

Perceived Impact of Multinational Oil Companies Global Memorandum of Understanding in Achieving Sustainable Development Goal Three in Rivers State

Nnodim, A. U.⁽¹⁾, Ogwo P. N.⁽²⁾, Deekor, H. L.⁽³⁾

Department of Vocational and Technology Education, Faculty of Education, Rivers State

University⁽¹⁾; Department of Adult Education and Community Development

Faculty of Education, Rivers State University^(2&3)

Keywords:

Global Memorandum of Understanding
Healthy Living,
Wellbeing,
SDG3,
Multinational Oil
Companies.

Abstract

This study examined the role of Multinational Oil Companies Global Memorandum of Understanding on the achievement of Sustainable Development Goal 3 (healthy Living and wellbeing for all) in Rivers State. Two research questions and two null hypotheses guided the study. The study adopted a descriptive survey design. The population for the study was 750 respondents consisting of 312 GMoU Boards Members and 438 leaders of Community Based Organizations. The sample of the study was 405 respondents consisting of 181 Board members and 224 leaders of the Community Based Organizations in the study area. The study used a self-designed questionnaire for data collection. The reliability of the instrument was established using Cronbach Alpha with a coefficient of 0.81 and 0.87 respectively. For easy comparison of variable, the data gathered with the questionnaire were analysed using mean statistics and standard deviation to answer the research questions. The findings of the study among others indicates that health projects executed through the GMoU of multinational oil companies has contributed to promoting healthy living and wellbeing in Rivers State by providing access to health facilities, free medical check-up, immunization, mosquito treated nets, pre and post natal services, drugs and medical equipment, mass deworming and health awareness campaigns. Based on the findings of the study, it was recommended among other things that the Rivers State Ministry of Health and Multinational Oil Companies should collaborate to ensure the sustainability health projects implemented through the GMoU in Rivers State as this can help to improve the health index of the State and contribute to healthy living and wellbeing.

Introduction

The current global context of slow economic growth, dwindling health conditions, social inequality and environmental degradation has created an unprecedented challenge for the world. There is an urgent need for a shift from the prevailing status quo to one of inclusive and long-term sustainable development. To meet these challenges, the 193 member states of the United Nations, together with a large number of Civil Societies Organizations, academic and private-sector stakeholders, entered into an open, democratic and participatory negotiation process that resulted in the proclamation of the 2030 Agenda for Sustainable Development, with its Sustainable Development Goals (SDGs). According to Haywood and Wright (2019), the SDGs also known as the 2030 agenda for sustainable development with 17 goals, 169 targets, and 234 indicators is a major public policy that will guide the development of the world in the next 15 years with a view to boosting environmental protection, social inclusion and economic prosperity in developed and developing countries of the world. This implies that the SDGs are a transformative agenda that calls for a change in our development pattern while considering the environment. UN (2018) suggests that the SDGs are a universal commitment, undertaken by developed and developing countries alike, in the framework of a strengthened global partnership that takes account of the means of implementation to achieve this change, the prevention of natural disasters and climate change mitigation and adaptation. According to World Bank (2022), the focus of the SDGs includes; no poverty, zero hunger, good health and well-being, quality education, gender equality, among others.

The thrust of the third goal of the SDGs is to ensure healthy lives and promote well-being for all at all ages. Haywood and Wright (2019) observed that SDG 3 includes 13 targets and 26 high-level indicators which address all major health priorities, including reproductive, maternal and child health; communicable, non-communicable and environmental diseases; universal health coverage; and access for all people to safe, effective, quality and affordable medicines and vaccines. Ogu, Agholor and Okonofua (2016), opined that SGD3 was designed, in part, to conclusively address the unfinished business of MDG 5a which called for a 75% reduction in maternal mortality rate from 1990 to 2015. In their view, this goal was important because pregnancy and birth-related complications constitute major drivers to the increasing burden of death and disability, especially in low-income countries. Hence, ensuring healthy lives and promoting well-being for all at all ages is important to building prosperous societies. However, despite great strides in improving people's health and well-being at the global stage in recent years, inequalities in access to health care services still persist. Globally, more than six million children still die before their fifth birthday each year, and only half of all women in developing regions have access to the health care they need (UN, 2018).

