibility. Further, they remain involved in E&P activities outside the OECD-area. Consequently, as a direct function of the dynamics of the oil sector, the size of our relevant sample is shrinking. Impacts and challenges related to human rights, however, remains at least the same particularly as the market power is increasing among a smaller number of oil companies operating in developing countries.

There is a significant number of TOC's operating in developing countries..,

Our study focus on 80 TOC's involved in upstream activities in developing countries. Almost all - 72 firms - are headquartered within the OECD-region. North-American (US and Canadian) companies are dominant, with a total of 45 firms represented. The second most represented region is Europe where 18 of the TOC's have located their corporate headquarters. Australian companies are also well represented with 8 firms in the sample. There are 6 Asian and 3 South American firms included. We also find two Saudi-Arabian,

one Indian, one Russian and one Chinese in the sample of 80 TOCs involved in E&P activities in developing countries. Even though Africa holds vast oil reserves, there are none African TOC's in the sample. The uneven locational distribution of headquarters is illustrated in figure 1, and the companies are further specified in Appendix 1.¹⁰

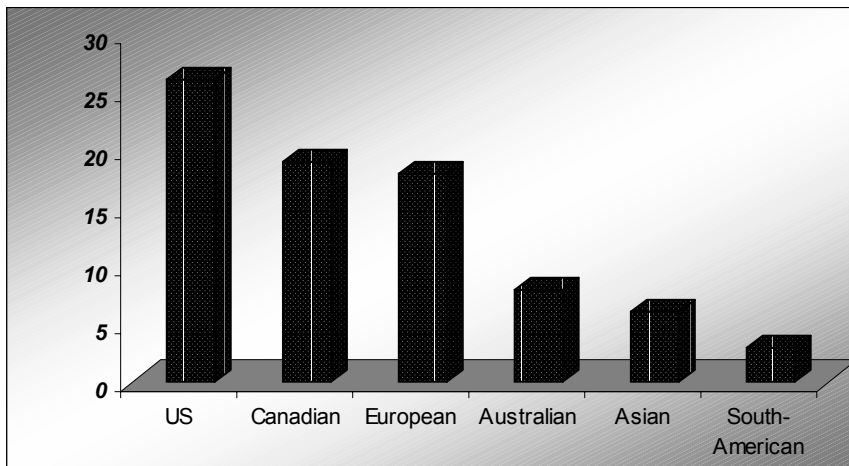


Figure 1. Locational distribution of TOC's headquarters.

Though geographical distribution of corporate headquarters is interesting, our focus demands a more specific orientation towards TOC's and human rights. Thus, we direct our attention towards relevant policy statements.

...but only some focus on the social responsibility that TOC's face,

In our sample only 20, or one fourth of the firms, are concerned with corporate social responsibility. Further, when grouping the companies according to their headquarters location, we found that 18 out of 20 companies are OECD-based. The remaining two are South American, one Argentine (Perez Companac) and one Brazilian (PetroBras).

The majority of the OECD-based companies with policy statements on corporate social responsibility, are headquartered on the North-American continent, with eight US companies and three Canadian. The remaining seven TOC's are European. Despite having as many as eight in the total sample, it is noteworthy that none of the Australian companies have adopted such policies. Among the European TOC's, there are one British (BP Amoco/Arco)¹¹, one Dutch/British (Shell), two Norwegian (Statoil and Norsk Hydro), one French (Totalfina/Elf), one Italian (ENI) and one Spanish (Repsol/YPF).

Even though German (Preussag Energie and RWA-DEA), Finnish (Neste Oil) and Swedish (Lundin Oil) companies are part of our sample, these companies have not publicised any statements indicating social responsibility policies.

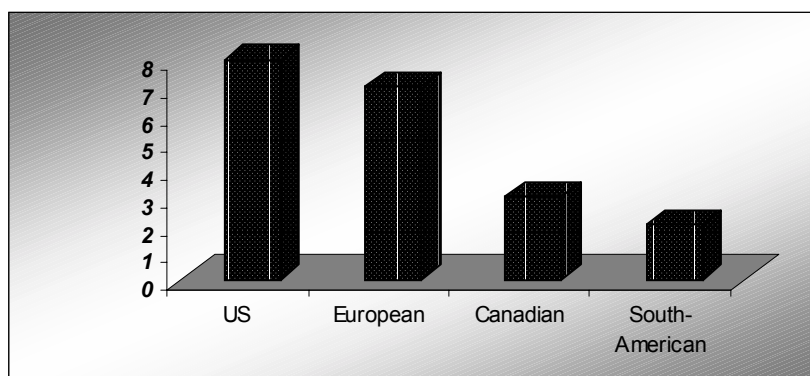


Figure 2. Geographic distribution of TOC's with social responsibility policies (SRP).

