

Counting the Cost: corporations and human rights abuses in the Niger Delta.

Summary of full report

Counting the Cost examines the role of Shell in human rights abuses committed by Nigerian government forces and other armed groups between 2000 and 2010. It provides eight case studies, all from the 'eastern division'¹ of Shell's operations, which illustrate different but related ways that Shell's conduct has led to repression and conflict, regardless of the company's intentions.

These are not isolated incidents: the problem is widespread and systematic. Therefore Platform's report aims to provide a cross-section, not a comprehensive overview. The underlying issues apply equally to other oil companies operating in the region. The full report is available to download [here](#) and contains more details.

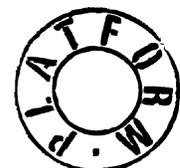


Introduction:

There is increasing international recognition by investors, home states and public opinion that businesses must 'do no harm'. Whether Shell in Nigeria will meet these expectations and comply with its own business principles depends on pressure from all the above stakeholders. It also depends on Shell's willingness to root out entrenched interests and make structural changes. Shell's efforts so far, such as human rights training and support for voluntary principles, have been largely cosmetic and have not addressed the structural problems of militarisation and harmful corporate practices set out below.

The coming years could see an upsurge in violence in the Delta unless the Nigerian government and oil companies respect human rights and are held publicly accountable for violations. The public reaction to appalling military repression and inadequate government policies is becoming more explosive, as the insurgency in the Delta and Boko Haram in Northern Nigeria illustrate.

¹ Shell's 'eastern division' is centered at Port Harcourt and comprises of Rivers and Bayelsa State.



Against this backdrop, oil majors are torn between staying on or moving offshore. But 90% of offshore facilities are close to communities from the restive Ijaw ethnic group² and many offshore facilities depend on onshore infrastructure.³

According to Kingsley Kuku, special advisor to President Goodluck Jonathan on Niger Delta affairs, the future “could be worse than before.”⁴ The Nigerian government and the oil companies have a basic duty to address the root causes of the crisis in order to avoid another decade of conflict.

1. Shell’s close relationship with the Nigerian military

Shell’s operations remain inextricably linked to human rights violations committed by government forces. The Nigerian government, driven to keep oil revenues flowing and working in close partnership with oil multinationals, has heavily militarised the Delta. Security costs for the oil industry in Nigeria, once negligible, have sky rocketed to approximately \$3 billion a year.⁵ Shell alone has hired over 1,300 government forces as armed guards.⁶

Shell and other oil companies depend on government forces which they cannot effectively control.⁷ The failure of both the Nigerian authorities and the oil companies to enforce guidelines and properly address the ill-discipline, impunity and corruption of government forces has led to a legacy of abuses. The limited gains of the government amnesty for militants could easily be undermined unless ‘security’ is based on respect for human rights, the protection of shared interests and the involvement of all stakeholders.⁸

² Ibaba Samuel Ibaba, in Obi and Rustad (eds), (2011): p 72. Ibaba refers to a study by Amakiri (2003), p 32-33.

³ Tim Concannon, Joseph Hurst Croft, Stakeholder Democracy Network, *The Triple Threat*, p 7, <http://www.stakeholderdemocracy.org/uploads/SDN%20Publications/triplethreat.pdf>, November 2006.

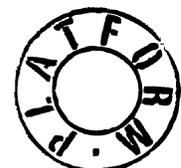
⁴ Kingsley Kuku, Special Adviser to the President on Niger Delta Affairs, Chatham House event, *Amnesty in the Niger Delta: sustaining peace, surmounting challenges*, 14 July 2010.

⁵ Kingsley Kuku, Chatham House event, *Amnesty in the Niger Delta: sustaining peace, surmounting challenges*, 14 July 2010.

⁶ Abrahamsen and Williams (2005): pp 11-13, <http://users.aber.ac.uk/rbh/privatesecurity/country%20report-nigeria.pdf>; and Abrahamsen and Williams (2009): *Security Beyond the State: Global Security Assemblages in International Politics*, International Political Sociology (2009) 3, p 11, <http://www.didierbigo.com/students/readings/abrahamsenwilliamssecurityassemblageIPS.pdf>.

⁷ Abrahamsen and Williams, (2005): p 14, <http://users.aber.ac.uk/rbh/privatesecurity/country%20report-nigeria.pdf>.

⁸ For a fuller discussion of community definitions of “shared security”, see IKV Pax Christi, SDN, CSCR/ACCR, (2008): *Local Perspectives on Security and Human Rights in the Niger Delta*, p 4, http://www.stakeholderdemocracy.org/uploads/SDN%20Publications/0804_Local_Perspectives_on_Security_and_Human_Rights_in_the_Niger_Delta%5B1%5D.pdf.



