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THE NEW SCRAMBLE FOR AFRICA'S OIL: IMPLICATION FOR LABOUR AND EMPLOYMENT

ABSTRACT

Purpose: The new scramble for Africa is marked by an influx of direct investment for the extraction and exploitation of the region's natural resources, which has undoubtedly boosted the expansion of African commodities such as oil and minerals, as well as promoting rapid economic growth in several countries in the continent. Regrettably, Africa's labour has been

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largely ignored, as most oil and mineral investments are capital-intensive and are likely to displace labour in local production, while also jeopardizing the continent's job prospects. The study looked at the impact of FDI in the oil sector on labour employment in ten oil-rich African countries from 1995 to 2018 as part of its investigation into the new scramble and labour in Africa.

Methodology/approach: The study used the Instrumental Variable (IV) regression in the context of the system Generalized Method of Moment (SGMM) estimator, based on dynamic panel modelling.

Findings: The findings suggest that foreign investments in the oil sector have a positive, but not significant, impact on African labour employment. This suggests that during the review period, foreign investment in the oil sector did not result in a considerable increase in productive job opportunities in the oil-rich African countries. This study established that the new scramble for Africa in the shape of foreign investments in the oil sector did not result in job creation in the region.

Originality/value: First, there is sparse literature on oil sector FDI-employment relations in Africa and this study extends literature by employing 10 oil-rich African nations. Second, unlike prior studies, this study applied advanced econometric techniques to account for the problems of unobserved heterogeneity specific to individual countries, cross-sectional dependence, serial correlation and endogeneity issues which are common in panel data regression. Third, this study will assist policymakers in the region to develop policies that will maximize the gains from the oil sector in Africa

Keywords: New Scramble, Labour, Employment, Africa

1. INTRODUCTION

Between 1881 and 1914, in what became known as the "Scramble for Africa", the world's economic powers (the United States and other Western countries) invaded Africa, arbitrarily dividing it into colonies and mercilessly plundering its abundant natural riches (notably oil and minerals). Around the 1990s, the world economic powers reconsolidated their presence in Africa, aided by unprecedented increases in the wave of globalization, and this time it was not just the US and other western nations, or the region's traditional investment and trade partners, but also India, China and other emerging countries of South Asia, in what appeared to be a "new scramble" for Africa (Southhall, 2008). According to Wengraf (2008), following the massive boom in the price of raw materials and oil, Europe and the United States, along with other rising powers such as China, sought to consolidate their grip on Africa's resources.

The interest in Africa's oil is not a new phenomenon. First, the attraction in Africa's oil is owing to the quality of its crude known as 'sweet' crude. Second, the geographic nature of the continent is the second point of the region's attractiveness to the global oil business because it is entirely enclosed by water which reduces transport costs and the time required to get to the world most important markets. Third, Africa provides a relatively favourable environment vis-à-vis contractual agreements, thus, most foreign oil corporations are attracted to Africa due to the production sharing agreements, which has lucrative profits in exchange for relatively low upfront costs. Exxon has been present in Africa for almost a century, and Nigeria has long been a hotspot for their operations. They invest 22% of their capital expenditure

in Africa and acquire 30% of their oil from the continent, having completed the infamous Cameroon-Chad channel, which passes through war-ravaged Central Africa territories, positioning it as Africa's largest single investment. Human rights campaigners have also long opposed the World Bank's backing for the Cameroon-Chad channel.

Through the inflow of capital, expertise, and greater employment, globalization, foreign direct investment (FDI), and trade developing market countries benefited on social, economic, and business levels. However, the explicit requirements and procedures for this to occur are complex and dependent on the circumstances of each given country. Conversely, there is mounting evidence that FDI impacts can be unanticipated, unexpected, and ineffective, i.e., negative (Yamin & Sinkovics 2009), if not dangerous (Mengistu 2009). Some scholars, for example Alfalih and Hadj (2020) averred that FDI could be critical for developing economies.

