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Impacts of Mobile Telephone Network and Nigeria Agip Oil Company on Social Sustainability of Communities in South-South Region of Nigeria

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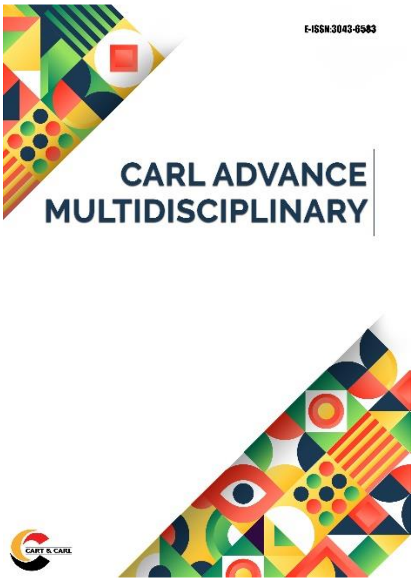

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Abstract

Multinational corporations (MNCs) are said to be agents of development; however, the crucial concern is the need to balance economic growth with sustainable development through social, environmental and economic responsibility. The study examines the impacts of mobile telephone network (MTN) and Nigeria Agip oil company (NAOC) on social sustainability of communities in south-south region of Nigeria. The study adopted the use of questionnaire and key informant which cut-across 416 respondents (400 questionnaire respondents gotten through Taro Yamane, and 16 purposively selected key informant interviewees). The finding revealed that 50% of respondents stated that MNCs are not involved in community development projects in their community while 47% said that they are involved and 3% do not know. Also, 84% respondents do not think that MNCs are to be blamed for social challenges in their communities while 12% believe that they are culpable. In conclusion, while NAOC drives revenue through oil exploration and exploitation, MTN enables digital transformation. A crucial concern, however, is the need to balance economic growth with sustainable development through social responsibility.

Keywords: Multinational Corporations (MNCs), Social Responsibility, Sustainable Development, Environmental Sustainability, Economic Sustainability

Introduction

Generally, the term, Multinational Corporation, refers to a corporation with affiliated business operations in more than one country. A more specific definition deems an enterprise a multinational corporation if 'it has a certain minimum size, if it owns or controls production or service plants outside its home state and if it incorporates these plants into a unified corporation strategy (Oxford Handbook of International Human Rights Law, 2013). Multinational corporations (MNCs are entities that operate in multiple countries, with production facilities, sales, and other business activities spanning across national borders. MNCs typically have headquarters in one country and subsidiaries, branches, or affiliates in others (Rugman & Collinson, 2012). These corporations play a dominant role in the global economy, exerting significant influence on international trade, investment flows, and economic development.

Multinational corporations (MNCs) are said to be agents of development especially in the Global South. This development is often explained in terms of technology transfer, capital transfer, foreign direct investment (FDI), job creation, among others. Seen in this light, that MNCs are operating in a particular area should present the prospect of improved, sustainable socio-economic well-being for the area in question. In the

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Nigerian context, this prospect is still open to debate. Agip Oil Ltd said it has invested more than US $2.5 million a year over the past ten years in its Green River Project and has provided infrastructural developmental projects and scholarship to students across the host communities of the company (Agip, 1998 as cited in Human Rights Watch, 1999, p. 94). On the other hand, local activists contend that these projects are achieved more on paper than in reality and that much of the money supposedly spent in fact goes missing as soon as released (Tarabinah 2016). Mobile Telephone Network (MTN) on the other hand, is said to spend 1% of its profit after tax through the MTN Foundation to invest in healthcare, empowerment, community development and education. The company is said to have spent about #31.9 billion since inception in funding various developmental projects in Nigeria, but how this has translated to sustainable development is still open to debate.