- **Ogoni**

In 2009 to 2010, soldiers guarding Shell's facilities were responsible for extra-judicial killing and torture in Ogoniland and Shell's operations have exacerbated pre-existing local tensions and risked destabilising the region. These abuses are in addition to recurrent major oil spills (including Bodo in 2008-2009, Bomu in 2009 and Dere) which have not been adequately cleaned up and have violated basic human rights to health, food, clean water and livelihood.

On 26 December 2009, in the community of K-Dere, two heavily armed soldiers guarding a Shell manifold reportedly attacked William Dimkpa Nkoo and his wife Priscillia Nkoo, a seamstress, using rifle butts and horsewhips. The soldiers also reportedly attacked a local farmer, John Badom, damaging his eye sight.⁹

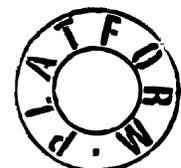
On 13 April 2010, JTF soldiers guarding SPDC Well 4 in Bomu oil field in Ogoni, shot dead Bariara Vurasi, a youth in his early twenties. Bariara was among a group of casual workers from nearby B-Dere community, hired by Shell for the 'corking and killing' of the well head. The JTF deny the shooting took place.¹⁰ Shell did not confirm whether any investigation or disciplinary action was taken against those responsible.

- **Otuasega and Kolo Creek**

In 2009 to 2010, soldiers guarding Shell's facilities at Kolo Creek have systematically harassed and intimidated local residents from the nearby community of Otuasega. Nigerian soldiers have carried out cruel, inhumane and degrading treatment, and beatings with horsewhips immediately outside Shell's logistics base. Soldiers have also coerced locals into forced labour along a Shell pipeline and arbitrarily detained locals, including a woman who was eight month pregnant and on her way to hospital. The heavy-handed JTF presence is difficult to justify, given Otuasega is acknowledged as a 'peaceful' community. In July 2011, a long build-up of grievances in the area precipitated protests and direct action. Peaceful protesters from across Kolo Creek shut down the Shell manifold and demanded the company implement the terms of an agreement reached with the communities in 1999 on local development issues.

⁹ CEHRD (2009): *Scorecard 2009, A CEHRD Report on the state of Human Rights Abuse and Violence in the Niger Delta region of Nigeria*, pp 54-55, http://www.cehrd.org/files/2009_CEHRD_REPORT.pdf.

¹⁰ CEHRD, (2010): *Scorecard for 2010, A CEHRD Report on Human Rights Abuse and Violence in the Niger Delta region of Nigeria*, pp 34-35. Ogoni Star, *Shell Soldiers Murder Another Ogoni Youth*, pp 2-3, Vol. 11 No. 4, http://www.mosop.org/05_Ogoni_Star_May_2010_Edition.pdf, 13 May – 26 May 2010. Also confirmed by phone conversation with Sunny Zorvah, reporter with the Ogoni Star, 15 October 2010.



- **Oru Sangama**

In mid-September 2004, the JTF attacked the village of Oru Sangama using helicopter gunships and speedboats, killing two civilians and burning many houses to the ground. Soldiers hired by Shell to guard the nearby Soku gas plant were allegedly involved in the attack.¹¹ Shell evacuated company staff¹² but failed to warn local villagers of the imminent military raid. Shell denied prior knowledge of the raid, but this is implausible since Soku is the largest gas plant in Africa and Shell's enjoys direct access to top military officials in Nigeria. Through its failure to warn the villagers of the probable danger of human rights abuses, and its payment of soldiers who participated, Shell became complicit in the military attack.

2. Divide and rule: corporate practices and oil conflict

Shell and other companies are widely said to employ 'divide and rule' tactics to pacify and control local communities. Shell has made huge payments to a wide range of groups in order to buy compliance and stave-off hostility. This serves Shell's short-term business interests, but the infusion of cash has fed conflict and instability.

Three main practices have contributed to the problem.

2.1 'Security contracts'

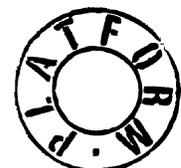
Shell's contracting practices incentivise violence. Shell routinely awards 'security contracts' to groups who pose the greatest threat to its operations. These contracts are distributed without any apparent safeguards or adequate due diligence mechanisms. The reckless manner in which Shell distributes these 'benefits' has contributed to inter-communal conflict, armed rivalry and major disruption.

For example, a long-term Shell contractor based in Ikarama in Bayelsa State alleged that Shell awarded "floating" contracts to pacify an armed gang who had previously sabotaged the company's Okordia manifold in February 2008.¹³ When Shell cancelled contracts in the area in August 2011, youths attacked the pipelines with hacksaws and a third of Shell's oil extraction was shut down.

¹¹ Peter Maass, (2009): *Crude World*, pp 72 -80.

¹² Anna Borzello, BBC, *Shell pulls staff from oil region*, <http://news.bbc.co.uk/1/hi/world/africa/3688582.stm>, 24 September 2004.