Given the fact that 18 out of 20 TOC's expressing social responsibility are headquartered within the OECD-area, this gives an impression of non-OECD companies as less concerned with social responsibility. But as we consider the relative importance of their representation, the picture turns out somewhat differently. The 18 OECD-based firms accounts for 25 % of the total number of TOC's based within the region. Despite that only two non-OECD companies express corporate social responsibility concerns, this represents nevertheless one fourth of the total number of non-OECD firms in the sample, also representing 25 %. Thus, our numbers show that there exists no relative difference between OECD and non-OECD based TOC's regarding their rhetorical concern for social issues.

However, as noted above, general statements, principles and guidelines for community involvement are often only vaguely formulated, and cannot always be connected to human rights. This leads us to a further specification of companies, this time based on a purely semantic approach, where we identify those having explicitly publicised commitments concerning *human rights*.

... and even fewer have an explicit focus on human rights.

In our efforts to reveal companies with documented human rights policies, the number of relevant companies is further reduced. Only 9 firms, or 11 % of our sample, have publicised human rights policies. Hence, *as many as 89 per cent of all TOC's involved with E&P activities in developing countries, do not express any concerns for human rights.* Apparently the current situation among TOC's is significantly different from what we could expect, based on recent initiatives by Shell. Figure 3 illustrates the relative importance of expressed corporate social responsibility and human rights policy among the 80 TOC's studied:

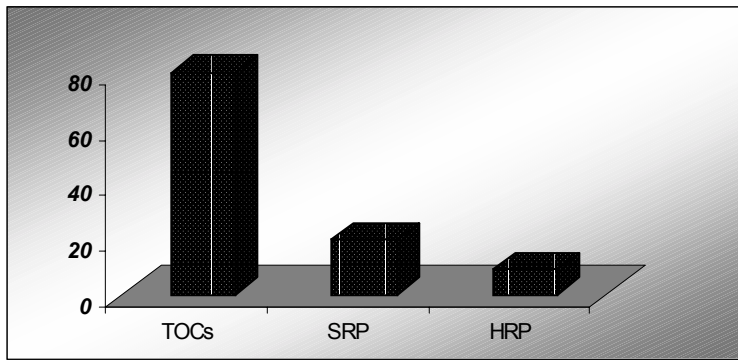


Figure 3. The total number of TOC's and the shares with social responsibility (SRP) and human rights policies (HRP).

Among these nine companies all are OECD based; five from Europe and four from the US. These TOC's are presented in table 1.

Table 1. Regional distribution of TOC's with human rights policies¹².

	US Companies	European Companies	H Q Location of European TOC's
Transnational oil companies (TOC's) with human rights policies (HRP)	Chevron Exxon/Mobil Texaco Unocal	Royal Dutch Shell BP/Amoco/Arco Norsk Hydro Statoil Totalfina/Elf	UK/NL UK Norway Norway France

While all the US companies are homogenous in terms of belonging to an Anglo-Saxon tradition, differences exist among the European TOC's. As exemplified with the variety of responses received by HRW from TOC's operating in the Niger delta, and further confirmed by our findings, there prevails substantial differences between Anglo-Saxon and Latin companies. Among the five European TOC's two are Norwegian and one is Latin. As exemplified with the case of ENI/Agip, the Latin TOC's operating in the Niger delta was reluctant towards HRW's requests concerning human rights. Despite the inclusion of Totalfina/Elf, the Latin TOC's in general, are also reluctant towards expressing human rights policies. As illustrated in table 2, Latin TOC's represents only 11 % of the TOC's having an explicit focus on human rights.

Table 2. Anglo-Saxon and Latin TOC's with HRP.