In terms of technology transfer through FDI, questions equally remain unanswered. FDI is still not completely accepted as a significant factor of economic growth (Michael & Azazi, 2022). Although, one aspect that supports this view is that, for these investments, there is a technology transfer between countries that promote increased productivity and generate a competitiveness shock for local businesses. This probably happens more on paper than in reality. From the internationalisation process of capitalist economies since the 80s and 90s, it was hoped that new opportunities for exchange (and markets for achievements) of the operations of MNCs through FDI would be intensified (da Silva & Mourao, 2019). How these technological transfers have been achieved over the years and how these have translated to sustainable development in Nigeria is a source of debate. At best these technological transfers have been carried out by horizontal and vertical FDI, with both positive and negative aspects in the process, while the real issues of sustainable development were not taken seriously.

The UN has outlined 17 sustainable development Goals by which nations are to achieve sustainable development by 2030, which include Poverty Reduction, Hunger Eradication, Good Health and Wellbeing, Quality Education, among others. Based on these goals, MNCS through FDI were expected to provide jobs and means of empowerment to the people, particularly those of their host communities; and not just any jobs, but sustainable jobs. However, there is need to critically evaluate the nature of jobs provided Nigerians by MNCs, as well as the extent to which their acclaimed opportunities impact on the poor, the out of school, human health, the environment, on peace and security in the long run. This is expedient given that a study by Osifo (2019) established that the contribution of MNCs to job creation in Nigeria is indeterminate.

Another problem is the tendency of MNCs to adopt what can be referred to as unethical approaches in their operations. Ethical dilemmas surrounding corporate social responsibility (CSR) implementations by MNCs, especially in Nigeria's oil and gas sectors, reveal deep-rooted issues of unethical practices, corruption, and ineffective agreements (Bagheri, 2023). These issues compound development failures and environmental degradation, as seen in the Niger Delta, where years of oil exploration have led to persistent environmental challenges. The United Nations Environmental Programme's (UNEP) report on Ogoniland highlights the complex political and economic dimensions of these environmental challenges (Nkwede et al, 2021). In the case of Multichoice, Nigeria's most popular satellite television service provider, for instance, it has severally been accused by the Nigerian state of tax evasion and underpayment of taxes (Agboola, 2022).

Indeed, the expansion of Multinational Corporations (MNCs) in developing countries like Nigeria has raised important questions about their role in achieving sustainable development. While companies such as MTN Nigeria and the Nigerian Agip Oil Company (NAOC) have introduced capital, technology, and employment opportunities, their overall contributions to sustainable development remain contentious. This is particularly true in the face of challenges related to environmental degradation, weak regulatory enforcement, and inconsistent corporate social responsibility (CSR) practices. MTN Nigeria has revolutionised the telecommunications sector, improving connectivity and digital access across the country. However, concerns persist regarding its market dominance, data privacy practices, and uneven service distribution, especially between urban and rural areas. These issues suggest that while MTN's growth has driven progress, it may also be contributing to digital inequality and economic imbalance.

Agip's operations in the oil-rich Niger Delta have brought significant economic activity but have also caused severe environmental damage through oil spills, gas flaring, and land degradation. These environmental impacts have led to loss of livelihoods, health problems, and social unrest in local communities. Despite engaging in CSR activities, Agip's efforts have often been criticized as inadequate or symbolic, lacking meaningful impact on long-term community development. A central issue is Nigeria's weak regulatory framework, which allows MNCs to operate with minimal accountability. The lack of strict enforcement mechanisms has resulted in tax disputes, environmental violations, and social tensions. MTN's tax controversies and Agip's environmental infractions illustrate how regulatory lapses undermine national development goals. Moreover, while both companies have created employment opportunities, the benefits have been unevenly distributed. MTN's workforce remains largely urban-based, leaving rural areas underserved. Agip's operations, though economically significant, have disrupted traditional livelihoods and fostered economic dependency.