One of the major barriers to economic success in disadvantaged countries that attracts international investors is a lack of capital. One of the probable outcomes of inward FDI in developing nations and Sub-Saharan Africa is the creation of new and qualified jobs in the industrial or "modern" sector (jobs for which employees often earn better pay than those paid by domestic enterprises). When resources for attracting FDI are limited, a host nation must prioritize enterprises that are more likely to generate the greatest employment growth.

In recent decades, a huge inflow of capital to developing countries has occurred. According to World Bank statistics, annual private capital inflows into emerging markets increased from roughly USD 50 billion in 1990 to nearly USD 1.3 trillion in 2018. On the one hand, higher inflows into a country's economy may boost not only investment and consumption but also economic growth. On the other side, the regular inflow of foreign capital into emerging economies may cause them to become overly reliant on external funding.

2. BACKGROUND TO THE STUDY

There has been mounting worldwide interest in Africa as a source for their vital resources and this came from countries often described as 'emerging' or 'rising' economies. The consolidation of interests from these states, particularly since 2000, led to the much talk of a 'new scramble for Africa'. Inflows of direct investment for the extraction and exploitation of African natural resources characterize the new scramble for Africa. While supply and demand pressures ultimately decide the price of oil, international politics also have a significant role (Falola & Genova, 2005). The continuous rise in the prices of oil and raw materials have provoked a boom in several African nations and consequently brought a remarkable inflow of foreign investment. For example, by 2005, Africa's foreign direct investment had nearly tripled over the preceding five years, and between 2007 and 2010, more than $50 billion had been invested in African oil (World Bank, 2015). This is believed to be responsible for the remarkable growth in many countries during the 1990s. The new scramble has boosted the expansion of Africa's commodities (oil and minerals), as well as some African countries' average incomes (Southhall, 2008). According to a report by the World Economic Outlook (2007), Sub-Saharan Africa's GDP has grown at an annual rate of 5 to 6% on average since 2003, fuelled by the exceptional rise in global oil prices. The growing hunt for energy security in response to enhanced fossil fuels demand globally, expected shortages, and anticipated disruptions to supply from traditional sources is also to blame for the new race in Africa's oil.

China's goal for long-term economic expansion necessitates assembling of local, foreign, and raw materials. Out of the 53 African nations, oil/mineral exporting nations receive approximately 42% of China's total FDI (Gold et al., 2019), making resource-rich African nations the top recipient of China's FDI inflows between 2003 and 2017. The continuous demand of Africa's resources by China, on the other hand, has sparked a debate, partially over how to assess the inherent risks and developmental repercussions of their engagement. Africa, according to the US Department of Energy, possesses 7% of the globe's proven oil resources and accounts for 11% of total output. Africa has 7% of the world's known natural gas reserves, with production predicted to grow by 5% annually between 2003 and 2030 (Lee 2006). Lee's submission implies that a major increase in oil demand is projected. As observed by the Institute for Analysis of Worldwide Security (IAGS), global consumption would rise by 60% by 2020 compared to 2002 levels, owing to growing oil consumption in China and India. According to the IAGS, the majority of known oil reserves (66 percent) are stored in Middle Eastern countries (including Libya), many of whose governments conflict with the United States. Given that oil output in Russia (which accounts for 6% of confirmed oil reserves) is already falling, Western nations are looking to Africa to reduce their reliance on the Middle East. Outside the United States, China imports roughly 30% of its oil from Africa, majorly from Angola, Sudan and Algeria, Equatorial Guinea and Nigeria (Lee 2006; Holmberg 2007).

Unfortunately, Africa's labour has been largely marginalized, as many oil and mineral projects are capital-intensive, displacing local workers and jeopardizing the continent's labour employment prospects. Although millions of individuals, particularly young people, enter the labour market annually, there are just roughly 3 million formal job openings, and African labour unemployment is widespread and diverse (AfDB, 2018). This is evidenced by the large-scale migration of African youths to Europe in pursuit of greener pastures to lift their households out of poverty in their home countries. Many African countries are endowed with enormous natural resources, which have attracted significant FDI. Unfortunately, most natural resource sectors, such as mining, are enclave and capital-intensive, which widens the gap in employment. There is a need to look at the new scramble, which is characterized by foreign investment in African countries' oil industries with labour employment in the region. Africa's oil production is capital-intensive and reliant on expatriate specialized labour. As a result, Western oil majors continue to dominate, bringing with them many field services and equipment providers, although overall local employment levels (for instance, in the distribution and refinement process) appears low. In Angola, for example, almost all inputs needed in production, including the majority of oil company work, are imported by concessionaires.

