

# Shell's Nigeria

written by Ms Zarka Khan | March 5, 2024



On February 23, 2024, the European Union released its 13th package of sanctions against Russia, which amended and expanded existing targeted and trade measures. The new sanctions package went into effect on February 24, 2024, which brought 27 more entities to the list of more than 600 that were facing EU restrictions over alleged financial support to Russia. The latest sanctions are intended to further restrict Russia's access to military technologies and are directed towards the Russian military and defense sector. The new measures include adding new people and entities to the list of partner countries for the import restrictions on iron and steel, as well as imposing additional export restrictions on advanced technologies and goods that could help Russia increase its industrial capacity. To further counter the Russia-Ukraine confrontation, the United States has imposed sanctions on over 500 Russian-affiliated targets. According to US President Joe Biden, Washington has also taken steps to further cut down on Russia's energy income and placed additional export restrictions on almost 100 organizations that have supported Russia.

Since commencing operations, Shell became a major player in Nigeria's oil industry, which has been pivotal to the country's economy but has also led to extensive environmental damage and social conflicts.

One of the major issues associated with Shell's operations in Nigeria has been the environmental devastation due to oil spills and gas flaring. The Niger Delta, one of the world's most important wetlands and marine ecosystems, has suffered from pollution that has impacted millions of people's livelihoods, particularly those relying on farming and fishing. Gas flaring, a process where natural gas is burned off during oil extraction, has been a particular point of concern. It releases a significant amount of greenhouse gases and toxic substances, affecting local communities' health and contributing to climate change.

Despite legal actions and rulings against gas flaring, it has continued, highlighting challenges in enforcing regulations and implementing sustainable practices in the oil industry.

### **The Ogoni 9:**

The Ogoni Nine were a group of nine activists from the Ogoni region of Nigeria who were executed by hanging in 1995 by the military dictatorship of General Sani Abacha. The group, which included Ken Saro-Wiwa, a prominent writer, environmental activist, and leader of the Movement for the Survival of the Ogoni People (MOSOP), were vocal critics of the environmental degradation of the Ogoni lands by multinational oil companies, particularly Shell. Their activism was aimed at securing environmental protection for their land, fairer distribution of oil wealth, and greater autonomy for the Ogoni people. The Nigerian government accused them of inciting the murder of four Ogoni chiefs at a pro-government meeting, charges widely regarded as fabricated to suppress dissent against oil exploration in the Niger Delta.

The trial of the Ogoni Nine was heavily criticized by international human rights organizations for its lack of fairness and transparency. Despite global condemnation and calls for clemency from leaders and organizations around the world, the Nigerian government proceeded with the executions, sparking international outrage and leading to Nigeria's suspension from the Commonwealth of Nations.

The execution of the Ogoni Nine remains a poignant reminder of the struggles for environmental justice and human rights in the face of oppressive regimes and corporate greed. It highlighted the environmental and social costs of oil extraction in the Niger Delta and brought global attention to the plight of the Ogoni people and the broader environmental and human rights issues in Nigeria.

### **The Wikileaks report:**

In 2010 WikiLeaks revelations about Shell's operations in Nigeria exposed the deep level of influence and control the oil giant had over the Nigerian government. The documents revealed that Shell had inserted its employees into every key government ministry, giving it unprecedented access to sensitive information and decision-making processes related to the oil industry in Nigeria. This level of infiltration allowed Shell to shape policy and legislative outcomes in its favor, ensuring its dominance over Nigeria's oil resources. Furthermore, the leaked cables highlighted discussions between Shell executives and US diplomats, revealing the company's strategies for dealing with legislative changes, its views on competition from Chinese and Russian companies, and its internal security concerns regarding militant attacks on its facilities. The discussions also touched on Shell's concerns about the political landscape in Nigeria, including the health of the then-President Yar'Adua and the company's influence over the Nigerian National Petroleum Corporation (NNPC).



