

**LEVERAGING EXTERNAL INNOVATION
INSIDE-EVIDENCE IN JUST TRANSITION
AND ENVIRONMENTAL JUSTICE IN THE
NIGERIAN WIRELESS COMMUNICATION
INDUSTRY:
A CASE STUDY OF MTN**



EGBOSIONU NNEKA A. (PhD)

DIRECTOR REGISTRY ENUGU AND ITUKU OZALLA CAMPUSES of UNN

ABSTRACT

- **Critical analysis of the performance of MTN Communications Plc in the area of transition and environmental sustainability and justice in Nigeria.**
- **The study examines the environmental corporate strategies adopted by MTN as a leader in the wireless telecommunications industry in Nigeria.**
- **The study is Guided by the open innovation philosophy (open culture, forums, interfaces and open ecosystem).**
- **The study also assess the impact of open innovation, internationalization and competitiveness of MTN Nigeria Communications Plc in environmental justice and sustainability.**
- **Porter's Diamond model of national competitiveness, the Uppsala theoretical paradigm were used in the study.**



INTRODUCTION

- **Competition helps firms to innovate different strategies to ensure they remain relevant in the market.**
- **Innovation involves using creativity to bring about new ideas, processes, method and products to keep a firm competitive and moving ahead of others.**
- **MTN: Mobile Telephone Network is one of the telecommunication companies in Nigeria that does not use wire to connect the telephone points. MTN is using innovation not just to remain competitive but also lead other telecommunication firms: Airtel, Globacom and 9Mobile in the telecommunication industry in Nigeria.**
- **Through innovation MTN has ensured environmental and social justice. Example**
- **MTN Green Office: MTN Corporate Office in Ghana in collaboration with Tekaro Ventures: Tekaro is a management company that ensures that all waste generated from MTN office is recycled. Power is, automatically, short down sometime after work hours, to ensure environmental sustainability.**



HISTORICAL DEVELOPMENT MILE STONE

History and achievements of MTN on their growth process.

- **In 2001, 1st call on the MTN Nigeria Network was made**
- **In 2003, MTN connected 1 million people in Nigeria.**
- **In 2004, MTN incorporated MTN Nigeria Foundation. The essence of the foundation is to ensure that MTN discharges its social responsibilities. Example: awarding of scholarship and building of classroom blocks in some universities.**
- **In 2013 MTN reached 50 millions subscriptions base. This means that MTN grew from 1 million subscribers in 2003 to 50 million subscribers in 10 years.**
- **In 2019, MTN was enlisted on the premium Board of Nigerian Stock Exchange and was the 1st to carryout 5G trials in West Africa.**

The essence of historical development is to see how innovation has helped MTN to grow beyond bounds.



THEORIES OF OPEN INNOVATION

Open innovation:

This refers to the coming together of different companies in the same industry to share ideas, processes, methods and products.

- Advantages of open innovation
 - ✓ It allows for cross fertilization of ideas.
 - ✓ The firms get the ideas from whomever and wherever.

Closed Innovation

This is the opposite of open innovation. In this case firms believe they can do it themselves

- Nationalization: this is a situation where a firm may concentrate on productivity in a country while selling or tagging the prize or package in another country. Example iPhone has its base in the US but sells its products in Nigeria and other parts of the world. Internationalization is when a company established in one country but establishes corporate offices and production plants or branches in different parts of the world.
- Buying of franchise: This is getting a license to produce another company's goods and distribute the goods in the country of company that has the franchise. The goods should be of the same standard as the ones from the authorizing company.
- Application of internationalization model in Nigeria: MTN launched the Bright strategy in 2017 to provide scholarship to indigent but intelligent students. In acknowledgement of the fact that customer is king.



THEORIES OF OPEN INNOVATION

- **Localization:** localization is developing products or services for a particular market or country. This means that you develop a product for the rich, middle class and poor. Example is MTN credit voucher. There are different vouchers (for both voice and data bundle) MTN has credit vouchers of N100, N200, N500 and N1000 in Nigeria. For data, there is bundle for daily, weekly and monthly subscriptions so that there are data and voice voucher for everyone
- **Competitiveness:** MTN continues to lead in terms of competitiveness by moving masts from cities to the villages. MTN was the 1st to launch 3G network, 4G network and 5G. In the case of social services and infrastructural development, MTN runs the BRIGHT scholarship programme and also bank rolling the reconstruction of Enugu Onitsha expressway in south east Nigeria.



