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Multinational Corporations and Their Effects on Nigerian Economy

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Abstract
This work is anchored on multinational corporations and their effects on Nigerian economy. The study was necessitated by the negative impacts of these corporations on our economy which have hampered economic growth. A Theoretical Research Design was adopted. The paper utilized content analysis of library materials, journal publications, internet materials and other documented materials relevant to the subject matter. Three theories such as New Trade Theory, Dependency Theory and Unequal exchange theory were reviewed to lend credence to the ills of these multinational corporations in Nigeria. Objectives were formulated to critically explore the negative effects of multinational corporations on our economy with a view to suggesting ways of minimizing these effects. The findings revealed that Multinational corporations had done more harm than good on Nigerian economy in terms of profit repatriation, environmental degradation, human rights violation, non-technology transfer, bribery and corruption etc. That most of these corporations are imperialist and parasitic in nature. It was concluded that since these businesses are component of the society, they must subject themselves to the fair requirements of the society since they raise huge capital from their operations in the society. It was also recommended that representative of all stakeholders-employees, customers, society, government should be appointed as members of the Board of Directors of various corporations, for direct representation and participation in the decision making process.
Keywords: multinational corporations, Nigerian economy, effects

INTRODUCTION

1.1 BACKGROUND OF THE STUDY

The main players in a global knowledge-based economy are corporations (MNCs). The Dutch East India Company was the first multinational corporation in the world and the first company to issue stock (Mondo, Visione, 2008). It was also arguably the world's first mega corporation, possessing quasi-governmental powers, including the ability to wage war, negotiate treaties, coin money, and establish colonies, Ames, Glenn.J. (2008). The history of multinational corporations in developing multinational countries is marked by its origins in policies of imperialism and Colonialism. Nigeria as a developing country has played host to MNCs long before independence till date. The number and activities of these MNCs have grown over time as Nigeria struggles to develop socio-economically as a nation Onudogo (2013).Multinational corporations are those powerful conglomerates that came into being in Nigeria after the abolition of slave trade, Aworom(2013). As a result, the European countries needed a market for surplus products and place to access cheap raw materials and labour, Africa especially Nigeria became the obvious destination. They dominated the Nigerian economy after her independence.

Consequently, today, Multinational Corporations like the United African Company (UAC), Toyota motors, Coca-Cola, Lever brothers, Mobil oil; Shell BP etc. dominate the landscape of Nigerian economy. These corporations are very rich in all ramifications because of the profit they make in Nigeria. For instance, Nigeria is one of the largest producers of oil in the world which accounts for over 80% of her income. Since this sector of the economy is effectively controlled by multinational corporations who make enormous profit from the industry, one expects that they should spearhead the developmental process of Nigeria but unfortunately the reverse is the case.Most of these corporations have been fingered on several occasions playing active roles in the under development of Nigeria. These corporations are distinguished on the basis of their orientation into "ethnocentric" (home-country oriented), "polycentric" (host-country oriented) or "geocentric" (world-oriented), Bernadine (2003).

International business is the spur for multinationals and both are currently boosted by the wave of globalization. The concept of globalization has given impetus to multinational corporations/enterprises to operate more easily in other parts of world other their home countries. The term 'globalization 'means integration of the world economies into one in a phenomenon aptly called "global village Onudugo(2013).No one can deny the importance of MNCs in the current global business environment-there is usually huge capital investment in major economic activities; the country can enjoy varieties of products, services and facilities, brought to their doorsteps; there is creation of more jobs for the populace; the nation's pool of skills are best utilized and put to use effectively and efficiently; there is advancement in technology as these companies bring in state-of-the-art-technology for their businesses. Most of the products we use are supplied by multinational corporations. Their presence and significance in our lives are undeniable facts. They have developed distinct advantages which can be put to the service of world development. Their ability to tap financial, physical and human resources around the world and to combine them in economically feasible and commercially profitable activities, their capacity to develop new technology and skills and their productive and managerial ability to translate resources into specific outputs have proven to be outstanding. At the same time, the power concentrated in their hands and their actual or potential use of it, their ability to shape demand patterns and values and to influence the lives of people and policies of governments, as well as their impact on the international division of labour, have raised concern about their role in world affairs. This concern is probably heightened by the fact that there is no systematic process of monitoring their activities and discussing them in an appropriate forum. The relevance of the foreign private sector to the development of developing countries was recognized in the International Development Strategy for the Second Development Decade unanimously adopted by the United Nations General Assembly in 1970. Countries such as Singapore, Malaysia, and Thailand have encouraged foreign direct investment actively because of the tremendous positive impact which multinational corporations have created on their economies. The growth in China's coastal sector is indisputably linked to the massive Investments by multinational corporations. However, historically, Japan and Korea have pursued more cautious policies regarding investments by multinational corporations.