¹³ Platform interview with Shell contractor in Ikarama, (name withheld), 29 September 2010.



2.2 ‘Community development’ and ‘engagement’

While some of Shell’s ‘development’ projects have resulted in “islands of success,”¹⁴ they have often created bigger problems. Platform interviewed a Shell manager who exposed serious structural problems with Shell’s ‘community development’ programme, claiming that “we are paying in so much, but the money is not going into the rightful hands.”¹⁵

In practice, Shell focuses attention and resources on groups that pose the greatest threat to its operations. Shell has distributed both cash and contracts to armed groups responsible for killings, leadership crises and the destruction of SPDC’s own facilities.¹⁶

2.3 Corporate corruption

Shell staff stand accused of a variety of unethical, criminal and corrupt conduct. Shell employees are alleged to be involved in oil bunkering, and protecting criminal gangs from the authorities. In some cases this has created a climate of fear in which human rights abuses and oil bunkering have proliferated, (see Joinkrama 4 below).

The following cases illustrate how Shell’s conduct in Nigeria has violated the company’s own principles and fallen short of voluntary international standards on human rights.

- **Rumuekpe: a ghost town**

Between summer 2005 and November 2008, in the town of Rumuekpe in Rivers State¹⁷ it is estimated that at least 60 people, including women and children, were killed by inter-communal conflict. Armed gangs waged pitched battles over access to oil contracts and payments, which Shell distributed to whichever gang controlled access to its oil infrastructure.¹⁸ A Shell official admits that from 2006 onwards, the company paid thousands of dollars per month to armed militants in the town of Rumuekpe,¹⁹ in the full knowledge that the money was used to sustain three years of conflict. One contract alone was worth almost \$60,000 (see Appendix 1 in full report).

¹⁴ Omeje, (2006): p 90.

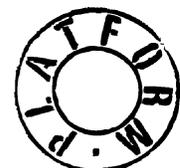
¹⁵ Platform interview with Shell official, (name withheld), 15 August 2011.

¹⁶ Omeje, (2006): p 90. Groves, (2009): pp 17-18, 20-21, <http://www.e-ir.info/?p=1488&article2pdf=1>.

¹⁷ Rumuekpe is a collection of 8 villages in Emohua Local Government Area.

¹⁸ The government’s National Emergency Management Agency (NEMA) estimated that 214 people died; see The Tide, *Rumuekpe, Obelle Conflicts: NEMA urges Urgent Intervention*, <http://www.thetidenewsonline.com/?p=3278>, 21 October 2009. Social Action state that over a hundred people were killed, see Social Action, (2009): *Fuelling Discord*, p 16, http://www.saction.org/home/saction_image/fuelling_discord.pdf. Community members estimated 60; Platform interview with Rumuekpe elders and youth, Port Harcourt, 14 October 2010.

¹⁹ Platform interview with Shell manager, (name withheld), 8 September 2011.



- **Joinkrama 4:**

In March 2007, armed militia attacked the village of Joinkrama 4 (JK4, also known as Edagberi).²⁰ Shell and the Nigerian authorities are alleged to have substantially assisted a new faction who forcibly displaced the incumbent community leaders and brought intermittent terror to JK4 over the next 2 years. In November 2009, a 30 year old pastor named Patrick Onifoya was shot dead by the armed militia faction, and in the same attack, two other local residents were seriously injured from a gunshot and a serious knife wound.

Platform has heard testimony and seen contracts that implicate Shell in regularly assisting the faction linked to the armed militia with lucrative payments. In April 2010, Shell is alleged to have transferred over \$159,000 to the new faction. Shell rewarded violence in JK4 and channeled funds towards an illegitimate faction with no apparent safeguards to prevent abuse. Shell also admitted that persistent oil spills from a 45 year-old pipeline not only caused environmental degradation but also incited conflict in JK4.

3. Cowboy contractors:

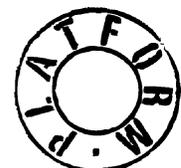
In the absence of proper supervision and controls, Shell contractors, including multinationals like Halliburton, Daewoo and Saipem, have replicated many of Shell's mistakes by breaking promises on 'community development' and relying heavily on military and police intervention. Shell has increasingly delegated security and community relations issues to its subcontractors. This has resulted in poor practices and exposed the company to potential liability for contractor's misconduct.

- **Cases:**

- **Daewoo in Ogu**

In January 2009, in the vicinity of Ogu village, Shell subcontractor Daewoo relied on armed soldiers to crackdown on peaceful protestors. At least 17 women, ranging from teenagers to 70 year olds, were injured, some suffered permanent disfigurement. The women were protesting against Daewoo's poor community engagement and were calling on Daewoo to fulfill its promises on community development. Daewoo medical centre refused to treat seriously injured women. Instead, Daewoo offered them paracetamol.