THEORIES OF INTEGRATION RESPONSIVENESS/PORTER GENERIC STRATEGIC MODEL

- **This theory states that, when there is pressure of international integration and local responsiveness, 3 competitive situations will arise**
 - ✓ **Full internationalization**
 - ✓ **Full localization**
 - ✓ **A mixture of both**
- **MTN used the 3rd responsive approach which is the mixture of both full internationalization and full localization. MTN has its base as S/A. It also has corporate headquarters in Nigeria, Ghana, Kenya and others.**



MERIT OF SIMULTANEOUS APPLICATION OF INTERNATIONALIZATION & LOCALIZATION

- **MERIT**

- ✓ **The firm's products or services will meet broad and narrow customer needs. For instance MTN is able to satisfy the needs of its customers in both Nigeria and S/Africa.**
- ✓ **The firm's products or services will be visible to all and accessibility will be easier.**
- ✓ **This mixture maybe more applicable in a locally based organization**



DEMERIT OF SIMULTANEOUS APPLICATION OF INTERNATIONALIZATION AND LOCALIZATION

- ✓ **It may require altering all production models eg SIM card before now is single but today is 3 in one. Full size, micro and nano SIM.**
- ✓ **The company will have more money to satisfy the needs of customers.**
- ✓ **Efficiency is likely to be affected. To stay in Nigeria and produce for Ghanaian market will not likely to give the best result.**



RECOMMENDATION ON THE CHOICE OF INTERNATIONALIZATION AND LOCALIZATION FOR MTN

- **Given MTN's wealth and leadership, we recommend MTN pursue internationalization policy. The reason being that MTN is the leader of telecommunication industry in Africa.**
- **MTN originates from S/A but has its largest market in Nigeria.**



ORGANIZATIONAL PURPOSE, PROFITABILITY AND SOCIAL RESPONSIBILITY

Organizational purpose leadership, foresight, commitment and guidance

- **Leadership:** To always be the 1st to deliver cutting edge technology in the telecommunication industry
- **Foresight:** Having a team that can analyze the direction of the market and take a proactive action that will ensure sustainability
- **Commitment:** This refers to the dedication of management and the staff to solving challenges facing their customers. By opening more outlets that will help to attain to customers
- **Guidance:** This means that MTN is willing to seek advice from sister companies and other stake holders of telecommunication industry
- **Corporate profitability:** This means that a company that has invested should earn more money than its investment to ensure that it pays workers solves problems and remains competitive in the industry



SOCIAL RESPONSIBILITY

- **Every company has a moral obligation to give back to its host community. MTN is aware of this and that was why the MTN foundation was launched in 2004. The MTN Foundation, in turn, launched the BRIGHT strategy in 2017. With these 2 subsidiaries MTN discharges its social responsibilities. Eg. Road rehabilitation, scholarship, financial grants/lottery e.g. Who Wants to Be a Millionaire. All these ensure environmental and social justice.**



CONCLUSION

- **MTN is a true leader in the telecommunication industry meeting the demands of its subscribers in terms of innovation and cost effectiveness using internationalization policy.**
- **MTN is also discharging its social responsibilities making sure that host communities are carried along in the spirit of social justice.**
- **MTN is also involved in environmental cleanliness by recycling its waste such as nylon and paper.**



THANK YOU.





**Capitalist vs. just transitions in German
coal mining regions:
best practices and perspectives of a socio-
ecological transformation**

Dr. Hendrik Sander
Bauhaus-University Weimar/Germany

Outline

- I. The federal frame: coal phase-out and structural transition
- II. Rhineland and Central German region
- III. Process: regional transition governance
- IV. Content: regional green capitalism
- V. An environmental justice assessment
- VI. Just transition approach of regional development

My profile

- ◆ PhD in political sciences: German energy policies after Fukushima
- ◆ currently researcher at Bauhaus-University Weimar, faculty architecture and urbanism
- ◆ my research focus: conflicts about socio-ecological transformation and environmental justice
- ◆ my research fields: urban heat transition, mobility transition, rural mining regions