Most economists believe that the MNCs are exploitative as natural resources found in developing countries such as Nigeria meant for its developmental goals are not productively utilized due to de-capitalization of the economy in form of profit repatriation, Osuagwu and Onyebuchi(2013).Ozoigbo and Chukuezi,(2011) in full support of the above claim argued that the idea of investing in foreign land is not to better the lot of the host nation but to exploit as much as possible in order to develop the home country. Hence, they are often accused of destructive activities such as damaging of the environment, complicity in human rights abuses, and involvement in corruption and stifling of infant industries autonomy. Although, Bulu and Ango (2012) reports that many MNCs are now attempting to manage these complex set, hence, they are often accused of destructive activities such as damaging of the environment, complicity in human rights abuses, and involvement in corruption and stifling of infant industries autonomy issues in the host countries by implementing corporate social responsibility (CSR) strategies; because such issues may risk the success of their operations. But it is not in the nature of the MNCs to solve social or economic problems of the host countries. This is owing to the fact that the interaction between multinational corporations and host country institutions is not well understood (Wiig and Kolstad, 2010). There is a risk that multinational corporations facilitate patronage problems in resource rich countries, exacerbating their resource base. The influence of the big businesses is so pervasive that even if you don't want them, you may find that sooner than later their products would find you. This is influenced by the convergence of ideologies, tastes, technologies, free and easy movement of people and capital, and international political cooperation. It is under the auspices of the foregoing that this study sets out to critically examine the negative effects of multinational corporations on the economy of Nigeria. This paper also suggests ways of minimizing these negative effects and how these corporations can be managed.

1.2 STATEMENT OF THE PROBLEM

In Nigeria, the activities of multinational companies have been identified as questionable or even unethical because of the harms they have caused on the society. Because of their formidable resource base, they dominate the economy, straddle the indigenous entrepreneur and in the process create a monopoly. In the oil sector which is the economic mainstay in Nigeria, these corporations perpetrate heinous activities such as pollution of the environment, inadequate technology transfer, violation of human rights, blunt refusal to discharge their social responsibilities, gas flaring which destroys wildlife, seafood's and farmland especially in the Niger-Delta region without adequate compensation. Equally, the activities of these multinational corporations have led to increase in anti-social activities like drug abuses, prostitution, kidnapping, armed robbery and murder etc. On the effect of these kidnappings on the socio-economic development of Nigeria, Ajaero submits that Nigeria lost N2.46 trillion in 2006, N 2.69 trillion in 2007 and N2.97 trillion in 2008 through attacks on oil installations resulting in shutdowns and spillages. Nigeria has also lost billions of Naira to foreign countries through act perpetrated by multinational companies such as tax evasion, bribery, under-declaration of profit, over-invoicing, smuggling, and racketeering.

1.3 OBJECTIVES OF THE STUDY

The broad objective of this study is to x-ray the negative effects of multinational corporations on Nigerian

economy. Specifically, the study sought to:
i Find out ways of minimizing these effects on Nigerian economy.
ii. Examine how multinational corporations can be managed to enhance economic growth and development in Nigeria.