	Anglo-Saxon Companies	Latin Companies
TOC's	BP/Amoco/Arco, Chevron, Exxon/Mobil, Norsk Hydro, Royal Dutch Shell, Statoil, Texaco, Unocal	Totalfina/Elf

However, no matter how useful and interesting such numbers may be, they tell little less than how the absolute division between TOC's with human rights policies are. What seems equally important to understand is the relative locational significance of TOC's headquarters and whether human rights concerns are expressed. In our sample, there are 26 TOC's based in the US, and as we already know, four of them do explicitly focus on human rights. In percentage however, this only accounts for 15 % of the US representation. While European companies were represented with just one more of the US number, the relative continental corporate orientation towards human rights is higher, with a share of 28 %. The relative importance is illustrated in figure 4:

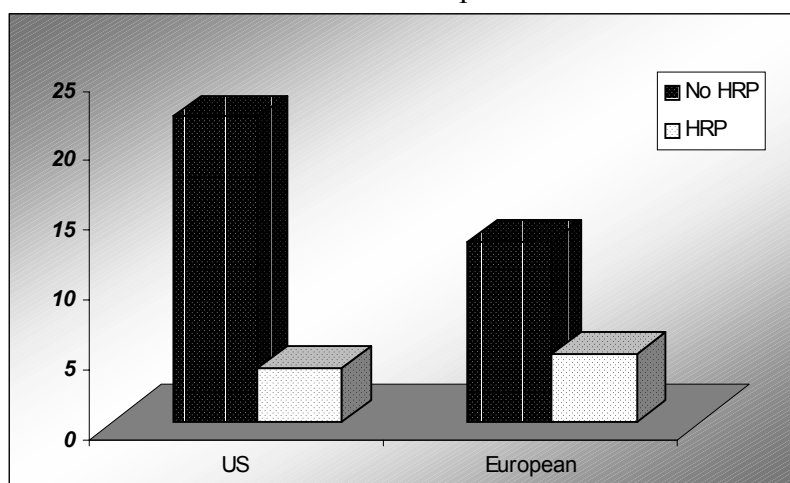


Figure 4. Relative share of US and European TOC's with human rights policies (HRP).

As noted above, measured by the total number of TOC's with explicit human rights statements, Latin TOC's were lagging behind the Anglo-Saxon. By their relative significance however, we witness a different picture. The total number of Anglo-Saxon TOC's is 66, but only eight have explicitly adopted human rights policies, accounting for 12 % of the total. In addition, if we deduct the Nordic TOC's from the Anglo-Saxon group, the relevance becomes even less significant. Despite that only one out of six Latin TOC's have a publicised human rights policy, this nevertheless represents 17 %. Thus, relatively speaking, more Latin TOC's have publicised human rights policies than Anglo-Saxon TOC's.¹³ A graphical illustration is provided through figure 5.

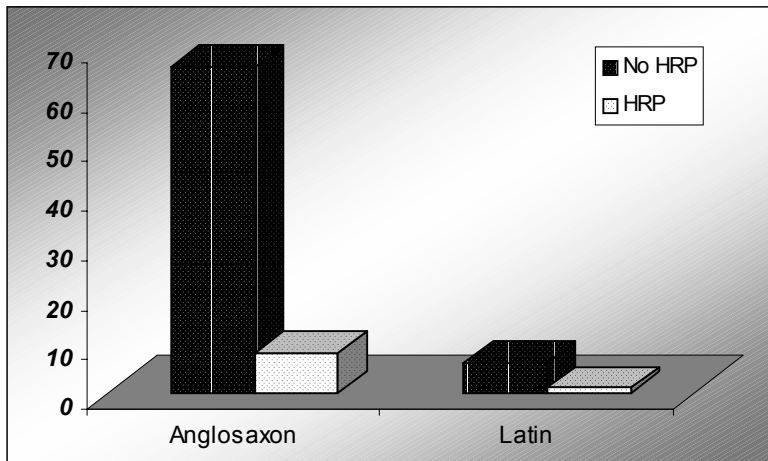


Figure 5. The relative share of Anglo-Saxon and Latin TOC's with human rights policies (HRP).

Whether we apply an analysis based upon absolute or relative shares, our findings remains vague. We therefore proceed with a more specific study of the human rights policies of individual TOC's.

3 WHAT TOC's SAY AND HOW THEY SAY IT

In this section we will focus upon three TOC's which all have publicised particular concerns for human rights; Chevron, Totalfina/Elf and Statoil.¹⁴ These firms are chosen on the premise of the former categories; North-American and European; Anglo-Saxon and Latin. Statoil is also included on the premise of not strictly being a traditional Anglo-Saxon company, but rather a new Nordic actor in this old industry. As a first step we undertake a descriptive approach that focuses on company presentation and the issues they do or do not address. Subsequently as part of the concluding remarks we discuss some of the differences among the publicised human rights concerns of these TOC's.