The implications of these reports are significant, suggesting a complex web of relationships between multinational oil companies, the Nigerian government, and foreign governments. The extent of Shell's penetration into the Nigerian government raises questions about sovereignty, the equitable distribution of oil revenues, and the broader impacts on Nigeria's development and democracy. These revelations underscore the challenges faced by resource-rich countries in managing their assets in a way that benefits their populations, and they highlight the need for transparency, accountability, and genuine reform in both governance and the oil sector.

### **The Ogoni case:**

The unveiling of the "Assessment of the Environment of Ogoniland" by the United Nations Environment Programme (UNEP) on August 4, 2011, signified a pivotal moment in the environmental degradation saga of the Niger Delta. This report essentially serves as a critique of Shell's operations in Nigeria, highlighting the company's detrimental impact on the Ogoni land and its people, including the tragic executions of Ken Saro-Wiwa and eight other Ogoni leaders on November 10, 1995, amid widespread environmental destruction and human rights violations. UNEP's findings revealed consistent and extensive pollution in Ogoniland, with every water body contaminated with hydrocarbons. In some instances, groundwater that supplies local wells was discovered to have layers of oil up to 8cm thick.

Moreover, the presence of benzene, a carcinogen, was detected in drinking water at concentrations 900 times above World Health Organization (WHO) guidelines and in the air. Hydrocarbon levels were found to be 1,000 times higher than Nigerian standards for drinking water in several locations, indicating a life-long exposure of the Ogoni people to severe oil pollution, affecting soil up to depths of 5 meters in 49 surveyed sites.

The document further verified Shell's non-compliance with the Environmental Guidelines and Standards for



the Petroleum Industries in Nigeria (EGASPIN), alongside its failure to adhere to international best practices and even its own operational standards, underscoring a pattern of negligence. This report suggests a pressing need for Shell to face sanctions and have its operational license reconsidered due to its disregard for local environmental laws.

### **Dealing with Lawsuits:**

Shell has faced multiple legal actions brought by Nigerian communities for oil spills and environmental damage in the Niger Delta. In a landmark verdict by a Dutch court, Shell Nigeria was held responsible for oil spills, and Royal Dutch Shell was found to have violated its duty of care. Shell agreed to pay 15 million euros to affected communities in Nigeria as part of a settlement over multiple oil pipeline leaks in the Niger Delta. This compensation was the outcome of a Dutch court case initiated by Friends of the Earth, where Shell's Nigerian subsidiary SPDC was found responsible for the spills. This settlement aims to benefit communities impacted by oil spills that occurred between 2004 and 2007. Despite Shell's stance that the spills were caused by sabotage, the court ordered Shell to pay damages and install leak detection systems in its pipelines to prevent future spills



Another case study highlights Shell's strategy of denying responsibility for the actions of its Nigerian subsidiary, SPDC. In 2016, 40,000 Nigerians from the Ocale and Bille Communities sued Shell in UK courts for health harm and environmental damage due to oil spills. They argued that Royal Dutch Shell, the parent company, was responsible for the pollution caused by SPDC, claiming significant control over its Nigerian subsidiary. However, Shell contended it was not liable for its subsidiary's actions, pushing for the cases to be resolved in Nigerian courts despite the lengthy judicial process there. The English Court of

Appeal ultimately ruled in favor of Shell, finding the parent company not legally responsible for its Nigerian subsidiary's actions. These cases underscore the complexities of holding multinational corporations accountable for environmental damages caused by their subsidiaries in other countries. They also highlight the evolving legal landscape regarding parent company liability for the actions of their subsidiaries.

In recent years, Shell has taken steps towards reducing its onshore presence in Nigeria due to operational challenges, including oil theft and sabotage. The company has expressed its intention to decrease its involvement in onshore oil production while maintaining its deep-water and integrated gas positions in the country. Shell's recent activities include lifting force majeure on its Bonny export program, achieving significant milestones in deep-water exploration, and investing in renewable energy solutions for West Africa. Despite these efforts, Shell's legacy in Nigeria remains contentious, with ongoing legal actions and demands for greater corporate accountability and environmental remediation