The social responsibility efforts of these MNCs raise concerns about their sincerity and effectiveness. Although both firms have launched CSR initiatives, questions remain about their long-term impact and alignment with Nigeria's development priorities. In light of these concerns, this study seeks to investigate the extent to which MTN and Agip's operations align with Nigeria's sustainable development objectives. A clearer understanding of their economic, environmental, and social impacts is essential for informing effective policies and regulatory reforms that promote corporate accountability and inclusive growth. Suffice to add that within extant literature, there is dearth of cross-sectoral comparative studies on MNCs in Nigeria. For instance, it is taken as a given that most MNCs in Nigeria are in the extractive sector. But then, in the course of their operations, which ones leave more telling impacts on the Nigerian economy? In terms of CSR, FDI, technology transfer, job creation, etc., which ones are more beneficial to sustainable development in Nigeria? These unanswered questions constitute the problems of this study.

Methods and Materials

Study Area

The study area is the south-south region of Nigeria, a West African country strategically located between latitudes 4°N and 14°N and longitudes 3°E and 15°E (Figure 1). Nigeria is bordered by the Republic of Benin to the west, Cameroon to the east, Niger to the north, and the Atlantic Ocean to the south along the Gulf of Guinea (Falola & Heaton, 2008). The states covered in this study – Rivers, Bayelsa, and Delta – are all located in the South-South zone, known as the Niger Delta, while Imo is in the South-East geopolitical zone. Imo is included in this study because it belongs to the political Niger Delta. This area is rich in oil and gas resources and hosts numerous multinational oil companies, including the Nigerian Agip Oil Company (NAOC).

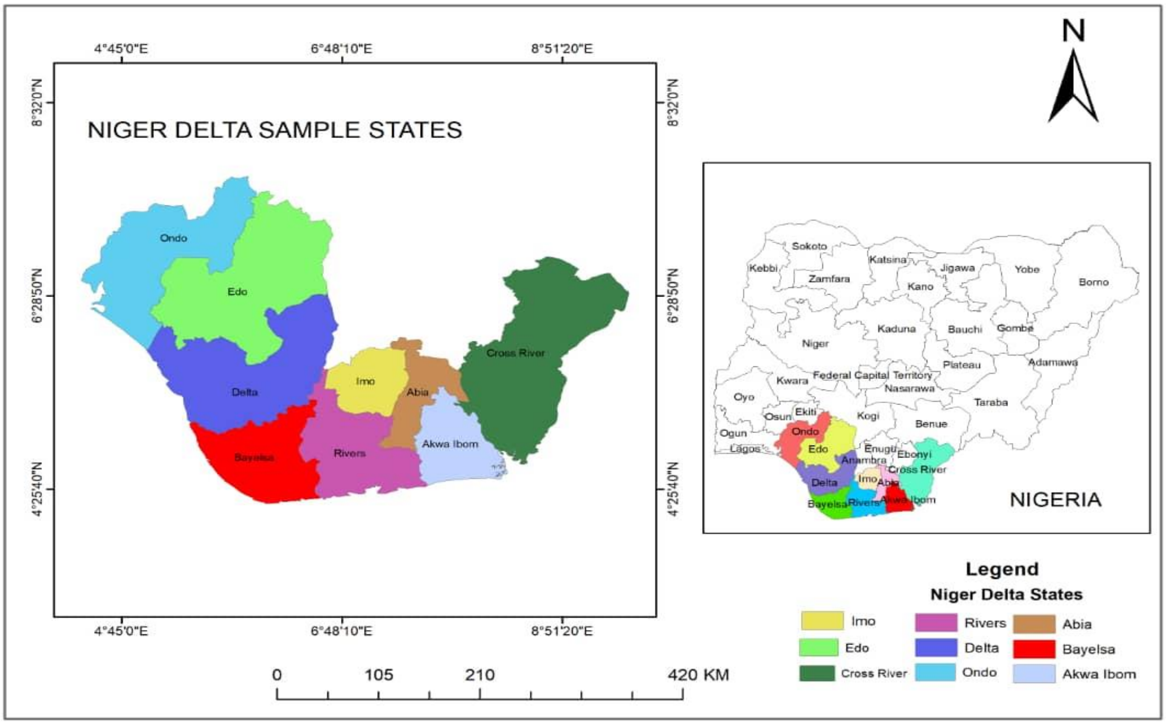

Figure1: Showing coastal states across the Study Area
Source: UNIPORT Cartography Lab (2022).