Multinational oil companies (MOCs) as major stakeholders of the private sector have in recent times made substantial efforts in main-streaming sustainable development in their corporate social responsibility practices. Aaron (2012) observed that some multinational oil companies have created departments, with huge budgets, manned by development experts, exclusively reserved to deliver sustainable development in their host communities. Eweje (2007), averred that multinational oil companies have often focused on community development initiatives with huge budgets as a means of managing and responding to community grievances, as well as making them benefit from

resource extraction. The prominence of corporate social responsibility as a strategy by multinational oil companies stems from the fact that oil production remains core to the Nigerian economy and the negative social and environmental impacts associated with oil extraction are always at the center of public scrutiny. For instance, the environmental degradation, high poverty and the endemic nature of corporate-community conflict in the Niger Delta region where oil is mainly extracted bring the multinational oil companies into public gaze and scrutiny (Fidler & Hitch, 2007). The role of Multinational Oil Companies in the achievement of sustainable development goal 3 (Healthy living and well-being for all) was reported in the official website of Exxon Mobil indicating the company's commitment to working with local and international partners to improve the state of healthcare in Nigeria. Through strategic partnerships, the company has made sustainable gains in HIV/AIDS awareness and prevention, malaria control and treatment and in the provision of medical facilities and equipment to communities (Exxon Mobil Corporation, 2022).

The concept of Global Memorandum of Understanding (GMOU) was born out of several efforts by multinational oil companies on how to balance business objectives and the social good of communities where such businesses operate (Beih, Nwoke, & Boroh, 2016). As opposed to the old practice of entering into Memorandum of Understanding (MoU) with individual host communities by MOCs, the GMOU was widely advertised by promoters as dealing with a cluster of communities to maximize economy of effort and resources, provide seed money to community institutions based on production figures and technical assistance through Non-governmental Organizations and banks (Utting & Marques, 2010). According to Uduji, Okolo-Obasi, and Asongu (2019), Multinational Oil Companies through the GMOU have committed substantial resources over the years in helping to improve healthcare in local communities where they operate and even beyond. They support programmes and partnerships to address among others, diseases and epidemics such as HIV/AIDS, Malaria and Tuberculosis. In their view, the MOCs have continued to dedicate their capabilities and resources, including people, to support initiatives that improve healthcare delivery in the Niger Delta region. In a related view, Vaughana, Akwataghibe, Fakunle, and Wolmarans (2016), opined that Shell Petroleum Development Company has in recent times made substantial effort in supporting host communities to achieve healthy living and wellbeing through their community health insurance schemes. Furthermore, Chevron Nigeria limited through the GMOU is said to have implemented health interventions projects such as Mass Deworming; Roll back Malaria, HIV/AIDS Campaign, and River Boat Clinic among others (Chevron, 2018).

Healthy living and wellbeing is a basic human right that every citizen should enjoy to the highest level. Hence, it should be accorded serious attention as it is an essential element for sustainable development. Unfortunately, the health index in Rivers State is weak. *Health Finance and Governance, an initiative of United States Agency for International Development (USAID), in its 2020 annual reports published a 15.2% increase in HIV Prevalence, rising cases of tuberculosis (over 23,000 cases), and under 5 mortality rates of 58 per 1000 deaths in Rivers State. The exploration activities of multinational oil companies have resulted in oil spillage and other forms of pollution and degradation of the ecosystem, which invariably is the source of livelihood for these communities.* To minimize these challenges, the oil companies have often come up with several community development strategies to show corporate responsiveness to their host communities. A

good example is the implementation of the Global Memorandum of Understanding model of community development by multinational oil companies for their host communities in Rivers State. However, the question that comes to the fore is: what role has the GMoU played in the achievement of healthy living and wellbeing in the communities where it has been implemented? This study therefore intends to answer the questions which are in tandem with the SDG goal 3.