3.1 The Chevron Corporation

"Our vision is to be "Better than the Best," which means: Employees are proud of their success as a team; customers, suppliers and governments prefer us; competitors respect us; communities welcome us; and investors are eager to invest in us".¹⁵

From Chevron Profile, *Our Vision*.

Founded in Los Angeles (1879) as *The Pacific Coast Oil Company*, and later undertaken by John D. Rockefeller's Standard Oil Trust (later *Standard Oil Company*), the *Chevron Corporation* came into existence when it merged with the *Gulf Oil Corporation* in 1984. The San Francisco based firm is one of the largest oil companies in the world. It is active in more than 90 countries and employs about 90,000 people worldwide. E&P activities are located in developing countries like Angola, Nigeria, China, Indonesia, Papua-New-Guinea, Colombia and Venezuela among others. In 1997 the company's turnover was US\$ 42 billion.

In the wake of the assassination of Ken-Saro-Wiva and eight other Ogonis in December 1995, Shell received almost all the negative attention. We got the impression from the media coverage and campaigns launched by NGOs like Greenpeace, that Shell was the only TOC involved in the Niger delta. However, as confirmed by Human Rights Watch, this is not correct.¹⁶ Chevron was and still is heavily involved, and despite the lack of scrutiny, we have clear indications that even the consciousness of Chevron was impacted by the human rights violations documented in the Niger delta.

The Chevron Corporation has a variety of information related to social responsibility and local communities. The company expresses its concern to these issues by endorsing *the Global Sullivan Principles*.¹⁷ Chevron indicates that the company seeks to promote the application of these principles with whoever they do business. They further claim that the company wishes to "develop and implement company policies, procedures, training and internal reporting structures to ensure commitment to these principles throughout our organisation". Chevron also expresses a willingness to be transparent in their implementation of the principles, and provides information that demonstrates their commitment.

Workers rights

Chevron provides information on different aspects related to workers rights. They state that the corporation will "respect our employees' voluntary freedom of association", and "promote equal opportunity for our employees at all levels of the company with respect to issues such as colour, race, gender, age, ethnicity or religious beliefs, and operate without unacceptable worker treatment such as the exploitation of children, physical punishment, female abuse, involuntary servitude, or other forms of abuse". They further state that the company will "compensate our employees to enable them to meet at least their basic needs and provide the opportunity to improve their skill and capability in order to raise their social and economic opportunities".

Attitudes towards national political priorities

Although presenting some information about the company's relation to *national authorities* or *national policies* on human rights, on this issue Chevron is not strikingly clear. According to company policy, Chevron expresses that they will "work with governments and communities in which we do business to improve *the quality of life* in those communities – their educational, cultural, economic and social well-being – and seek to provide training and opportunities for workers from disadvantaged backgrounds". They then underline that the company wants to "...express [their] support for universal human rights and, particularly, those of our employees, the communities within which we operate, and parties with whom we do business". Apparently Chevron is significantly more reluctant to promote human rights issues that can challenge national political priorities.

International HR conventions

On this issue Chevron is even more vague. Although they say that the company support human rights, there is no reference to the UN Declaration of Human Rights (UNDHR) or any other international covenants like the ILO accords. The Global Sullivan Principles may very well function as company guidelines. However, while company recognition of

international covenants gives a signal of socio-political commitment, adherence to non-institutionalised principles such as the Sullivans, may represent nothing more than company make-up. As in the case of corporate environmental protection, in which this has been labelled "green-washing"¹⁸, we may witness a similar lack of commitment concerning human rights. However, to verify this, field studies must be conducted.

3.2 Totalfina¹⁹

"At Totalfina, we are committed to protecting and preserving our world".²⁰
Opening statement, *Totalfina Foundation*.

Founded by the French government in 1924, *Total* is one of Europe's biggest oil companies. After the 1999 take-over of Belgian *Petrofina*, Totalfina has become the world's fifth and Europe's third largest oil company. In 1998 Totalfina's revenues reached almost US\$ 36 billion²¹. With a staff that counts 69,000, the Paris-based company operates in more than 100 countries including developing countries like Venezuela, Bolivia, Angola, Gabon, Nigeria, Iran, Indonesia, Burma and Thailand.

