

SHELL NIGERIA SEPTEMBER 2018 MISSION REPORT

Mission goals:

IndustriALL Global Union led a mission to Port Harcourt, Nigeria, from 18 to 20 September 2018, to investigate reports of poor treatment and rights violations of contract workers and accusations of union-busting at Royal Dutch Shell Plc's operations in the country.

IndustriALL has two affiliates in the oil and gas sector in Nigeria representing workers at Shell: the National Union of Petroleum & Natural Gas Workers (NUPENG), which represents mostly blue-collar workers, and the Petroleum & Natural Gas Senior Staff Association of Nigeria (PENGASSAN) representing white-collar workers.

Present on the mission from IndustriALL were energy director, Diana Junquera Curiel; Sub-Saharan regional officer, Kenny Mogane; communications officer, Leonie Guguen; and Vassey Lartson of the United Steelworkers, North America.

Background:

NUPENG president, Williams Akporeha, calls Nigeria the 'headquarters of precarious work', which was pioneered in the country by Shell. Virtually all Shell's blue-collar workers in Nigeria have been contract workers since 2013. In its [code of conduct](#), Shell states: "We seek to work with contractors and suppliers who contribute to sustainable development and are economically, environmentally and socially responsible."

Speaking at Shell's annual general meeting in May 2018, Akporeha alerted the company's executive board to violations of Shell's contractor workers' rights at its operations in Nigeria.

These include accusations of:

- Poverty wages
- Refusal to allow freedom of association for contract workers
- Fragmentation of contracts among around 2,000 contract companies designed to prevent union organization
- Repressive anti-labour policies and anti-union discrimination

Shell in Nigeria

Shell's history in Nigeria is blighted by corruption, environmental destruction and association with human rights atrocities. It was the first multinational to secure oil exploration rights in Nigeria in 1936 and remains the biggest foreign oil company in the

country. For decades it has profited from oil and gas operations in Nigeria, and in 2017 is estimated to have earned around US\$4 billion from the country (Source: Reuters).

Shell now has a 30 per cent stake in the **Shell Petroleum Development Company (SPDC)**, which was established in 1979. The Nigerian National Petroleum Corporation, has a 55 per cent stake in SPDC, while French oil giant Total has 10 per cent, and Italian energy company, Eni, has 5 per cent. Shell, however, remains the operator.

Shell also has three other businesses in Nigeria, which are:

- Shell Nigeria Exploration and Production Company (SNEPCo)
- Shell Nigeria Gas (SNG)
- Liquefied Natural Gas (NLNG)

Shell's operations in Nigeria have been tarnished by corruption, alleged complicity with human rights violations in Ogoniland, including the military government's execution of the Ogoni 9 in 1995, and two massive oil spills in Bodo, Ogoniland, in 2008 and 2009, which the UN described as an 'ecological disaster'.

Today, high levels of poverty, unemployment and the abject failure for oil revenues to benefit local people have led to increased insurgency, and Shell is plagued by militant attacks, oil spills and sabotage. In 2017, SPDC reported oil losses of 9,000 barrels per day (bpd) through theft, costing around US\$180 million a year. This was up from 6,000 bpd in 2016. Nonetheless, revenues are high and the company is seeking to increase its production of gas from Nigeria.

The most recent figures from Shell show that contract workers outnumber permanent workers by more than 2:1 at Shell operations worldwide, and unions estimate that this ratio is even higher in Nigeria. Shell does not disclose these figures for individual countries.

Visit to a Shell operation

On 18 September, the mission visited the SPDC-operated Umuebulu-Etche Flow Station in the outskirts of Port Harcourt, giving an opportunity to speak to around 20 contract workers at the plant. Contract workers in Shell uniforms were eager to have their voices heard. The workers complained of living in poverty, lack of job security, stagnant wages, long hours, inadequate medical care, poor health and safety, and anti-union discrimination. (These grievances were echoed by participants at a workshop with NUPENG and PENGASSAN members the following day.)



The Shell-operated Umuebulu-Etche Flow Station in the outskirts of Port Harcourt.

A number of workers at the plant reported that they have outstanding salaries of up to four months with a particular precarious employer, with no explanation given for the contractor company's failure to pay them.

Salaries among the workers ranged from US\$137 to US\$257 per month, based on a 72-hour working week (i.e. working 12 hours a day, six days a week).

