



## The Africa Fund

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# Mobil In Nigeria Partner In Oppression

The Mobil Oil Corporation is the second largest producer of crude oil in Nigeria, trailing only the Shell Oil Company as a dominant force in the Nigerian economy. Nigeria depends on oil for over 90 percent of its export earnings and 85 percent of all government revenue. Mobil describes itself as a "partner for progress" in Nigeria, but its close financial, security and political ties to the military dictatorship demonstrate that Mobil is really a *partner in oppression*.

### Financing The Dictatorship

Mobil is a strategically important business partner with the military government through its joint ventures with the state oil company. Of the 500,000 barrels of oil currently produced by Mobil Nigeria every day, 300,000 barrels, or 60 percent, go directly to the regime for sale abroad. Mobil's share is the remaining 40 percent, or 200,000 barrels per day. In 1995 the oil produced for the regime by Mobil was worth nearly \$2 billion, generating the cash needed to sustain the dictatorship in the face of overwhelming popular opposition. Mobil production in Nigeria is expected to top 600,000 barrels per day by the end of 1997.

Mobil is also a major supplier of petroleum products inside Nigeria, operating over 200 gas stations across the country. The company has launched a \$4 billion expansion of its Nigerian operations, including construction of a high volume, state-of-the-art refinery.

### Ties To The Security Forces

In recent months the Shell Oil Company has been rocked by revelations that it arms and pays the salaries of Nigerian army and police forces sent to crush peaceful opposition to Shell's environmental destruction. Shell charges that Mobil and other Western oil companies also provide guns and ammunition to the security forces, a charge Mobil representatives deny. The Africa Fund has been unable to independently confirm or deny Shell's allegations. But Mobil admits that it too pays salaries and expenses for a special government security force detailed to guard the oil companies. Corporate funding for any unit of the Nigerian security forces raise important human rights and political concerns.

### Undermining The Democracy Movement

In June 1993 the Nigerian military annulled free and fair Presidential elections intended to restore elected civilian government. A few months later the current Nigerian dictator, General Sani Abacha, seized power and launched a bloody crackdown on the Nigerian democracy movement. In July 1994 Nigerian oil workers responded to the arrest of the winner of the 1993 vote, Moshood Abiola, with an heroic 12 week strike for democracy. While European oil companies were forced to cut back production, Mobil and another major U.S. company, Chevron, undermined the strike by flying in foreign strikebreakers and actually increasing production. Although Mobil denies strikebreaking, oil workers union leader Milton Dabibi charged in

November 1995 that: *"Chevron and Mobil stabbed us in the back during the strikes. They are the main cause of our failure."*

Dabibi was arrested shortly after he made this statement and remains imprisoned without trial. Neither Mobil nor Chevron have made any public statement about the arrest of Milton Dabibi, Moshood Abiola, Beko Ransome-Kuti or any other of the estimated 7,000 democracy activists now in Abacha's jails.

### **A Killing Silence On Human Rights Abuses**

The Africa Fund is unaware of any public or private statements from Mobil to the Nigerian military government about the deteriorating human rights situation in the country. The company argues that it does not "interfere" in the internal affairs of other countries, but the record shows quite the opposite. Mobil routinely lobbies the Nigerian government on the full range of economic and political matters related to the company's commercial interests. It is only on human rights issues that the company maintains a killing silence -- even when oppression strikes Mobil operations and Mobil employees as it did during the 1994 strike.

### **Corporate Social Responsibility**

In company publications and regular 'advertorials' in the New York Times and other major newspapers, Mobil promotes itself as a good corporate citizen in Nigeria -- spending \$5 million a year on community development projects. But in 1995 Mobil's sales of Nigerian crude oil totaled an estimated \$1 billion, a figure that excludes earnings from the company's lucrative Nigerian retail operations. In a country where military corruption has left 40 percent of Nigerian children malnourished, Mobil returns less than half a penny in charitable and development giving to the Nigerian people for every dollar it earns. The harm caused by Mobil's economic support for the dictatorship far outweighs the good done by corporate philanthropy.

### **Lobbying For Abacha**

In November 1995, following the execution of environmentalist and anti-Shell campaigner Ken Saro-Wiwa, President Clinton announced his support for international oil sanctions against Nigeria. But during a recent meeting with The Africa Fund, a state department official acknowledged that lobbying by the oil companies had weakened support for Nigerian sanctions in Washington. In January 1996 Mobil ran a small 'advertorial' in the New York Times opposing sanctions as a tool of U.S. foreign policy. Mobil ran the same anti-sanctions ad full page in the Nigerian press -- sending a clear message of support to Nigerian dictator Abacha.

Equally disturbing, Mobil has endorsed the regime's bogus 1998 democratization scheme, a cynical plan to put a democratic veneer on continuing military rule. As a member of the powerful and secretive U.S. Corporate Council on Africa, Mobil actively campaigns for a U.S. policy that puts corporate profits ahead of Black lives in Nigeria.

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