With worldwide operations, the French company has found itself occasionally in heavy winds of criticism. Not at least was this the case when their operations in Burma were scrutinised by the *International Federation of Human Rights*, known by its French acronym FIDH. Totalfina was accused of violating human rights in conjunction with the work on the pipeline at its natural gas project (Yadana) in Burma.²² The accusations by FIDH were related to the use of forced labour, the employee's abuse of local women, and the company's political support of the Burmese authoritarian military dictatorship. However, in a response published as a report conducted by Richard W. Timm and K.M. Subhan, Totalfina denies all accusations²³.

Despite that there are no documents indicating company policy on human rights at Totalfina, it was the fulfilment of our semantic criteria that led us to the inclusion of the company. Issues like human rights are seemingly handled through the company's Code of Conduct. The term human rights is referred to in several documents, and in a press release, when defending the company's engagement in Burma, Totalfina "reaffirms its commitment to respect human rights everywhere in the world".

Workers rights

As a first concern, the company shall in its operations make an effort to "meet high ethical standards in working practices". For Totalfina this means to "treat everyone fairly and with respect, to offer equal employment opportunities, to make sure that the wages are fair and working conditions are safe, to respect the culture and tradition of the local communities". From their press-release, following the accusations of their Burma involvement, the company underlines that "Totalfina will never accept [the] use [of] forced or child labour in any project, in Myanmar²⁴ or anywhere else in the world".

Attitudes towards national political priorities

A second important point for the company is to "develop a mutual understanding with the local communities". According to Totalfina, a way of accomplishing this is "to inform about the activities planned, to establish a meaningful dialogue with the local communities, to promote trust and understanding". A further underlined concern of the company is "to contribute to the development of the welfare of the local population". By their presence, Totalfina sees it as their responsibility "to train and develop local employees, to transfer technology and expertise, to help improve the quality of life in the concerned area".

With its presence in Burma, the company states "it is contributing to the country's economic development, which will encourage it to improve relations with the rest of the world and promote social change". The company states that its operations "is creating hundreds of jobs and, thanks to an outstanding socio-economic program, it is bringing substantial advantages to the people of the region, including doctors and medical facilities, a vaccination program, the creation and modernisation of healthcare centres and schools, and assistance in developing village self-sufficiency". However, despite thorough scrutiny of all available Internet resources, we cannot find any proactive stance on human rights issues that are challenging national political priorities in Burma or other repressive regimes where Totalfina is involved.

International HR conventions

Although an alleged dedication to human rights have been made by the company, Totalfina do not provide corporate guidelines on human rights. When searching for corporate statements related to international covenants such as the UNDHHR or the ILO accords, we did not come about any information connected to this. Neither did we find a reference to human rights violations by the Burmese government. Instead, following the denial of the accusations made by FIDH in the Totalfina press release, the company "reminds critics that there is no international law forbidding foreign companies from working in Myanmar".

3.3 Statoil

"In Statoil we are of the opinion that the business community has a responsibility to promote human rights. ... building on our general ethical guidelines and business principles, we have established a company policy with regard to human rights"²⁵. Harald Norvik, former CEO at Statoil.

Founded in 1972, Statoil is a wholly owned Norwegian public entity and is one of the world's largest producers of crude oil. Statoil employs more than 18,000 people worldwide, and its revenues totalled US\$ 13,5 billion in 1998. Managed from their headquarters in Stavanger, Norway, it is currently involved in E&P activities in developing countries like Azerbaijan, Kazakhstan, China, Malaysia, Singapore, Vietnam, Angola, Nigeria and Venezuela among others.

Despite its involvement in a significant number of non-OECD countries, Statoil remains a newcomer in this increasingly globalised industry. Still the company has its main focus on the North Sea activities. Despite a previous alliance with British Petroleum, Statoil has

very few investment projects where the company is granted the operation responsibility. It is the third largest investor in Azerbaijan, and significant investments are made in Venezuela and Angola, but Statoil is not in charge of current day-to-day activities neither on exploration nor production of oil and gas in any of these countries. This is the fact despite that the same countries, together with Nigeria, are defined as the core areas for further international engagement.

Among a variety of social issues, human rights is explicitly mentioned as a core value in the company. As they put it: "the group [Statoil] gives a high priority to enhancing awareness on human rights issues". According to its policy statements, the company has always been preoccupied with human rights. Thus, as a company strategy, Statoil has set forth that human rights shall be an integral part of its decision-making process, whatever country and operation concerned.