Research Design and Study Population

The descriptive survey research method was adopted in carrying out the study. Using a descriptive survey design allowed for detailed data collection on respondents' opinions and experiences, facilitating a comprehensive analysis of the MNCs' and Agip Oil Company's influence across the study areas. A descriptive survey design is beneficial for this study as it enables the systematic collection, analysis, and interpretation of data from the perspectives of diverse stakeholders. This design has proven effective in social research for capturing public attitudes and behaviors. The population of the study comprised of 9 states in the Niger Delta region; however, for the purpose of the study, four (4) states are selected. These include Bayelsa, Delta, Imo and Rivers States. From these 4 States, 8 communities would be randomly selected and sampled. The selected communities are: Ogoinbiri, Epebu, Odidi, Idheze, Agbacheke, Agwa, Obagi and Rumueme (Table 1).

Sample and Sampling Technique

Based on the inclusion/exclusion criteria, the study population comprises all the people from the 8 communities selected from 4 States (Bayelsa, Delta, Imo & Rivers) in the Niger Delta region. This brings the population of the study to 27,430 (Table 1). To get an optimum sample of the target population (27,430) the Taro Yamane (1967) formula for sample size determination will be adopted;

$$n = \frac{\text{n}}{1 + N\ (e)^2}$$

Where: e= Level of precision (0.05), N= Population, n= Sample size, 1= Constant

$$n = \frac{27{,}430}{1 + 27{,}430\ (0.05)^2}$$

$$n = \frac{27{,}430}{27{,}431x\ 0.0025}$$

$$n = \frac{27{,}431}{68.5775}$$

$$n = 400$$

Table 1: Population and Sample Size of the Study

S/N	State	LGA	Community	Population	Sample Size
1.	Bayelsa	Brass	Ogoinbiri	1,996	48
		Ogbia	Epebu	1,807	50
2.	Delta	Burutu	Odidi	2,587	40
		Isoko South	Idheze	3,706	50
3.	Imo	Ohaji/Egbema	Agbacheke	2,450	40
		Oguta	Agwa	3,462	50
4.	Rivers	Onne	Obagi	3,823	50
		Port Harcourt	Rumueme	7,599	72
Total	**4**	**8**	**8**	**27,430**	**400**

For the qualitative aspect of the study, 16 key informant interviewees (KII) were purposively selected among the key personnel in the community. The total sample of this study was, therefore, 416 (400 questionnaire respondents gotten through Taro Yamane, and 16 purposively selected key informant interviewees).

Data Collection and Analysis

Questionnaire was used to elicit information from respondents. The questionnaire adopted for the study made use of closed-ended format. The retrieved questionnaires were coded and subjected to Statistical Package for the Social Sciences (SPSS) for proper analysis. The questionnaire coding was done with MS Excel before being transferred to the Data entry of SPSS. The data were analysed using descriptive statistics such as frequency counts, percentage, mean and charts. The use of such statistics allows the researcher to present the evidence of the study in a way that can be understandable and makes conclusion concerning the variables of study.

Results and Discussion

For the study, 400 copies of the questionnaire were distributed in 8 communities across 4 States selected for this study (Bayelsa, Delta, Imo and Rivers). Out of this number distributed, 392 copies were duly filled and returned representing.

Socio-Demographic Details of the Respondents

Gender: 52% of respondents are male while 48% are female. This slight difference of 2% is an indication that the researcher gave a fairly balanced chance to everyone that met the selection criteria to be selected, irrespective of gender. In this way, gender balance was achieved in the distribution.

Age of Respondents: majority of respondents (27%) fall within the age range of 30- 35, closely followed by those below 30 years (22%). In addition, while 15% of respondents are aged between 36 and 40, 13% are between 41 and 45 years old. Similarly, 12% of respondents are between the ages of 46 and 50, while 11% are aged 50 and above. An implication of this distribution is that the study covered all age brackets in order to harness a balanced opinion on the subject-matter of this study.