REVIEW OF RELATED LITERATURE
2.1 CONCEPTUAL REVIEW:
There are myriads of definitions in connection with multinational corporations; it is sufficient to note a number of its characteristics. In the first place, multinational corporations make direct investments in foreign countries. MNCs are characterized by a parent firm and a cluster of subsidiaries or branches in various countries with a common pool of managerial, financial, and technical resources. The parent firm operates the whole in terms of a coordinated global strategy. Purchasing, production, marketing, research, etc., are organized and managed by the parent in order to achieve its long-term goal of corporate growth. Multinational Corporations have been broadly defined as business firms that uphold value added-holdings overseas.

According to Spero and Hart (1999) a multinational corporation (MNC) is a business enterprise that maintains direct investments overseas and that upholds value-added holdings in more than one country. An enterprise is not truly multinational if it only operates in overseas or as a contractor to foreign firms. A multinational firm sends abroad a package of capital, technology, managerial talent, and marketing skills to carry out production in foreign countries. Dunning (2008) supports the same view and defined MNC as an enterprise that engages in foreign direct investment (FDI) and owns or, in some way, controls value added holdings in more than one country.

Hennart (2008) defines MNC in a different way by envisaging it as a privately owned institution devised to organize, through employment contracts, interdependencies between individuals located in more than one country. Multinational Corporations according to Kogut and Zander (2003) are economic organizations that grow from its national origins to spanning across borders.

Hill (2005) views Multinational Enterprise as any business that has productive activities in two or more countries. According to him; certain characteristics of Multinational Corporations should be identified at the start since they serve, in part, as their defining features. Multinational Corporations are usually very large corporate entities that while having their base of operations in one nation—the "home nation"—carries out and conducts business in at least one other, but usually many nations, referred to as "host nations. Kim (2000) in agreement with this proposition envisages Multinational Corporations as very large entities having a global presence and reach. Multinational corporations (MNCs) can spur economic activities in developing countries and provide an opportunity to improve the qualities of life, economic growth, and regional and global commons Litvin (2002).

According to Gilpin (1987) cited in Osugwa and Onyebuchi (2013) 'the principal objective of multinational corporations is to secure the least costly production of goods for world markets. This goal may be achieved through acquiring the most efficient locations for production facilities or obtaining taxation concession from host governments. This objective confirms the views of the Marxist who see the MNCs as progressive agents of capitalism. Multinational company lies in the fact that its managerial headquarter is located in one country while the company carries out operation in a number of other countries as well.

Okwandu and Jaja (2001) define it as a large enterprise with operations and divisions spread over several countries but controlled by a central headquarters. Multinational corporation is an enterprise which possesses at least one unit of production in a foreign country Meier and Schier(2001). MNC is an organization owing or controlling enterprises or physical and financial assets in at least two countries of global economy and opting for a multi-domestic strategy founded on social-economic differences of these countries as a reply to specific local demand. The multinational corporation or enterprise generally consists of the parent company (the resident of one country) and at least one affiliate (resident of another country).

Andreff (2003) defines the MNC in a more theoretical way as an enterprise whose capital is acquired in the process of international accumulation. Porter (1990) defined Multinational Company (MNC) as a company with operations in more than one country. It can also be referred to as an international corporation. The international Labor Organization (ILO) has defined a MNC as a corporation that has its management headquarters in one country, known as the home country, and operates in several other countries, known as host countries. The operations outside the company's home country may be linked to the parent by merger, operated as subsidiaries, or have considerable autonomy.

2.2 THEORETICAL REVIEW
Three theories were reviewed to explain the relationship between multinational corporations and Nigerian Economy. They include New Trade Theory, Unequal Exchange and Dependency Thories.

New Trade Theory was propounded by Tejvannne and Pettinger(2013).It proposes that a critical factor in determining international patterns of trade are the very substantial economies of scale and network effects that can occur in key industries. These economies of scale and network of effects can be so significant that they outweigh the more traditional theory of comparative advantage. Economies of scale are factors that cause the average cost of producing something to fall as the volume of its output increases. Economies of scale were the main drivers of corporate gigantism in the 20th century. They were fundamental to Henry Ford's assembly line and they will continue to be the spur to many mergers and acquisitions today.