Purpose of the Study

1. The purpose of this study was to examine the impact of Global Memorandum of Understanding by Multinational Oil Companies in achieving Sustainable Development Goal 3 (healthy Living and wellbeing for all) in Rivers State. Specifically, the objectives of the study sought to :
2. Determine the extent health projects executed through global memorandum of understanding by multinational oil companies promote healthy living and wellbeing in Rivers State.
3. Examine the extent educational projects executed through global memorandum of understanding by multinational oil companies promote healthy living and wellbeing in Rivers State.

The following research questions guided the study:

1. To what extent have health projects executed through global memorandum of understanding by multinational oil companies contributed to promoting healthy living and wellbeing in Rivers State?
2. To what extent have educational projects executed through global memorandum of understanding by multinational oil companies contributed to promoting healthy living and wellbeing in Rivers State?

Hypotheses

The following hypotheses were tested at 0.05 level of significance:

1. There is no significant difference in the mean ratings of Cluster development board members and members of community based organizations on how health projects executed through global memorandum of understanding by multinational oil companies promote healthy living and wellbeing in Rivers State
2. There is no significant difference in the mean ratings of Cluster development board members and members of community based organizations on how educational projects executed through global memorandum of understanding by multinational oil companies promote healthy living and wellbeing in Rivers State.

Methodology

The study adopted a descriptive survey design. The target population of the study was 750 respondents consisting of 312 GMoU Boards Members and 438 leaders of Community Based Organizations from 11 local government areas in Rivers State where the GMoU is being implemented. The sample size of the study was 405 respondents consisting of 181 GMoU Board

members and 224 leaders of the Community Based Organizations. The cluster sampling technique was adopted in clustering the state into three Senatorial Districts. The purposive sampling technique was adopted in selecting two Local Government Areas each from the three Senatorial Districts where GMoU projects were currently ongoing. All members of the GMoU Boards and leaders of the Community Based Organizations from the six selected local government areas constituted the sample of the study. The study used a self- designed questionnaire on Perceived Impact of Multinational Oil Companies Global Memorandum of Understanding in Achieving Sustainable Development Goal 3 in Rivers State (PIMO CGMUASDG3) for data collection. The reliability of the instrument was established using Cronbach Alpha with a coefficient of 0.81 and 0.87. The data collected for the study were analyzed using Mean and Standard Deviation to answer research questions, while the z-test statistics was used to test the hypotheses at 0.05 level of significance. The following scales were used to determine level or extent of agreement of the respondents with items on the questionnaire:

Classification	Value Range
Very High Extent (VHE) = 4	3.50 – 4.00
High Extent (HE) = 3	2.50 – 3.49
Low Extent (LE) = 2	1.50 – 2.49
Very Low Extent (VLE) = 1	1.00 – 1.49

A criterion mean of 2.50 was used to determine if a mean score indicates accepted or rejected. Therefore, any item whose mean score is less than 2.5 is rejected, while those with mean score of 2.5 and above are accepted as positive responses.

Results

Research Question 1: To what extent have health projects executed through global memorandum of understanding by multinational oil companies contributed to promoting healthy living and wellbeing in Rivers State?

Table 1: Mean Response on GMoU Health Projects and the Achievement of Healthy Living and Wellbeing in Rivers State.

S/N	Items	CDB Members N = 181 Mean	SD	Decision	CBO leaders N = 224 Mean	SD	Remarks
1	Free medical check-up has contributed to healthy living and wellbeing in my community	3.25	0.90	HE	3.22	0.91	HE
2	Construction of health centers has contributed to healthy living and wellbeing of the people	2.76	1.14	HE	2.71	1.53	HE
3	Provision of mosquito nets to control malaria has contributed to healthy living and wellbeing of the people.	3.99	0.89	HE	3.51	1.00	HE
4	Provision of drugs in health centers has contributed to healthy living and wellbeing of the people.	3.99	0.89	HE	3.51	1.00	HE
5	Regular exercises have contributed to healthy living and wellbeing of the people.	2.98	1.13	HE	2.94	1.15	HE
6	River boat clinic has promoted access to healthcare services to the riverine communities, hence contributing to healthy living and wellbeing of the people.	2.74	1.41	HE	2.68	1.43	HE
7	Provision of medical equipment for health facilities has contributed to healthy living of the people	3.18	0.95	HE	3.14	0.97	HE
Grand Mean		3.17		HE	3.07		HE

This result on table 1 above with grand mean of 3.17 for CDB members and 3.07 for CBO members were greater than 2.50 which was the criterion mean. This result showed that health projects executed through global memorandum of understanding of multinational oil companies has contributed to promoting healthy living and wellbeing in Rivers State.

