

Iraqi Tribes Press LUKoil for Better Life

By [The Moscow Times](#)

October 31, 2013



Villagers in al-Toraba, with the West Qurna-2 oil field in the background. **Essam Al-Sudani**

Al-Toraba, BASRA, Iraq — Sheikh Mansour Hamid al-Imara clutches his prayer beads and watches a huge new oil facility nearing completion across the road from his village, hoping that Russian operator LUKoil will offer his poor tribesmen a better way of life.

"When the lights are on at the LUKoil plant, it is a victory for us," he said, sipping tea with tribal elders in their reed meeting house, 65 kilometers northwest of the southern oil hub of Basra.

"We are sitting on a huge pool of oil and want to take advantage of our resources. And the people of our tribe should be the first to be employed."

After struggling for decades from sanctions and wars, most recently the U.S.-led invasion from 2003 to 2011, expectations run high among the 150,000 tribesmen living on West Qurna-2, the world's second-largest undeveloped oilfield. Their sheer number leaves LUKoil with a far tougher challenge than rival firms operating the huge but sparsely populated fields

nearby.

It has been an uneasy co-existence since LUKoil's arrival here two years ago sparked tribal disputes that set back the start of the \$30 billion project — crucial to Iraq's oil expansion — by more than a year to early 2014.

Russia's No. 2 oil producer moved swiftly to repair relations, hiring thousands of locals and supplying equipment for educational, medical and sports institutions. West Qurna-2 now employs about 11,000 people, two-thirds of whom are Iraqi nationals, according to LUKoil.

"We can see that the living conditions and economic situation in the village have got much better," said security manager Ibrahim al-Maliki of South Oil Co, or SOC, the Iraqi state partner in the project.

"LUKoil has done a better job than the other foreign oil companies when it comes to social development projects."

But the Imara sheikhs say LUKoil needs to do more for their tribe, which dwells on the outskirts of the marshes, where miles of wasteland are dotted with baked mud huts, stagnant canals and palm trees.

"The water here is not fit to drink, and there are no clinics with specialist doctors or primary schools," said sheikh Qahtan, leader of the Imara tribe.

"I am not very happy with LUKoil. They employ few of our people, make them work 12-hour days and pay them about \$1,000 a month."

Dilapidated Infrastructure

When it comes to infrastructure, there are limits to what LUKoil can do to reverse the damage done by more than a decade of international sanctions after Iraq invaded Kuwait in 1990, and by the late former president Saddam Hussein, who accused the Marsh Arabs of treason during the 1980-88 war with Iran and drained the wetland.

"LUKoil, together with SOC, is trying to find a way for improving the quality of water that is used by the local people," said Kirill Smolyakov, director of external affairs at LUKoil Overseas Baltic.

"But these types of demands and claims go beyond the scope of Iraq's oil service contract. Nevertheless, our company makes a great effort to support the local population through social projects."

As for employment opportunities, the main problem for LUKoil, acknowledged by the sheikhs, is that a generation of neglect has left many tribesmen illiterate and unmotivated.

"Many of our young people are unskilled and do not really want to work. And they are not familiar with the way that foreign companies do things," said sheikh Sadiq al-Imara.

"We need LUKoil to teach them how to work."

LUKoil says it has been doing just that since 2011 at its nearby training centre, which can enroll up to 350 students.

"Hundreds of local welders, carpenters, electricians, mechanics and riggers have become highly qualified workers," said Smolyakov. "After finishing work at the West Qurna-2 project, they can easily find well-paid jobs in other regions."

For its part, the Imara tribe has sought to sustain good relations with LUKoil. Its tribal elders settled a major dispute in April that saw hundreds of protesters block a main entrance of the oil field, demanding jobs.

"If the companies are good to us, we will protect them until death," said sheikh Qahtan.

Local Frustration

The head of LUKoil's overseas operations, Andrei Kuzyayev, paid a visit to Imara at the end of May to get acquainted with the local sheikhs.

"He promised to come up with a new formula for hiring," said sheikh Sadiq. "He promised to return in July, but did not keep his word. Our people are begging, but LUKoil will not respond."

LUKoil says it is seeking new ways to employ the local workforce.

"The Imara tribe are very good people. They are not troublemakers," said SOC's Maliki. "Some tribes are threatening the subcontractors and forcing them to pay money. The Imara tribe never does this."

For the young men playing billiards in a cafe in al-Hwair, the frustration extends beyond LUKoil to the central government.

"Iraq exports 2 million barrels a day of oil, and I am poor and my living conditions are bad. It is because of the political situation," said Hatem Kareem, a 26-year-old blacksmith.

"I applied for jobs, but was not accepted. To get a job, you need to know someone."

West Qurna-2 lies beneath the farms where the Imara live, and many still live in fear that they will be driven off their land by drilling operations. SOC has paid \$30 million in compensation to more than 800 farmers, said Maliki, and LUKoil is using horizontal drilling so as not to displace many others.

By early next year, this giant field is expected to start commercial production of 150,000 barrels per day and is targeting output of 1.2 million bpd.

"We cannot wait until they get high oil production," said sheikh Qahtan. "We need help now."

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