German lignite mining regions



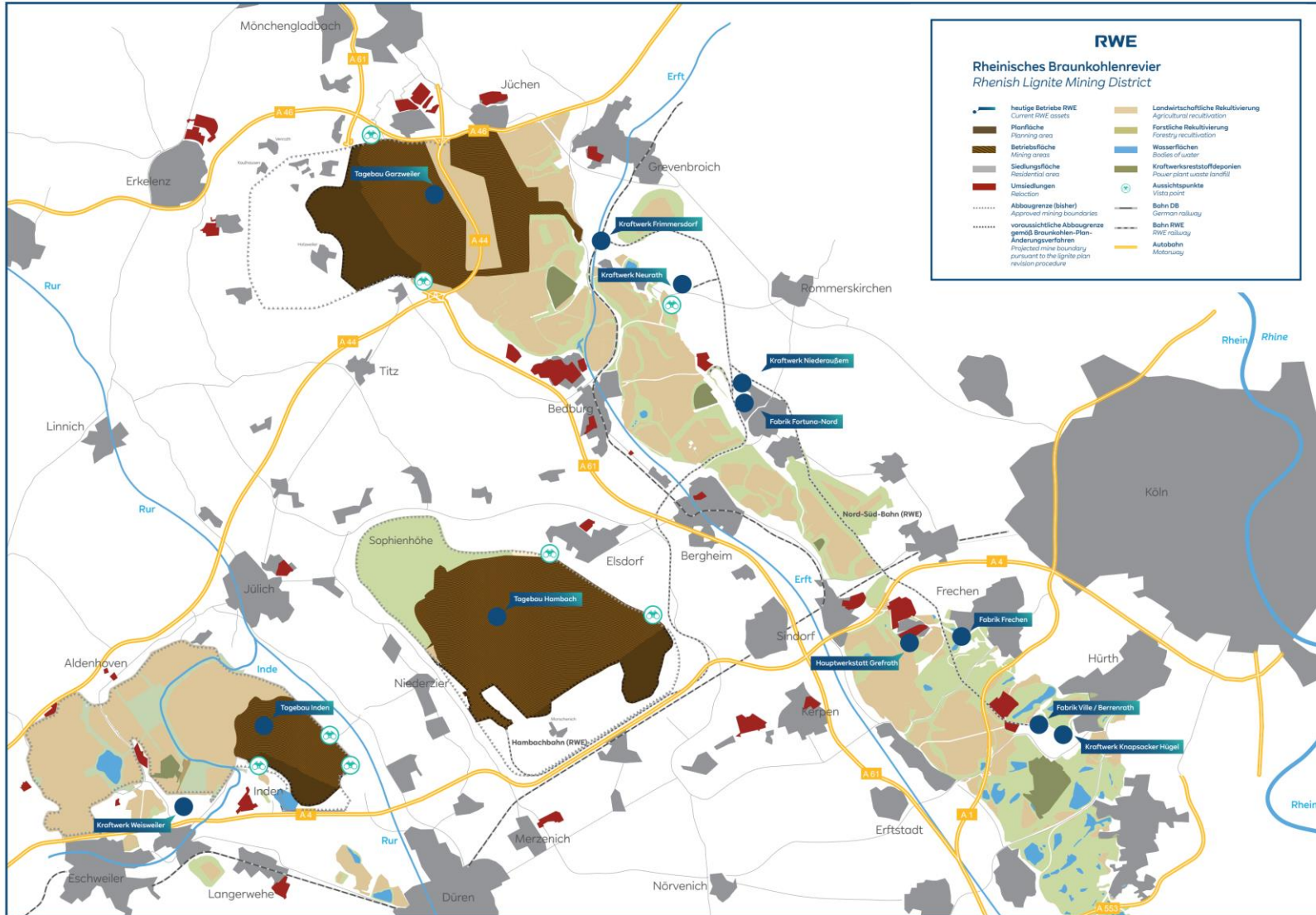
Coal phase-out

- 2020 federal law on the future of German coal industry, compromise between environmental movement and utilities/ trade unions
- Coal phase-out until 2038, fix dates for plant shutdowns, compensations for utilities
- Plan fails to meet the Paris Agreement

Structural regional transition

- 2020 also federal law on structural transition in lignite mining regions
- 40 billions € until 2038, 26 billions directly from the federal government, 14 billions in the hands of affected states resp. municipalities, according to guiding principle
- focus: different infrastructures, research institutions