Research Question 2: To what extent have educational projects executed through global memorandum of understanding by multinational oil companies contributed to promoting healthy living and wellbeing in Rivers State?

Table 2: Mean Response on Educational Projects and the Achievement of Healthy Living and Wellbeing in Rivers State.

S/N	Items	CDB Members N = 181		Decision	CBO leaders N = 224		Remarks
		Mean	SD		Mean	SD	
10	Construction of classroom blocks to accommodate more pupils has contributed to healthy living and wellbeing of the people	3.63	0.58	HE	3.57	0.60	HE
11	Health Literacy campaign for health awareness has contributed to healthy living and wellbeing of the people	3.22	0.97	HE	3.12	1.00	HE
12	Cradle to career scholarship project to assist poor families has contributed to healthy living and wellbeing of the people	3.25	1.22	HE	3.13	1.27	HE
13	Fencing of school buildings for safety has contributed to healthy living and wellbeing of the people	3.57	0.69	HE	3.50	0.72	HE
14	Supply of laboratory equipment for easy learning has contributed to healthy living and wellbeing of the people	3.35	0.86	HE	3.27	0.89	HE
15	Free registration of WAEC for pupils from poor homes has contributed to healthy living and wellbeing of the people	3.79	0.46	HE	3.76	0.49	HE
Grand Mean		3.09		HE	3.04		HE

This result on table 2 above with grand mean of 3.09 for CDB members and 3.04 for CBO members were greater than 2.50 which was the criterion mean. This result showed that education projects executed through global memorandum of understanding of multinational oil companies has contributed to promoting healthy living and wellbeing in Rivers State.

Hypothesis 1: There is no significant difference in the mean ratings of Cluster Development Board Members and members of Community Based Organizations on how health projects executed through

global memorandum of understanding by multinational oil companies promote healthy living and wellbeing in Rivers State.

Table 3: Summary of Z-test Analysis of no Significant Difference in Mean Ratings of Cluster Development Board Members and members of Community Based Organizations on how Health Projects Promote Healthy Living and Wellbeing in Rivers State

Respondents	N	\bar{X}	SD	Df	Z-cal	Z-crit	SL	Decision
CDB	181	3.17	1.04	403	1.05	+1.96	0.05	Accepted
CBO	224	3.07	1.06					

Table 3 above shows that z-calculated value of 1.05 is less than the z-critical value of +1.96 at 0.05 significant level indicating that, there is no significant difference in the mean ratings of CDB and CBO members on how health projects executed through global memorandum of understanding by multinational oil companies promote healthy living and wellbeing in Rivers State. Therefore, the null hypothesis is accepted and the alternate hypothesis rejected.

Ho2: There is no significant difference in the mean ratings of Cluster Development Board Members and members of Community Based Organizations on how educational projects executed through global memorandum of understanding by multinational oil companies promote healthy living and wellbeing in Rivers State.

Table 4: Summary of Z-test Analysis of no Significant Difference in mean ratings of Cluster Development Board Members and Members of Community Based Organizations on how Health Projects Promote Healthy Living and Wellbeing in Rivers State

Respondents	N	\bar{X}	SD	Df	Z-cal	Z-crit	SL	Decision
CDB	181	3.09	0.80	403	0.69	+1.96	0.05	Accepted
CBO	224	3.04	0.81					

Table 4 above shows that Z-calculated value of 0.69 is less than the Z-critical value of +1.96 at 0.05 significant level indicating that there is no significant difference in the mean ratings of CDB and CBO members on how education projects executed through global memorandum of understanding by multinational oil companies promote healthy living and wellbeing in Rivers State. Therefore, the null hypothesis is accepted and the alternate hypothesis rejected.