Workers rights

Statoil claims that they are "taking an active part in relevant international fora where [they] discuss how the business community can promote human rights and what policies, roles and functions should be encouraged". In this sense, the company requires that "partners and contractors ... show respect for human rights". Thus, the company needs to "... show clear attitudes on such issues as worker and union rights". One step in such a process is "a collaboration agreement with the Norwegian Oil and Petrochemical Workers Union (Nopef) and the International Federation of Chemical, Energy, Mine and General Workers (Icem) to ensure the best possible standards on human rights, health, the environment and safety world-wide".

Attitudes towards national political priorities

The company provides information that gives practical insights on their work on these issues. As a societal actor, the company is "engaged in community support programs which can promote human rights and social justice in the societies where [it] operate", so that it can "communicate [its] human rights policy to relevant public authorities". This is shown through the partly funding by Statoil's local affiliate of a UN programme in collaboration with AI in Venezuela, which aims to give the country's judges and public defenders training in human rights issues. In contrast to Chevron and particularly Totalfina, Statoil is apparently applying a more proactive stance on human rights regardless of national political priorities.

International HR conventions

Statoil has made its commitment to international covenants explicitly articulated: "The UN's Universal Declaration of Human Rights holds a natural place in the fundamental values observed by Statoil". In expressing Statoil's commitment to human rights in its corporate guidelines, a company team "has worked closely with Amnesty International and the Norwegian Institute of Human Rights as well as other non-governmental organisations and research bodies". A number of specific measures have been launched to help implement the company's human rights policies. Among these are "internal training to make employees ... familiar with the group's [Statoil's] values, business principles and

attitudes, ethical audits are being done to ensure that attitudes on human rights are converted into practical action, dialogue with the authorities, other companies, non-governmental organisations and international bodies on human rights".

4. Concluding remarks

Rhetorical differences are identified when analysing corporate human rights policies in Transnational Oil Companies (TOCs). In our sample of 80 firms, we found that corporate commitments range from total neglect to strong articulated commitment. In addition, there are huge differences on the "access-friendliness" among those expressing social concerns. With reference to the information provided by Chevron, Totalfina and Statoil, we have shed some more specific light on these rhetorical differences.

Although all three companies have provided information on both social responsibility and human rights, the clarity in their statements concerning human rights varies. As illustrated with the case of Statoil, the Norwegian firm is rather explicit in its preoccupation concerning such matters. The company has expressed an articulated commitment to the UN Declaration of Human Rights, it seeks active dialogue with NGOs like Amnesty International and trade unions, and Statoil has also involved itself in educational programmes seeking to enhance the knowledge, concern and commitment for human rights in developing countries. Thus, the amount of information publicised by Statoil is substantial and their policy position on human rights seems quite explicit and clear.

On the other hand, Chevron and Totalfina are somewhat vague on the same issues. Even though individual health and educational programs are important, Chevron and Totalfina do not state how the companies will react when confronted with human rights violations in host countries where they operate. Both Chevron and Totalfina state that they support universal human rights, but they do not commit themselves to the UNDHR. Neither do they state that they will actively support human rights activists, sponsor or train local citizens in human rights issues, or address problematic issues related to doing business with controversial governments as in Burma or Nigeria. Let us tentatively summarise this with the following table 3:

Table 3. Summary of selected companies data and human rights concerns.

	Chevron	Totalfina	Statoil
Headquarters	USA	France	Norway
Number of countries active	90	More than 100	27
Employees	90, 000	69, 000	18, 000
Revenues 1998	US\$ 42 billion ²⁶	US\$ 35.8 billion	US\$ 13.5 billion
Amount of HR information	Fair	Little	Substantial
Position on HR	Vague	Non-apparent	Clear
Access to HR information	Easy	Difficult	Easy
Presentation of HR	Good	Worse	Best

strategies			
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Although Chevron is somewhat larger than Totalfina, these two TOC's can be treated as equal in terms of number of countries where the companies are involved in exploration and production activities. The two can also be treated almost as equals in terms of the 1998 revenues. However, when it comes to particular human rights issues, Chevron is better than Totalfina. This is related both to the amount of information included on the corporate Internet based homepage, the access friendliness of this information and how the information is presented. With no identified corporate guidelines to human rights, and no reference to international HR covenants, Totalfina appears not to be as preoccupied with human rights as it has stated in certain press releases in the wake of the Burmese controversies. In addition, the information we found was not easily available, and often poorly presented.