While local employment in critical vital areas might give local workers leverage (for example, the 150,000 strong Nigerian National Union of Petroleum and Natural Gas Workers have engaged in several battles with both the government and security, ironically, against attacks by the Niger Delta's community protestors), labour activism is a big deterrent to firms investing onshore. Meanwhile, China itself is developing as a significant market for African oil, cementing partnerships with African governments through arms sales and aid pledges ranging from constructions of railways to hospitals. Existing empirical research argue that varied Chinese FDI inflows into African nations are driven by market size, natural resources and infrastructure sectors for natural resources export. Adisu et al (2010), for instance, found that Chinese FDI inflows to African countries are said to follow a state-driven

approach of providing infrastructure and grabbing natural resources. The China National Offshore Oil Corporation has committed $2.27 billion to acquire a 45% stake in Nigeria's offshore oilfields, and the same company also holds the largest single holding (40%) in Sudan's largest oil company (Rupiya & Southall, 2009). The picture of infrastructure development through foreign donors is changing, with Chinese investors in Africa building roads, telecoms, and educational facilities in exchange for oil and mineral rights (Sautman 2009; Williams et al. 2009).

Where no evident compensation plan, international cooperation is still required, and it should encourage both the investor and the recipient of FDI to raise their "standards" of social and corporate behaviour. For many Chinese investors in Africa, "improving standards" has become a buzzword. Chinese businesses, on the other hand, have been chastised for importing large amounts of Chinese labour (contracts frequently call for as much as 70% Chinese labour) while contributing little to local skill development or employment (Brookes 2007).

Several studies have looked at the influence of foreign direct investment (FDI) on job creation on a country-by-country and cross-country scale, with some aggregation of FDI. It should be noted that studies on aggregate FDI-employment relations have limited information regarding the new scramble in their various case studies, and those studies are highly prone to the problem of aggregation bias in terms of policy prescriptions. Moreover, there appears to be limited literature on oil sector FDI-employment relations in Africa and this is the core issue of motivation for this study. Our study extends the literature in three areas: (i) by further shedding light on the idea of the new scramble for Africa; (ii) quantifying the impact of the new scramble on employment generation, with particular focus on the impact of the oil sector FDI on employment rate, using data from 10 oil-rich African nations over the period 1995-2018; and (iii) finally, using an appropriate econometric technique (Dynamic Panel GMM) to account for the problems of unobserved heterogeneity specific to individual countries, cross-sectional dependence, serial correlation and endogeneity issues which are common in panel data regression.

2.1. RESEARCH QUESTIONS

The fundamental question addressed in this study relates to the employment effect of the new scramble for Africa's oil? This question is further narrowed down as follows:
  i.   How does the oil sector FDI impact labour employment in Africa?
  ii. To what extent does the oil sector FDI contribute to labour employment in Africa?

2.2. RESEARCH OBJECTIVES

The overarching goal of this inquiry is to shed light on the employment effect of the new scramble for Africa's oil. Specifically, we estimate:
  i.   The impact of the oil sector FDI on labour employment in Africa.
  ii. The extent to which the oil sector FDI contributes to labour employment in Africa.

2.3 RESEARCH HYPOTHESES

In line with its specific objectives, this study is guided by the following hypotheses, stated in null form.

    i. H_0: Oil sector FDI has no significant impact on labour employment in Africa.

    ii. H_1: The contribution of the oil sector FDI to labour employment in Africa is less than proportionate.