Discussion of Results

The result of the findings in research question one revealed that health projects executed through the GMoU of multinational oil companies has contributed to promoting healthy living and wellbeing in Rivers State by providing access to health facilities, immunization, mosquito treated nets, pre and post natal services and reducing deaths from communicable and non-communicable diseases. Hypothesis one revealed that there is no significant difference in the mean ratings of Cluster development board members and members of community based organizations on how health projects

executed through global memorandum of understanding by multinational oil companies promote healthy living and wellbeing in Rivers State. This finding is in line with the findings of Budu, Seidu and Agbaglo (2021) who averred that health projects contributes positively to maternal and child health outcomes such as increased full immunization rates, BCG vaccination, DPT3 (diphtheria–pertussis–tetanus vaccines), and increased TT2 (tetanus–toxoid vaccine). Similarly, a related report by Shell petroleum development Company (2017) indicates that Community Health Screening Projects initiated to facilitate screening to prevent non communicable diseases such as obesity, diabetes, hypertension and kidney diseases early helps to avoid the catastrophic effect of these diseases agrees. According to Kelbessa, Baraki and Egata (2014), Health Extension programmes assume that healthy living and wellbeing can be enhanced in communities by increasing the knowledge and skills of communities and households to deal with preventable diseases and be able to access services available at clinics and hospitals all of which can be achieved through the implementation of specific and more strategic project in the area of health.

The result of the findings in research question two revealed that educational projects executed through the GMoU of multinational oil companies has contributed to promoting healthy living and wellbeing in Rivers State by helping people acquire employability skills to earn a living, avoid practices that harm their health, reduce rate of illiteracy, avoid self-medication and become more aware of contraceptive methods etc. Hypothesis two revealed that there is no significant difference in the mean ratings of Cluster development board members and members of community based organizations on how education projects executed through global memorandum of understanding by multinational oil companies promote healthy living and wellbeing in Rivers State. This finding is supported by the findings of Zeng (2022), who observed that through educational projects, development can be accelerated and poverty alleviated so that people can enjoy improved quality of life. It is a strong key to improved self-esteem, empowerment, creativity and critical reflection which are all very vital to improved health and wellbeing. In a related view, Organization for Economic Cooperation and Development (2016), stressed that education projects are usually based on the learner's problems, needs, interests and aspirations with the hope of finding solutions to their problems to promote their wellbeing. Furthermore, Shell petroleum development Company (2017) opined that investment in educational projects enables young ones acquire employability skill to become economically viable to care for their personal and family wellbeing.

Conclusion

Based on the findings of the study, it was concluded that Global Memorandum of Understanding of Multinational oil companies have contributed to the achievement of sustainable development Goal Three in Rivers State. This achievement came through the implementation of projects in the areas of health and education in host communities. However to achieve maximum benefits the GMoU should be expanded to accommodate other communities that are not within the operational areas of multinational oil companies in Rivers State

Recommendations

Based on the findings of the study, it was recommended that:

1. Considering the established impactful nature of the GMoU, the Rivers State Ministry of Health and Multinational Oil Companies should collaborate to extend health projects to non-oil producing communities in Rivers State. These projects should focus on providing free medical check-up, immunization, mosquito treated nets, pre and post natal services, primary health facilities drugs and medical equipment etc. This can help to improve the health index of the state and contribute to healthy living and wellbeing.
2. The Rivers State Ministry of education should collaborate with other multinational companies in Rivers state to adopt the GMoU strategy on education project as this can help to expand and extend education projects to rural communities which will in turn promote healthy living and wellbeing in Rivers State.