In contrast to the French company, Chevron made our task easier. Their amount of information was fair, and the access friendliness was good. Nevertheless, the actual Chevron commitment to human rights remains vague. Even Union Carbide supported the Sullivan Principles when the Bhopal disaster became a tragic reality in December 1984. Almost 5000 persons died and several hundreds of thousands people were severely injured due to leakage of cyanide from a Union Carbide controlled plant in India²⁷. However, as documented by Piasecki, the economic and political consequences were dramatic, and Union Carbide is currently a strong advocate of strengthening corporate environmental controls.²⁸ This is somewhat equivalent to what Shell is doing in the field of human rights. The question is whether Chevron needs a similar exogenous shock to initiate similar efforts.

Totalfina and Chevron's presentations appear differently, but both are in striking contrast to Statoil's. Statoil provides a significant amount of relevant information, including specific examples. Thus, based on this review of Internet resources, Statoil is making very interesting efforts of putting human rights on the corporate agenda. In this way, Statoil is complementing the efforts of Shell, but not as significant as the majority of the identified sample of TOC's.

Nevertheless, Statoil's efforts must be approached quite differently from what Shell is doing. The reason is partly found in the size of the company, but more important in the character of actual involvement in developing countries. Chevron and Totalfina are vague or non-apparent in publicising their actual HR commitment, but at the same time they are currently involved in the day-to-day operational responsibility of investment projects in many developing countries. Statoil is quite clear in terms of commitments, but this remains rather rhetorical, as Statoil still has not, with the exception of Nigeria, been handed the operational responsibility of exploration or production of oil.

Our findings indicate that the actual situation is not too promising. Despite the recent efforts made by Shell and Statoil, there remains a significant potential for all the TOCs involved in E&P activities in developing countries to strengthen the commitments concerning human rights. However, as the analysis is merely based on rhetorical statements, any further conclusion requires more specific case studies of corporate practices undertaken in particular projects in developing countries²⁹.

4. Endnotes

¹ Human Rights Watch (1999), *The price of oil* (New York: Human Rights Watch), 161.

² The Shell Report 1999: People, Planet and Profits. An Act of Commitment. (1999 November 25.) [online]. URL: <http://www.shell.com/shellreport/htm>

³ HRW (1999), *The price of oil*, 2.

⁴ ENI: Community Relations: Principles (1999 December 3.) [online]. URL: <http://www.eni.it/english/panorama/comunita/iniziativa.html>.

⁵ HRW (1999), *The price of oil*, 2.

⁶ As this study is merely rhetorical, we would like to emphasize that we may define corporate HRP somewhat differently than others would do. Our approach simply segregates those TOC's who have publicised corporate respect for HR in general from those who have not. Thus, we have not taken into account whether the TOC's have actually *implemented* their HRP or not.

⁷ Unocal: On human rights (1999 December 3.) [online]. URL:

<http://www.unocal.com/responsibility/humanrights/hr1.htm>

⁸ Amnesty International and Pax Christi International (1998), *Multinational Enterprises and Human Rights* (Amsterdam/Utrecht: Amnesty/Pax Christi), 30.

⁹ Draft papers are under preparation concerning Azerbaijan, Venezuela and Colombia. These papers will be published during spring 2000.

¹⁰ The appendix is created on the basis of various Internet sources. These include corporate listings on: (1999 August 19.) [online] URL:

http://www.offshoreenergy.com/Business_sites/Upstream/Exploration/htm; (1999 August 25.) [online]

URL: <http://www.gasandoil.com/opd/welcome.html> and (1999 September 9.) [online]

<http://www.opec.com/exploration-body.html>

¹¹ Despite a strong US representation, the company is regarded as British.

¹² These companies have all explicitly publicised corporate respect for human rights: **BP**

Amoco/Arco: Human Rights (1999 November 23.) [online]. URL:

<http://www.bpamoco.com/humanrights/cover.htm>; **Chevron**: Global Sullivan Principles (1999 November 23.) [online]. URL: <http://www.chevron.com/newsvs/pressrel/1999/sullivanprinciples.html>;

Exxon/Mobil: Frequently asked questions (1999 December 2.) [online]. URL:

<http://www.exxonmobil.com/eaff/essochad/project/faq/html>; **Norsk Hydro**: Leadership and

transformation: Strategies for organisational change (1999 December 3.) [online]. URL:

<http://www.hydro.com/htm>; **Royal Dutch Shell**: Issues & Dilemmas (1999 November 23.) [online].