3. LITERATURE REVIEW

3.1. THEORETICAL CONSIDERATION

We consider the Eclectic Paradigm Theory, often referred to as the OLI framework or model. The OLI model, which was developed by John H. Dunning in 1979 as an advancement over the long existed Internalization Theory is a theory in economics used to analyse international investment behaviour (Dunning, 1979). The theory integrates key characteristics from other FDI ideas such as Ownership (O) advantage, Location (L) advantage, and Internalization (I) advantage (Twomey, 2000). The competitive advantages of the enterprises intending to engage in FDI are referred to as ownership advantages; consequently, the larger the competitive advantages of the investing firms, the more likely they are to engage in their overseas production (Dunning, 2000). Also, ownership advantages consist of knowledge of more sophisticated technologies. As pointed out by Sean-Leigh (2007), ownership advantage is a necessary condition for the attraction of FDI to the host nation. Locational benefits, on the other hand, refer to alternative regions or nations for multinational companies (MNEs) value-added activities (Dunning, 2000). Thus, the more immobile, natural, or created resources (including oil, labour, and other resources required for production), which firms must use in conjunction with their competitive advantages, favour a presence in a foreign location, the more firms that choose to exploit or augment their specific advantages through FDI. Under the internationalization advantage, firms can organize the development and exploitation of their core competencies in such a way that the greater the net gains of internalizing cross-border intermediate product markets, the more likely it is that a firm will choose to engage in overseas production itself rather than license the right to do so (Dunning, 2000).

3.2. EMPIRICAL EVIDENCE

Several studies have assessed the nexus between FDI and labour employment across countries of the world. Available studies were based on aggregate FDI inflows with little or no regard to the "new scramble" phenomenon. In this subsection, we reviewed some recent empirical studies on the FDI-employment nexus. For instance, Harrison (2005) used data from over 100 nations between 1960 to 2000 and the study found that FDI is linked with labour share decline. Craigwell (2006) investigated the link between FDI and employment in selected Dutch-speaking Caribbean and English nations between 1990 and 2000. The study employed the Panel Granger causality test and found evidence of positive causality and concluded that FDI significantly drives employment across the 20 English and Dutch-speaking

Caribbean countries. In another study, Wong and Tang (2011) appraised the nexus between foreign direct investment and employment in Singapore's services and industrial sectors. The study found that causality runs from industrial and services sectors' employment to FDI, and from FDI and services sector employment to industrial sector employment.

In a study in China, Lui (2012) found that the growth of FDI drives employment in tertiary and secondary industries. Likewise, in Nigeria, Onimisi (2014) employed the OLS technique in multiple linear regression and covering the period between 2002 and 2012 and the study established that FDI weakens Nigeria's employment level. Also, Khodeir (2016) reported that Chinese direct investments drive employment in Africa. In another study, Rekha and Karan (2017) applied the OLS technique to estimate the implications of economic growth and FDI on India's employment generation and the authors established that FDI significantly drives the nation's employment generation. Also, Adeyemi (2018) obtained similar findings for Nigeria using data from 1999 to 2016.

A similar study by Malik (2019) employed the system GMM and found that FDI does not influence domestic labour demand in Indian manufacturing sectors. Using data from Egypt as well as the ARDL model, Abouelfarag and Abed (2019) conclude that the connection between FDI and employment is positive. Similarly, Alfalih and Hadj (2020) focused on Saudi Arabia between 1984 and 2015. Using Non-Linear Autoregressive Distributed Lag, the authors reported that the positive changes in FDI have no short-run effect on employment but have a detrimental long-term impact. Furthermore, negative changes in FDI have a long- and short-term negative impact on job generation.

While the foregoing studies were not conscious of the "new scramble" phenomenon, they offered useful insights by providing both theoretical and empirical linkage between FDI and employment generation that paved a way for the empirical foundation of this study. The new scramble is characterized by foreign investment in the oil sectors of the African economies. This study is highly concerned about the level of employment in African countries in the face of huge FDI inflows into the oil sector.