Rhineland



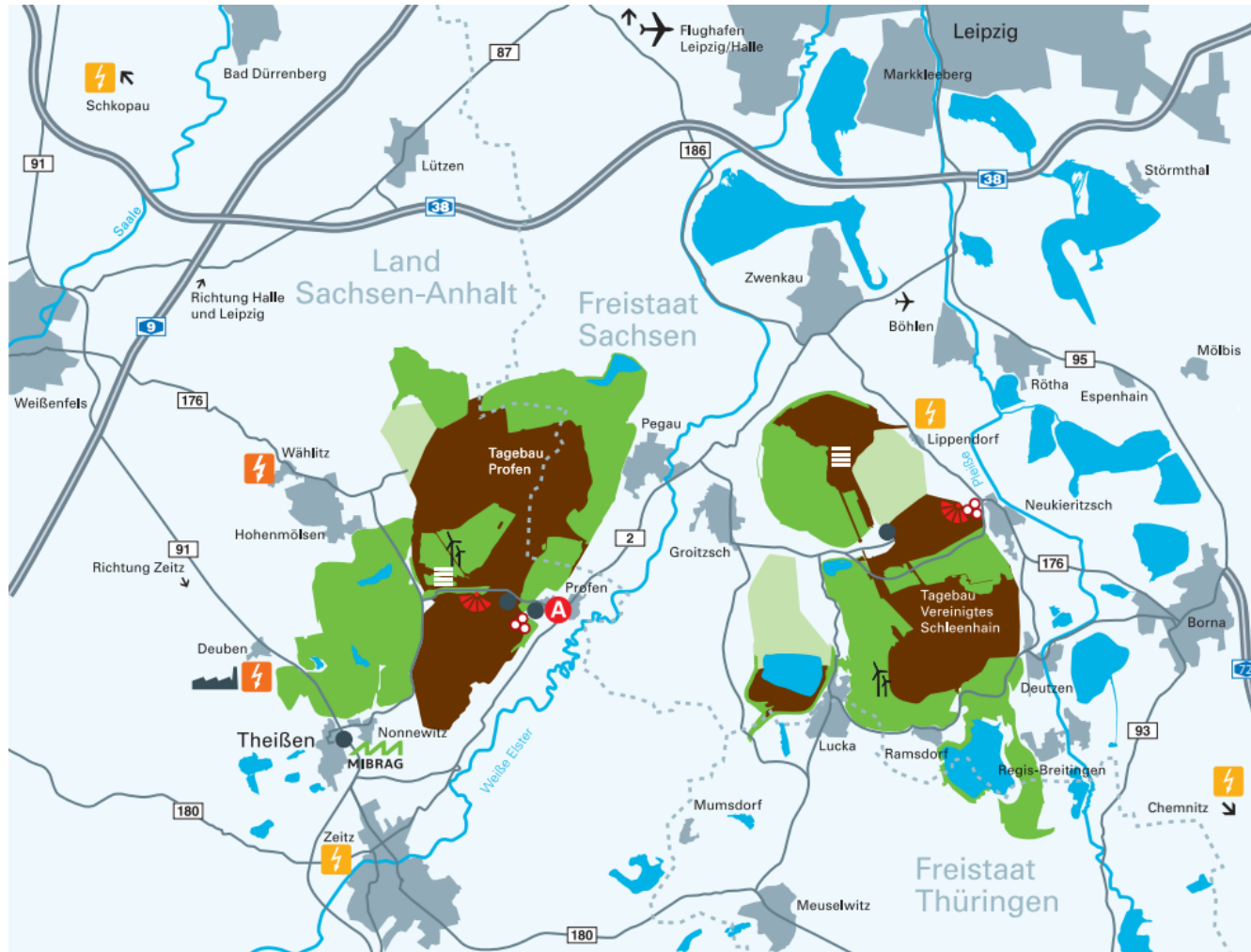
Rhineland: profile



















- ◆ currently 3 open pit mines & 4 power plants, one of the major emitters in Europe
- ◆ controlled by the utility RWE, focus on coal *and* renewable energies (abroad), 9000 coal miners left
- ◆ chemical and heavy industry closely linked to coal industry, 80000 workers
- ◆ bigger part of regional jobs in care and services

Rhineland: profile

- ◆ trade union for coal and chemical industry defends jobs, other unions more open
- ◆ effects of coal industry: climate crisis, regional environmental devastations, eviction of more than 100 villages
- ◆ protest and organizing by NGOs, christian actors, citizens' initiatives, direct action groups