Level of Education: 48% of respondents – which is the majority – have OND/NCE as their highest educational qualification, while 29% only attended primary/secondary schools. Similarly, 13% of respondents possess HND/B.Sc while 10% have postgraduate education. Thus, respondents for this study are quite educated and enlightened enough to respond to the questionnaire items.

Impact of the activities of MTN and NAOC on Social Sustainability

Respondents were asked if MNCs operating in their community are involved in community development projects. On the basis of responses in Figure 2, 50% of respondents stated that MNCs are not involved in community development projects in their community. 47% said that they are involved, while 3% do not know. Respondents were also asked about social challenges confronting them in their communities. High cost of living in the respective communities featured prominently. The response leaned towards the fact that cost of living is very high. Admittedly, the rising cost of livelihood is not peculiar to the Niger Delta. It has been reported that the rising cost of living in Nigeria has become an unrelenting burden (Ogwo, 2025).

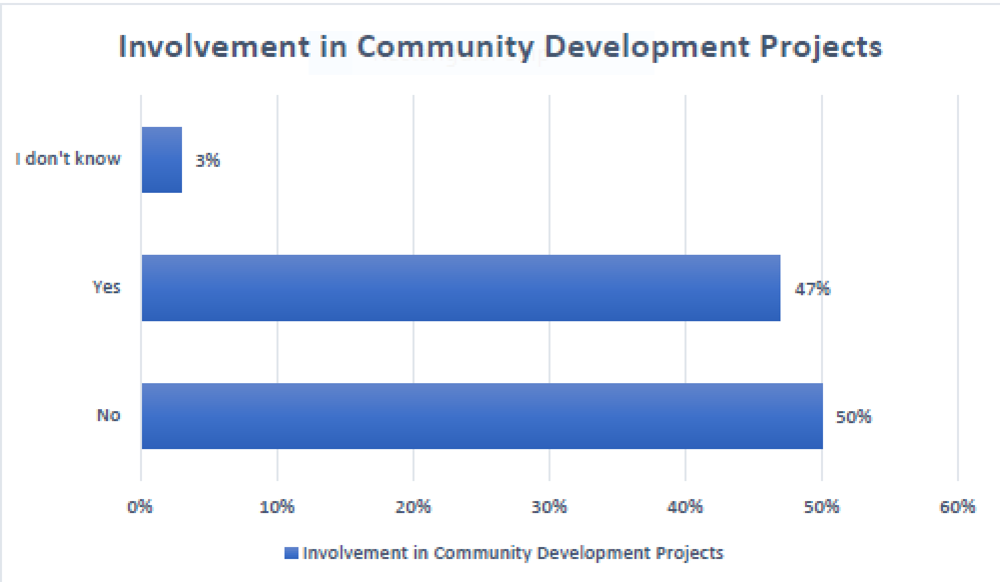

Figure 2: Distribution of Respondents' Views on whether MNCs operating in their communities have been involved in community development projects (N=392)

Food inflation hit a staggering 39.84% in December 2024, according to the National Bureau of Statistics (NBS), with no respite in sight. Nigerians are grappling with skyrocketing rents, transport fares, and food prices, created by economic reforms introduced by President Bola Ahmed Tinubu's administration. While these reforms, including the removal of fuel subsidies and the unification of exchange rates, were aimed at stabilizing the economy long-term, they have plunged millions into poverty and diminished purchasing power.

Transportation costs have become an unbearable weight on the shoulders of many Nigerians. The removal of fuel subsidies, intended to stabilise the economy, has instead led to an explosion in pump prices, which now range between ₦1,000 and ₦1,070 per litre (Ogwo, 2025). These increases ripple through every aspect of daily life, from the cost of food to the affordability of essential services, leaving commuters and businesses alike struggling to cope. Closely related to high cost of living is poverty. Included here is lack of access to basic needs like food, shelter and clothing. Low life expectancy was also identified as a major social challenge. Life expectancy is a statistical measure of the average time a person is expected to live, based on factors like birth year, current age, sex, and geographical location.