4. METHODOLOGY

4.1. MODEL AND THE DATA

Underpinned by the OLI model framework developed by Dunning (1979), and in line with its broad objective which is to examine the implications of the oil sector FDI on labour employment in some selected oil-rich African nations from 1995 to 2018, the study utilizes with modifications, the model specified by Onimisi (2014) as follows:

LEMP = f (OFDI, FODA, TOPN, RGDP, INSQ, INFL)

Econometrically, the model is specified in log-linear transformation as follows:

$$LLEMP_{it} = \beta_0 + \beta_1 + \beta_1 LLEMP_{it-1} + \beta_2 LOFDI_{it} + \beta_3 LFODA_{it} + \beta_4 LTOPN_{it} + \beta_5 LRGDP_{it} + \beta_6 LINSQ_{it} + \beta_7 LINFL_{it} + \mu_{it} \qquad 1$$

Where $LLEMP_{it}$ is the natural log of labour employment rates in the country i at time t; $LLEMP_{it-1}$ is the one-period lag of labour employment; $LOFDI_{it}$ is the natural log of oil sector foreign direct investment in the country i at time t (measured as a percentage of total FDI); $LFODA_{it}$ is the natural log of foreign official development assistance in the country i at time t (% of GDP); $LTOPN_{it}$ is the natural log of trade openness in the country i at time t (ratio of export plus import to GDP); $LRGDP_{it}$ is the natural log of real gross domestic product in the country i at time t (annual % growth rate); $LINSQ_{it}$ is the natural log of institutional quality in the country i at time t (on a scale of 1 to 6); $LINFL_{it}$ is the natural log of inflation rate in the country i at time t (annual % increase in CPI); β_0 is the intercept term; $\beta_1 - \beta_6$ are the parameters to be estimated; μ is the stochastic error term with the usual properties of normality, zero mean and constant variance.

A priori Expectation: $+\beta_2$, $+\beta_3$, $+\beta_4$, $+\beta_5$, $+\beta_6$, $+\beta_7$

The beta sign represents the various independent variables and they all have positive signs meaning that they are expected to have a direct connection with the dependent variable $LLEMP$.

4.2. ESTIMATION TECHNIQUE

The study is based on panel data covering the top 10 oil-rich African countries which include Angola, Nigeria, Algeria, Equatorial Guinea, Libya, Egypt, Gabon, Sudan, The Republic of Congo and South Africa (https://answersafrica.com/oil-producing-countries-africa.html). Annualized secondary time series data for the pertinent variables were obtained from the ILO (2019) and the World Bank (2019) over a period of 24 years, from 1995 to 2018. The error term in Equation 1 is stated to incorporate unobserved heterogeneity specific to nations that are time-invariant (e.g., welfare system, geographical and environmental variances) so that:

$$\mu_{it} = \lambda_j + \Upsilon_t + \varepsilon_{it} \qquad\qquad 2$$

As a result, the possibility of endogeneity, combined with the interdependence between unobserved country-fixed effects and the error term, shows that the orthogonality condition may not be met, casting doubt on the Random Effect (RE) or Fixed Effect (FE) estimator's consistency. To avoid this issue, the Instrumental Variable (IV) estimator must be used to explicitly account for any possible endogeneity of regressors. As a result, the Generalized Method of Moments was used in this research (GMM). The GMM was chosen because it addresses short-run impacts while accounting for the dataset's time-series dimension; it also contains unobserved count data.

There are two techniques to applying GMM models to panel data regression: Arellano and Bond's first difference GMM estimator and Arellano and Bover's (1991), and Blundell and Bond's (1998) System GMM estimator (1991). This study uses the System GMM estimator since the first difference GMM is typically associated with statistical difficulties such as weak instruments induced by very persistent regressors (Bond et al., 2001). The System GMM is supposed to overcome this problem by using lagged differences and lagged levels of the regressors, as well as extra instruments. The estimation of a system of two simultaneous

equations is the foundation of this method (one in levels with lagged first differences as instruments and the other in first differences with lagged levels as instruments).