Central German region



-  Hauptsitz
-  derzeitige Betriebsflächen
-  genehmigte Abbauflächen
-  Wiedernutzbarmachung
-  Kohlemisch- und Stapelplatz (KMS)
-  Ausbildungszentrum Profen
-  Veredlung
-  Kraftwerke MIBRAG-Gruppe
-  Kunden-Kraftwerke
-  Verwaltungsstandorte
-  Grenze Bundesländer
-  Autobahn
-  Bundesstraße/Landstraße
-  Wasserflächen
-  Flughafen
-  Aussichtspunkt
-  Windpark
-  Grubenwasser-reinigungsanlage

Stand: 08/2020

Central German region: profile

- ◆ region in 2 states: Saxony and Saxony-Anhalt
- ◆ large part of traditional mining and chemical industry liquidated after reunification, regional economy still weak
- ◆ young generation migrated to other regions, remaining citizens feelings of uncertainty and futility, strong radical right forces
- ◆ clear differences urban and rural areas

Central German region: profile

- ◆ currently 2 open pit mines & 2 power plants, less than 3000 coal miners left
- ◆ regional coal industry under control of EPH: shady financial investor from Czech Republic
- ◆ Civil society relatively weak, isles of activity, rural organizing in the county of Leipzig

Governance: Rhineland

- regional structural transition organized by „Zukunftsagentur Rheinisches Revier“ / ZRR (future agency Rhineland)
- ZRR shapes transition trajectory
- dominated by regional politicians, big corporations, regional chambers of commerce and leading research institutions
- unions minor position in ZRR, civil society no position, citizenry consulted in hindsight

Governance: Central German region

- regional structural transition facilitated by „Europäische Metropolregion Mitteldeutschland“ (European metropolitan region Central Germany)
- dominated by regional elites as well
- state of Saxony-Anhalt organized a parallel process to shape the transition trajectory and to distribute the money
- process: lack of transparency and accountability, top-down, little involvement of civil society

Green capitalism in Rhineland

general focus on regional competition, growth, technological innovations, focus on industry/production, workers as human resources

- traditional industries and corporations in Rhineland shall be ecologically modernized in order to establish a regional green capitalism
- central fields: energy, green heavy and chemical industry, hydrogen, bioeconomy, hightech-innovations
- dominating role of RWE

Green capitalism in Central Germany

similar strategy for Central German region, one size fits all-principle, peripheral regional economy shall become a leading green economic cluster in Europe

- central fields: energy, green chemical industry, hydrogen, green logistics and electric cars, modernization of food industry
- uncertain role of EPH: might abandon the devastated region

Distributive Justice

- CO2-emissions: global climate injustice continued
- regional environmental justice: evictions and socio-ecological devastations continued, poor households disproportionately affected
- social justice: neither enough jobs in industry nor decent jobs in care and other sustainable sectors

Procedural Justice

- process organized top-down by federal and state institutions
- regional agencies dominated by regional political and economic elites
- only symbolic inclusion of civil society and citizens, no substantial participation

Recognition

- ✘ official agenda pretends to recognize interests of workers as well as environmentalists
- ✘ But neither interests and identities of precarious workers nor of environmental/marginalized groups recognized

Capabilities

- ✘ no general vision and concrete approaches for a good life for all in the post mining regions
- ✘ no political empowerment and material resources for a self-determined development

Just Transition



Just Transition: actors

- environmental NGOs
- christian groups and churches
- citizens' and direct action groups
- open-minded trade unions
- local community organizations

Just Transition: principles

A new narrative for an alternative trajectory of regional development:

- global climate justice and short term coal exit
- decent work and social security
- socialisation of key sectors/ public commons
- degrowth and care economy
- democratization of the process

Just Transition: fields

- energy democracy (e.g. public utilities)
- just heat transition
- public mobility for all
- organic farming and food sovereignty
- strengthening the care sector
- education and science for a emancipatory transformation

Just Transition: best practice

- Wanlo (Rhineland): rural development plan → a former school as a village commons
- Hohenmölsen (Saxoni-Anhalt): green public district heating in a small mining town
- Rhineland: Regionalwert AG (citizens' stock corporation) → regional network for community supported agriculture