URL: <http://www.shell.com/values/htm>; **Statoil**: The Oil industry and human rights (1999 November

23.) [online]. URL: <http://www.statoil.com/htm>; **Texaco**: Annual meeting, April 27 1999 (1999

November 23.) [online]. URL: http://www.texaco.com/shared/speech/docs/pib_am99.html;

Totalfina/Elf: TOTAL rejects FIDH Accusations on Myanmar (1999 November 23.) [online]. URL:

<http://www.total.com/us/actualite/231096.htm> and Elf; Our values, Statement of principles (1999

November 23.) [online]. URL: <http://www.elf.fr/us/groupe/val/princ.htm>; **Unocal**: On human rights

(1999 December 3.) [online]. URL: <http://www.unocal.com/responsibility/humanrights/hr1.htm>

¹³ Given the low number of units, we are aware that per centation is somewhat problematic. However, we chose to include it to illustrate a noteworthy point.

¹⁴ The information is based upon the TOC's homepages: Chevron (1999 November 23.) [online].

URL: <http://www.chevron.com/>; Totalfina (1999 November 23.) [online]. URL: <http://www.total.com>

and Statoil (1999 November 23.) [online]. URL: <http://www.statoil.com>

¹⁵ About Chevron (1999 November 23.) [online]. URL: <http://www.chevron.com/about/index.html>

¹⁶ See HRW; *The Price of Oil*.

¹⁷ The objectives of the Global Sullivan Principles are: "to support economic, social and political justice by companies where they do business; to support human rights and to encourage equal opportunity at all levels of employment, including racial and gender diversity on decision making committees and boards; to train and advance disadvantaged workers for technical, supervisory and management opportunities; and to assist with greater tolerance and understanding among peoples; thereby, helping to improve the quality of life for communities, workers and children with dignity and equality."

¹⁸ R. Welford (1997), *Hi-jacking environmentalism* (London: Earthscan).

¹⁹ Even though we presented Totalfina/Elf as one TOC in the quantitative presentation, we will focus upon Totalfina's human rights policies in this section.

²⁰ Total Foundation (1999 November 23.)[online]. URL:

<http://www.total.com/us/profil/fondation.html>

²¹ How Elf and Totalfina compare financially (1999 December 7.) [online]. URL:

<http://www.gasandoil.com/goc/company/cne93706.htm>

²² FIDH, 1996. *Burma, Total and Human Rights: dissection of a project*. Situation Report No. 224/2, November 1996.

²³ *Humanitarian Report: Yadana project*. Timm is Head of the Commission for Justice and Peace and founder of the South Asian Forum for Human Rights. Subhan is a former consultant at the United Nations Center for Human Rights. (1999 November 23.) [online]. URL: <http://www-total.com/us/cahier/timm.html> and <http://www-total.com/us/cahier/timm2.html>

²⁴ In accordance with the political opposition and Nobel laureate An San Su Ky, we prefer the term Burma.

²⁵ The Oil industry and human rights (1999 November 23.) [online]. URL: <http://www.statoil.com/htm>

²⁶ Figure from the financial year of 1997.

²⁷ For further information see C. Pearson, ed. (1987), *Multinational Corporations, Environment and the Third World*. Particularly the last section with contributions from Gladwin and Lepkowski on analysis and lessons from an industrial accident: Bhopal.

²⁸ B.W. Piasecki (1995), *Corporate Environmental Strategy* (New York: John Wiley & Sons, Inc), 24.

²⁹ As this research project will proceed with more specific case studies of TOC's activities in a selected number of developing countries, we will of course document further the interesting human rights initiatives made by Statoil. But to problematise the relationship between TOC's and human rights, we must seek beyond this and concentrate on those that actually have opportunities to influencing actual human rights through operational responsibility. Consequently, we argue for a focus on those TOC's having the operational responsibility of particular licenses. We ask; whether and to what extent concerns are actually realised with respect to improvement of workers rights, whether the TOC's are publicising corporate human rights commitments locally regardless of national political priorities and whether the TOC's more explicitly are expressing commitments in accordance with international human rights conventions.