The validity of the instruments was further assessed using the Arellano and Bond (AB) test of serial correlation and the Sargan test of over-identifying restrictions. Finally, endogeneity issues are investigated using the Wu (1974), Durbin (1954) and Hausman (1978) endogeneity tests.

5. RESULTS AND DISCUSSION OF FINDINGS

This part begins with the discussion of data features based on the descriptive statistics. The aim is to establish the distribution of data across the oil-rich African nations under study, and the results are displayed in Table 1. The summary statistics indicate that a wide variation exists across samples of the selected countries when the mean values of the sample are compared to their standard deviations. For example, the standard deviation values for all variables relative to their mean values are extremely high, indicating the occurrence of wide disparities in data among the selected oil-rich African countries. It should be noted that the descriptive statistics presented in this section (see Table 1) were derived using the data in its original form before log transformation. This enables thorough analysis of the data dispersed throughout the ten nations. In general, the variables were discovered to vary substantially across the ten oil-rich African nations.

Table 1. Summary of descriptive statistics

Variable	Mean	Std Dev.	Minimum	Maximum
LEMP	13.650	7.4070	5.737	14.311
OFDI	34.120	8.0107	14.031	58.209
FODA	4.2103	1.5710	2.0421	12.294
TOPN	81.241	21.236	0.2139	176.12
RGDP	6.2134	2.0141	-2.0241	22.901
INSQ	3.3531	1.0241	1.0000	6.0000
INFL	46.251	13.215	5.4291	76.162
Obs.	240	240	240	240

Source: Authors Computation.

Panel Data Regression Results (1995–2018)

This section discusses the result of the panel GMM as highlighted in the preceding section. To ensure the robustness of the result, we began the estimation with Pooled OLS estimation,

which was followed by the Random Effect (RE) and Fixed Effect (FE) estimations and then the Panel GMM estimation which is the basis for the analysis. The Pooled OLS estimates did not account for any factor that is specific to the individual country under study, while the FE model places adequate control of any unobserved factor that is time-invariant across countries in the survey. The RE model assumes that there is no omitted variable or that any omitted variable is not correlated with the model's observed variables. While the GMM result (see column 5) forms the basis of analyses in this study, the result is also compared to other results and they seem to present a similar conclusion as all regressors have the expected positive sign across all estimators. The dynamic panel GMM is considered robust since it can overcome such issues as cross-sectional dependence, endogenous regressors and more importantly the issue of serial correlation.

Table 2. Panel data regression results (1995–2018)

	Dependent Variable: LLEMP			
Variable	Model 1 (Pooled OLS)	Model 2 (FE)	Model 3 (RE)	Model 4 (GMM)
LLEMP(-1)	------	------	------	0.411** (0.000)
LOFDI	0.117 (0.389)	0.135 (0.114)	0.153 (0.318)	0.101 (0.327)
LFODA	0.388 (0.240)	0.400* (0.042)	0.552 (0.369)	0.459 (0.589)
LTOPN	0.122* (0.026)	0.134** (0.000)	0.213* (0.037)	0.246** (0.000)
LRGDP	0.247** (0.006)	0.304 (0.114)	0.312 (0.274)	0.312** (0.000)
LINSQ	0.056* (0.022)	0.059** (0.004)	0.061** (0.000)	0.053** (0.002)
LINFL	-0.183 (0.301)	0.226** (0.001)	0.248 (0.314)	0.254** (0.007)
C	1.381* (0.024)	1.132 (0.301)	1.070 (0.323)	1.092 (0.826)
Obs.	240	240	240	220

Table 2. Panel… (cd.)

Dependent Variable: LLEMP				
Variable	Model 1 (Pooled OLS)	Model 2 (FE)	Model 3 (RE)	Model 4 (GMM)
Sargan Over-Identification Test				1.304 (0.342)
Durbin-Wu-Hausman Test				1.047 (0.059)
AB Test for AR(1)				3.039 (0.008)
AB Test for AR(2)				0.651 (0.672)

NB: ** (*) signify significance at the 1% (5%) levels.
All figures in Parentheses are the P-values.
The estimation is contingent on two steps System GMM and instruments employed are the first lagged difference and the second lagged level of dependent and independent variables.
Durbin–Wu–Hausman and Sargan Tests are predicated on asymptotic Chi-square distribution.