²⁰ Joinkrama is in Ahoada-West Local Government Area and is made up of four sub communities; Joinkrama 1 (Ususu), Joinkrama 2 (Isua), Joinkrama 3 (Odawu) and Joinkrama 4 (Edagberi). See John Ighodaro, Vanguard, *Six Feared Dead in Communal Clash*, (archives) <http://allafrica.com/stories/200503080292.html>, 8 March 2005.



Since the crackdown on the Ogu women's protest, Daewoo has continued to break its promises on community development and has failed to reimburse the medical expenses of the injured women. Daewoo's offer of \$4,000 in compensation was inadequate considering the number of victims, the serious nature of some of their injuries and the community's general demands for infrastructural development. Despite Daewoo's poor practices, Shell has continued to award Daewoo with contracts worth hundreds of millions of dollars.

▪ **Halliburton and Kellogg Brown & Root in Eelenwo**

On 13 January 2000 at approximately 9am, a large convoy of heavily armed Nigerian police in jeeps and armored cars arrived at Eelenwo in response to peaceful protests against Shell contractor Dresser Kellogg, an affiliate of former Halliburton subsidiary Kellogg Brown & Root. Youths were protesting against Dresser Kellogg and demanding jobs and development. They had impounded a fleet of company vehicles to draw attention to their situation. Police allegedly arrested five youths and began beating several others.²¹ A Shell Community Liaison Officer (CLO), whose job is to mediate conflicts through "peaceful means",²² accompanied the police to forcibly recover the vehicles impounded by the protestors. The police fired tear gas and live bullets into the air to disperse local residents. David Njobuenwu, a father of three, was shot in the leg by a police officer and remains permanently disabled from his injury. He is unable to earn a living and to support his family.

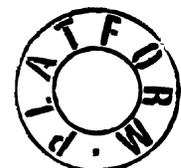
In the lead up to the shooting, protestors had attempted to contact both Shell and Dresser Kellogg, but neither company took responsibility. Shell failed to attend critical meetings with the community. During subsequent negotiations, Shell abandoned dialogue and collaborated with the police to forcibly intervene.²³

Dresser Kellogg made no efforts to remedy David's situation, and Shell's response lacked transparency. Ten years on, David is still denied access to justice, and for now, Eelenwo's oil wells remain closed.

²¹ Platform interview with David Njobuenwu, Eelenwo, 22 September 2010.

²² Community Liaison Officers fall under Shell's Community Relations department. Omeje, (2006): p 81.

²³ Platform interview with David Njobuenwu, Eelenwo, 22 September 2010.



4. Conclusion:

Shell has paid, housed and provided logistical support to government forces who have recently perpetrated gross human rights abuses in the Niger Delta. Armed soldiers and police guarding Shell facilities have in the past 2 years alone repeatedly attacked, tortured and killed local residents, including the vulnerable. In some cases, Shell has become complicit in destructive military raids in which soldiers have shown little restraint.

Throughout the worst years of armed militancy, Shell contributed to and re-enforced a culture of violence that claimed thousands of lives. By prioritising access to oil facilities over the human rights of local communities, Shell has involved itself in conflicts, divided communities and fuelled bloody and destructive fighting. Shell's routine payments to armed criminal gangs have exacerbated conflicts, and increased both the range of human rights abuses and the number of casualties.

Shell and its subcontractors hide behind a 'hard' shield of military force that effectively severs the link between company operations and the local community. This leads to cycles of grievance, protest and repression, as conflicts go unresolved and corporate security budgets continue to rise. Rather than holding subcontractors like Halliburton, Daewoo and Saipem accountable for their poor performance and human rights abuses, Shell has rewarded them further lucrative contracts.

Shell's practices are undermining the fragile 'peace' in the Delta and a fresh collapse in stability could be looming if the company keeps making the same mistakes. The widespread, systematic nature of Shell's human rights abuses calls for a strong, concerted response. Shell must be held publicly accountable via judicial mechanisms, by governments and parliamentarians in home states of the UK, Netherlands and US. Shareholders and global civil society play a critical role in raising human rights concerns with the company.

The safety and security of local communities must be a top priority, and Shell and the Nigerian government should elevate and protect the rights of local communities and peaceful protesters. Shell and the Nigerian government must focus on establishing relationships of equality and respect with communities and 'security' for all.

5. Recommendations:

At the end of the full report Platform puts forward key recommendations to the Nigerian authorities, Shell, shareholder investors and the UK, US and Dutch governments. These include a comprehensive clean up of oil contaminated sites, an end to illegal gas flaring and an overhaul of Shell's practices in relation to security, community engagement and development.





Established since 1984, Platform combines arts, research and campaigning for social and ecological justice. For over 16 years, Platform has specialised in providing analysis on the human and environmental impacts of the global oil industry.

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