Global life expectancy has risen significantly over the past century due to advances in medicine, sanitation, nutrition, and public health. It has been stated that global average life expectancy which was 30-40 years in 1900 rose to 73 years in 2024 (Global Health Observatory, 2024). Japan, Switzerland, and Singapore have the global highest life expectancy (83 years), while some African states (e.g., Chad, Nigeria) face life expectancies below 55 (global lowest) due to poverty, disease, and conflict (Global Health Observatory, 2024). It should be noted that several factors determine life expectancy. These include diet, exercise, clean water, sanitation, air quality, access to healthcare (vaccines, treatments, e.g., for HIV/AIDS, maternal care), smoking, alcohol, education, income, inequality, etc.

Life expectancy in the Niger Delta region is significantly lower than the national average in Nigeria, typically around 41 years (Saint, 2022). This is due to factors like oil pollution, limited access to healthcare, and high poverty rates. While the national life expectancy in Nigeria is around 53 years, it averages around 40 years in the Niger Delta (Saint, 2022). This low life expectancy rate is often attributed to pollution surrounding oil exploration and exploitation.

In 2020 and 2021, Nigeria's National Oil Spill Detection and Response Agency (NOSDRA) recorded 822 combined oil spills, totalling 28,003 barrels of oil spewed into the environment. Table 2 shows the high volume of oil spilt into Niger Delta environment between 2011 and 2021. With this high level of pollution, it is almost impossible to have high life expectancy rate in the Niger Delta. Hence, the opinion of majority of respondents (67%) that life expectancy in their community is low remains valid. Based on the foregoing, this study finds that the activities of MNCs in Nigeria have not contributed to social sustainability.

Table 2: Multiple Oil Spills in the Niger Delta Region

Year	No of Spills	Major Spills	Spills with no Estimate	Spills with no JIV*
2011	1059	2	359	218
2012	1135	4	391	179
2013	1666	1	762	450
2014	1521	8	540	284
2015	920	4	268	158
2016	684	5	173	129
2017	599	6	178	73
2018	699	0	154	104
2019	723	5	192	70
2020	440	0	90	35
2021	382	2	122	33

*JIV = Joint Investigation Limit
Source: nosdra.oilspilsmonitor.ng

Figure 4.7 clearly indicates that majority of respondents (84%) do not think that MNCs are to be blamed for social challenges in their communities while 12% believe that they are culpable. 4% of respondents, on the other hand, had no idea

This response pattern implies that despite being an oil bearing or host community, the harsh economic realities presently experienced by Nigerians is cross-cutting. An interviewee noted that "it is not just that standard of living here does not reflect our rich natural resource heritage, other communities are better off because they do not have to deal with issues like pollution, or the destruction of water bodies and farmlands" (KII, 2025). Supporting this assertion, another interviewee noted that "we all go to the same markets. In the market, traders do not want to know whether your community has oil or not. They just want to sell and make their gain. So, if you do not have money, you cannot buy anything" (KII, 2025).