Some of the workers have been working under precarious working conditions for approximately 20 years. Workers clarified that in reality their work for Shell is of a permanent nature, yet the multinational exploits the socio-political relationships in Nigeria by granting "community leaders" contracts to employ fellow community members to perform Shell's operational demands.

Workers complained that the contractor companies do not issue protective clothing as regularly as per the SPDC policy, which calls for an annual issuing of protective equipment.

A worker was recently shot dead during an attempted kidnapping of an expatriate in the Umuebulu area, resulting in immense suffering of his family.

SPDC worker testimonials:

Many workers said they worked under a community contract, which is a contract organized between an oil company and the local community leader, such as the local king or chief. Workers under this contract seemed to have the worse deal. Following the death of the king, and then of his son, workers said they weren't paid for several months. While Shell did intervene to cover some of the wage losses, many workers said they were still owed salaries.

A community contract worker at the plant told the mission:

"My contractor doesn't pay when due. I haven't been paid for six months. My salary is just 50,000 naira (US\$137) a month. I will go home and beg my neighbour for food. For six months my children can't go to school. I've been working for 11 years at Shell but I don't have carpet in my house. I don't have a radio in my house.

"If you open your mouth and you want to say something, they will sack you. The next day they (Shell) will call that contractor and they will sack you and they will bring in another person. That's what we're facing at this particular Shell (operation)."



The IndustriALL mission spoke to around 20 workers at the Shell-operated Umuebulu-Etche Flow Station, Port Harcourt

Poverty wages

“Our salary at Plantgeria is about 95,000 naira (US\$257),” said another worker contracted to Shell. “In Nigeria today you can’t do anything on that. You can’t pay your children’s school fees. You can’t eat well. You can’t do anything better for yourself. We do the dirty jobs. **We work like an elephant and eat like an ant.**”

All the workers referred to the contractors as their ‘paymasters’ and considered that they worked at Shell, as they report directly to Shell management. They said it was Shell that determined what they get paid by contractors. However, their appeals to Shell for better wages are ignored:

“If you ask for a pay rise, you will be escorted out by police. And then your job is finished. No more access to the yard until you sign something saying you will not join a union and you will not ask for a pay rise,” said one worker.



Communal bathing area at a Shell worker’s home in Port Harcourt.

Shell maintains it is not financially viable to give contract workers permanent jobs, as they are not needed all the time. But this belies what workers told IndustriALL:

“They keep on classing us as ad-hoc workers but we have been working continuously for as long as 20 years, while being paid less than US\$150 a month,” a worker lamented. “I have a

letter that says I am not entitled to any benefits at all. In the last two months, we gathered ourselves to join NUPENG. Now, if they threaten us, we will just say 'sack us'."

Exploitation through contracts

Workers said they are initially given a contract for two years, but after that the contractor will keep adding an extension for three or six months, for years at a time. "That's why we have stagnant wages. There is no variation in the extension of the contract. Sometimes they even reduce the salary," said one worker.

Prospects for contract workers at Shell are zero: "We have no promotion. We have been on the same salary scale for the past 10 years. We have agitated for a pay increment but it has not been forthcoming."

Nigerian white-collar workers at Shell are paid around US\$2,000 a month, contrasting greatly with the average salary of around US\$200 for contract workers.



The outdoor area used for cooking at a Shell worker's home.

Poor healthcare

Many contract workers complained that their healthcare insurance provider (HMO) was inadequate:

“We are exposed to all the hazards. We work in the field. Even with our HMO we are not doing well. **We are just working to die.** When we are sick and go to the clinic, they don’t treat you well because the money they (the contractor) give to the HMOs is too meagre, so we don’t get the right treatment. They just give you some tablets. Then the doctor will say we can’t go further than that with the level you’re on. So, you use your meagre money to pay again.”

One worker, who has four children, said he could only claim up to 40,000 naira (US\$100) a year for his family. Some workers said they didn’t have any health insurance at all, depending on the contract they had.

Health, safety and hazards

Port Harcourt and the Niger Delta have seen increasing levels of violence over the years with kidnapping and armed robbery not unusual. “One of our colleagues, a driver, was recently shot dead in the field. In the end Shell didn’t do anything. The most they will do is one minute’s silence. No one cares about you and your family. If anything was to happen to you today, (Shell) don’t know you, it’s up to the contractor.”