Source: Authors Computation.

The Durbin-Wu-Hausman test supports the employment of GMM based on the diagnostic test findings in the lower segment of Table 2, which show that the null hypothesis of all exogenous regressors was rejected at a 5% significance level, implying that all regressors are endogenous. In addition, the Sargan Over-Identification test results reveal that there is no disagreement between the regressors and the instruments. The model suffers from first-order serial correlation, but there is no second-order serial correlation, according to the AB test of serial correlation. This suggests that the estimated GMM model is suitable for further analysis.

The results show that oil sector FDI (OFDI) in the selected oil-rich African countries relates positively with labour employment, but/however/although it has not significantly increased the number of meaningful job possibilities for labour over the study period. This conclusion was born out of the fact that the estimated coefficients of OFDI (though positive) were statistically not significant at the 5% level across the different estimators. This finding appears not to be peculiar to us as the oil sector is usually capital-intensive and tends to undermine labour participation in the production process. While our finding provides a priori support for that of Craigwell (2006) who concluded that FDI (aggregate) relates positively and significantly with employment across English and Dutch speaking the Caribbean, it stands in contrast to that of Onimisi (2014) who posited that FDI (aggregate) relates negatively with employment in the case of Nigeria. Quantitatively, the estimated coefficient of oil sector FDI (see column 5 of Table 2) indicates that a percentage increase in OFDI may result in about 0.10% increase in labour employment, but not statistically significant. The implication of the insignificant effect of oil sector FDI on labour employment across the studied nations is that policy action targeted to vary the level of FDI in the oil sector will not significantly generate real job opportunities. In passing, it could be inferred that even though foreign investment flowing into oil sectors across African countries (the new scramble) have

generated more income growth in terms of GDP, labour remains largely excluded in such growth in the region.

The estimated coefficient of foreign official development assistance (FODA) was positive but not statistically significant at the 5% level, meaning that FODA inflows into Africa have not translated to more employment opportunities in the region. The findings also show that trade openness has a positive significant effect on labour employment in Africa. Thus, a percentage increase in trade openness is expected to significantly bring about a 0.24% increase in labour employment in the region. This implies that more liberal trade policies in Africa promote employment opportunities in the region. Also, the coefficient of real gross domestic product (RGDP) is positive and statistically significant at the 5% level. This suggests that growth policies are labour-friendly across the selected African countries. For instance, a percentage increase in RGDP (economic growth) is expected to generate more employment opportunities for labour by about 0.31%. The study further reveals that institutional quality (INSQ) has a significant positive effect on labour employment in Africa and that a percentage increase in the quality of institutions across the selected African countries will translate to about a 0.05% increase in the level of employment in the region. The inflation rate has a significant positive effect on labour employment in Africa. Therefore, a moderate percentage increase in the inflation rate will bring about a 0.25% increase in labour employment in Africa.

6. CONCLUSIONS AND POLICY RECOMMENDATION

In investigating the new scramble and labour employment, the study focused on the influence of the oil sector's FDI on labour employment in 10 oil-rich African nations from 1995 to 2018. The study used the IV regression in the context of the SGMM estimator, which was contingent on the dynamic panel modelling technique. The findings suggest that foreign investments in the oil sector have a positive but insignificant impact on Africa's labour employment. This suggests that during the review period, foreign investment in the oil sector did not result in a considerable increase in productive job possibilities in the oil-rich African countries. As a result of this discovery, the study concludes that the new scramble for Africa in the form of the oil sector's foreign investment does not create jobs in the region. As a result, the study suggests that African governments collaborate to create a program initiative aimed at channelling foreign investment into labour-intensive sectors rather than capital-intensive ones. Furthermore, liberal trade policies are needed to generate adequate employment for labour considering that trade openness drives labour employment. Again, it's paramount to have labour-friendly growth policies, as well as a well conducive environment for additional FDI inflows in the region.

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