References

- Aaron, K. K. (2012). New corporate social responsibility models for oil companies in Nigeria's Delta Region: What challenges for sustainability?. *Journal of Progress in Development Studies*, 12(4), 259–273.
- Chevron Corporation (2018). 2017 Corporate Responsibility Report: Chevron in Nigeria. Retrieved from www.chevron.com/worldwide/Nigeria.
- Eweje, G. (2007). Multinational oil companies CSR initiatives in Nigeria: The skepticism of stakeholders in host communities. *Managerial Law*, 49(5), 218-235.
- Exxon Mobil (2022). ExxonMobil earns \$23 Billion in 2021, initiates \$10 billion share repurchase programme. Retrieved on 7/25/2022 from [https:// corporate.exxonmobil.com /News/Newsroom/ News-releases/2022/0201_ExxonMobil-earns-23-billion-in-2021_initiates-10-billion-share-repur chase-program](https://corporate.exxonmobil.com/News/Newsroom/News-releases/2022/0201_ExxonMobil-earns-23-billion-in-2021_initiates-10-billion-share-repur-chase-program).
- Fidler, C. & Hitch, M. (2007). Impact and benefit agreements: A contentious issue for environmental and aboriginal justice. *Environments Journal*, 35(2), 49-69.
- Haywood, L.K & Wright, C.Y. (2019). Private sector contribution to SDG 3: Health and well-being – a South African case study. Retrieved from <https://www.ajs.co.za/article/view/6452>
- Kelbessa, Z., Baraki, N. & Egata, G. (2014). Level of health extension service utilization and associated factors among community in Abuna Gindeberet District, West Shoa zone, Oromia Regional State, Ethiopia. retrieved on 6/29/2022 from [https:// www.ncbi .nlm.nih.gov/pmc /arti cles /PMC4236544/](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4236544/).
- Nkechi, P. (2009). Role of literacy education in Nigeria: A social analysis. *Journal of Humanities and Social Science*, 1(23), 34-37.

- Organization for Economic Cooperation and Development (2016). Innovating education and educating for innovation: The power of digital technologies and skills, OECD Publishing, Paris. Retrieved on 6/27/23 from <http://dx.doi.org/10.1787/9789264265097-en>.
- Ogu, R. N., Agholor, K. N. & Okonofua, F. E. (2016). Engendering the attainment of the SDG-3 in Africa: Overcoming the socio cultural factors contributing to maternal mortality. *African Journal of Reproductive Health*, 20,(3) 62.
- Shell Petroleum Development Company (2017). Social investment. [http://www .shell.com .ng/media/nigeria-reports-andpublication-briefing-notes/social-investment.html](http://www.shell.com.ng/media/nigeria-reports-andpublication-briefing-notes/social-investment.html)
- Uduji, J. I., Okolo-Obasi, E. N., & Asongu, S. A. (2019). Does CSR contribute to the development of rural young people in cultural tourism of sub-saharan Africa? Evidence from the Niger Delta in Nigeria. *Journal of Tourism and Cultural Change*, 17, 725-757.
- United Nations (2018). The 2030 agenda and the sustainable development goals: An opportunity for Latin America and the Caribbean. Retrieved March 16, 2022 from <https://repositorio.cepal.org/handle/11362/40156>.
- Veenhoven, R. (2004). World happiness database. Retrieved on 6/27/22 from www.Eur.nl/fsw/research/happiness.
- World Bank (2022). World Bank group and the 2030 agenda. Retrieved March 16, 2022 from <https://www.worldbank.org/en/programs/sdgs-2030-agenda>.
- World Health Organization (2022). Stronger collaboration, better health: The global action plan for healthy lives and well-being for all. Retrieved March 16, 2022 from <https://www.Who.int/initiatives/sdg3-global-action-plan>. Diseases. Retrieved on 7/26/2022 from <https://www.who.int/data/gho/data/themes/topics/sdg-targe-33-communicable-diseases>.
- World Bank (2022). World Bank group and the 2030 agenda. Retrieved March 16, 2022 from <https://www.worldbank.org/en/programs/sdgs-2030-agenda>.
- World Health Organization (2022). Stronger collaboration, better health: The global action plan for healthy lives and well-being for all. Retrieved March 16, 2022 from <https://www.Who.int/initiatives/sdg3-global-action-plan>. Diseases. Retrieved on 7/26/2022 from <https://www.who.int/data/gho/data/themes/topics/sdg-targe-33-communicable-diseases>.
- Veenhoven, R. (2004). World happiness database. Retrieved on 6/27/23 from www.Eur.nl/fsw/research/happiness.
- Zeng, S. (2022). Re-visiting the role of education on poverty through the channel of financial inclusion: Evidence from lower income countries