Workers also revealed they faced hazards such as **chemicals, carbon pollution, militancy and snakes** in the field.

The workers also said they felt ill equipped to handle dangerous situations: “Shell is good at the health and safety paperwork but it’s different when it comes to implementation. They will send you to training, saying ‘this is what you need to do’, but sometimes when you get to the field (the equipment) is not there.”

Workers IndustriALL spoke to at Etche also complained of the side-effects of gas flaring at the facility:

“There is a lot of gas flaring. If you park a white vehicle overnight the yellow crude oil and soot will cover it by morning. You wake up and your nose is blocked with soot. It affects your eyes too.”

The Shell facility IndustriALL visited is just a stone’s throw away from many schools in the area. “What is happening here affects the world. Shell asks us to not steam our motors for so long, but they are polluting the whole planet!” said one worker.



A school located not far from Shell's Umuebulu-Etche Flow Station, in the outskirts of Port Harcourt.

Visit to workers' homes

The IndustriALL mission visited three homes of contract workers, who are all drivers at Shell, employed by Plantgeria, a major service provider to the oil and gas industry in Nigeria.

Worker home A

Worker A has been working at Shell for 28 years. He, his wife and four children, aged between 2 and 15-years-old live in a tiny two-room, one-storey house in the Nigerian city of Port Harcourt. Out the back is a small courtyard where he and four other families share basic toilet and washing facilities. Cooking is done outside on an open stove.

Worker A has not had a wage increase in eight years. After paying taxes, pension contributions and union dues, he takes home 94,000 naira a month (US\$258) working a 12-hour day, six days a week.



Inside Worker A's rundown home.

Worker home B

Worker B has been working as a driver at Shell for 13 years. He lives in a tiny one-room dwelling with his wife and four children. The air in the room was so damp, that it was hard to breathe. On one wall, stains of water running down the walls could be seen due to a leak in the roof. Worker B shared the most primitive washing facilities with several other families. The toilet doubled up as a shower cubicle, which was nothing more than a bucket for water.



The one-room home for six people was so damp, it was difficult to breathe.



Communal toilet/shower facilities at Worker B's home. The shower is a bucket in the toilet cubicle.

Worker home C

Worker C has worked at Shell as a contractor for Plantgeria for 17 years. He lives in a two-room apartment with his wife, three children aged between one and nine-years-old, together with two other family members. There were only two beds in the basic apartment, and some family members were forced to sleep on the floor. Worker C expressed his concern at having to provide for his family with no job security. "They just keep extending our contract time after time. We fear that our contracts will not be extended and we will be dropped – and then you die. Nobody knows what will happen. I am looking after seven people. If I happen to lose my job today, how am I going to look after seven people? He also said his healthcare provision through Plantgeria was insufficient, and that the clinics would not cover the treatment necessary: "But if I have to borrow money, I borrow money. Whatever I have to pay, I pay because I don't want my children to die."



Seven people share the two-room apartment, with some family members sleeping on the floor.

Visit to bereaved family

On 19 September 2018, the mission visited the bereaved children of Mr Kalu Ngozi, a contract electrician who had worked at Shell for over 20 years. Mr Ngozi had died three days previously leaving his four sons as orphans. Their mother died two years ago, and another brother passed away two months before. His children, aged between 12 and 22, are now alone living in a one-room place in a Port Harcourt slum. Mr Ngozi, who suffered from a stomach ulcer, could not afford the medical attention he needed, and the hospital told his oldest son that typhoid was a contributor to his death. The grief-stricken children had no idea what would happen to them now that their father had passed away.



Shell worker Kalu Ngozi died after inadequate healthcare, leaving his four sons as orphans.

Conclusion

There is a dire need for Shell to live up to its own code of conduct and address the myriad of problems experienced by contract workers at their operations in Nigeria. No matter how much Shell says it supports its contractors or invests in communities, the majority of workers carrying out operations at Shell are not seeing the benefits. Rather, they are suffering from poverty wages and poor working conditions that impoverish communities and the entire Nigerian economy. IndustriALL Global Union has requested to Shell that the company enter into dialogue with IndustriALL to help redress the issues faced by Shell's contract workers in Nigeria and elsewhere. So far Shell has refused. We are again making this request of Shell for dialogue.