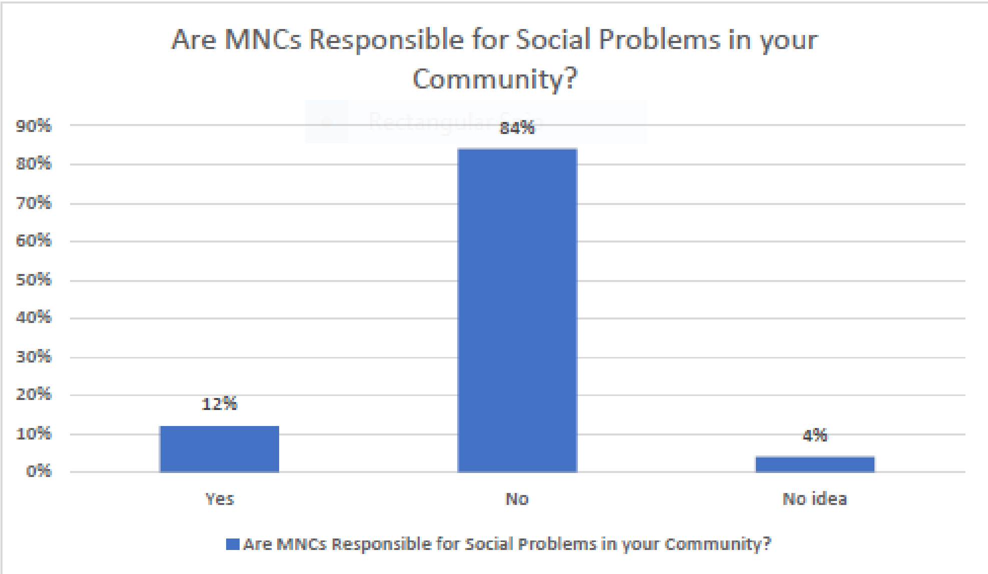

Figure 4.7: Distribution of Respondents' Views on whether MNCs are to be blamed for the social challenges in their communities (N=392)

As a follow-up, respondents were asked to suggest ways of tackling the social problems identified by them. It was suggested that the government could subsidise the price of household essentials. Another suggestion was increment in salary, price control, small for small and medium-scale enterprises, development of social infrastructure. Others include: granting agricultural loans to farmers, improvement in security, reversal of fuel subsidy, and investment in social welfare. On the part of individuals, avoidance of panic buying, and elimination of unnecessary expenses was suggested.

Once poverty is reduced, life expectancy should improve automatically. It has been Reported that Nigerians now find themselves poorer than they were a year ago (Omolaja, 2024). The World Bank's Nigeria Development Update reports that at least 129 million people, or 64.5% of the population, live below the national poverty line. Food inflation has surged to 39.9%, driving unprecedented desperation and hunger. Stampedes at food donation events in December, 2024 claimed the lives of over 60 people, underscoring the gravity of the crisis (Omolaja, 2024).

A confluence of factors has pushed Nigerians into this dire strait. The removal of the petrol subsidy, though fiscally sound, has unleashed ripple effects across the economy, compounding inflationary pressures. The Naira's continued depreciation has further eroded purchasing power, while climate change disrupts food production, exacerbating shortages. Insecurity in key agricultural regions prevents farmers from meeting demand. This has not only created food scarcity, but has seen food inflation continuously soar go unabated. On the basis of the foregoing, another finding of this study is that the activities of MTN and NAOC have not contributed to social sustainability in Nigeria.

Conclusion and Recommendations

The telecommunications and technology sector have emerged as a key driver of economic growth and innovation in Nigeria, attracting investment, creating jobs, and promoting entrepreneurship and digital innovation. The rise of technology startups, incubators, and accelerators in hubs such as Lagos, Abuja, and Port Harcourt has catalysed innovation and entrepreneurship in areas such as fintech, e-commerce, health-tech, and agri-tech. Digital platforms and services, including online marketplaces, ride-hailing apps, and digital payment solutions, have transformed traditional business models, increased productivity, and stimulated economic activity in various sectors. Conclusively, the operations of Multinational Corporations NAOC and MTN Nigeria contain both opportunities and challenges for sustainable development in Nigeria. While NAOC drives revenue through oil exploration and exploitation, MTN enables digital transformation. A crucial concern, however, is the need to balance economic growth with sustainable development through social responsibility. Going by the fact that findings of the study indicate that the activities of MNCs have not contributed to social sustainability in Nigeria, it is recommended that measures be taken to redress this. Such measures could include community engagements, social impact assessments, respect of human rights, capacity building, among others.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Credit Authorship Contribution Statement

Obanye U. J.: Conceptualization, Methodology, Formal analysis, Investigation, Resources, Data curation, Visualization, Project administration, Writing - original draft, Review & Editing. **Allen F.** and **Wonah, E.**: Supervision, Methodology, Validation, Formal analysis, Data curation, Visualization.

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