New Trade theory is a factor that explains the growth of globalization which multinational corporations serve as main agents. It means that poorer, developing economies may struggle to ever develop certain industries because they lag too far behind the economies of scale enjoyed in the developed world. The theory suggests that government might have a role to play in promoting new industries and supporting the growth of key industries. A developing economy may need tariff protection and domestic subsidy to encourage the creation of capital intensive industries. If the industries get support for few years, it will be able to exploit economies of scale and then be competitive without government support.

New Trade Theory is not primarily about advocating government intervention in industry. It is more a recognition that economies of scale are a key factor in influencing the development of trade. It also suggests that free trade and laissez fair government intervention may be much less desirable for developing economies who find themselves unable to compete with established multinationals.

DEPENDENCY THEORY

This study is anchored on dependency theory developed by Boxborough(1974).According to the theory" dependency implies a kind of parasitic relationship that exists between the highly industrialized and the less developed ones in a manner that ensures the continuous advancement of the former to the detriment of the later. The theory defines the relationship between Nigeria and the multinational corporations, especially their owners.

This theory represents the complex politico-economic relationship that binds the advanced capitalist countries of the Centre and the other countries in the periphery such that the movement and structure of the former decisively determine those of the later in a fashion somehow detrimental to the economic progress of the other societies. Countries, such as Ghana, that once experimented with the dependency theory have achieved neither prosperity nor greater economic independence. Rather they have experienced much poverty, misery and greater dependence on international aid and charity Ahiakpor(1985).

UNEQUAL EXCHANGE THEORY

The Theory of equal exchange equally explains situation in Nigeria. According to Arghiri (1972), underdeveloped countries are exploited through the process of unequal exchange. In the realm of international trade, when the former sell their commodities below value and at the same time buy commodities from the developed countries above the value; this provides a veritable means of under development. In Nigeria, our crude oil is sold at a much reduced price to the Multinational Corporations who refine it and sell to us at very exorbitant prices.

2.3 NEGATIVE EFFECTS OF MULTINATIONAL CORPORATIONS ON NIGERIAN ECONOMY

Nigeria is very much affected by the negative activities of these multinational corporations operating in Nigeria. Their obnoxious acts have affected our economy tremendously. They include:

- Environmental degradation: This is more conspicuous among the oil producing companies/firms in Nigeria. These companies have blatantly degrades our environment ,farmlands, wildlife, rivers through gas flaring, oil spillages Ibeanu(2009).At the same time, millions of naira have been lost on these issues because they seriously impede economic growth and development of the country. For instance, Nigerians lost 2.456 trillion in 2006, 2.69 in 2007 and 2.97 in 2008 as a result of the activities of these multinationals.
- Technological backwardness: It is in this area that the MNCs are regarded as the worst culprits because it is in this section that the MNCs play their greatest trick imaginable. The MNCs by way of purporting to help industrialize Nigeria create a branch-plant economy of small inefficient firms incapable of propelling overall development. The local subsidiaries exist only as enclaves in the host economy rather than as engines of self-reliant growth. These corporations intentionally and deceitfully introduce inappropriate types of technologies that hinder indigenous technological developments. These MNCs employ capital intensive productive techniques that cause unemployment. All these prevent the emergence of domestic technologies. Before the advent of the MNCs, in Nigeria, there were so many assorted types of technologies all over the country, though they were of low scale type. The MNCs rather than help them grow knocks them off systematically through the introduction of more advanced technologies. The MNC both retain the control of the most advanced technology and do not transfer it to Nigeria or the rest of the developing economies at reasonable prices.

The negative impact of MNCs on Nigerian economy is most conspicuous in this area of technology transfer. Ozoigbo and Chukuezi (2011) noted that there are four main reasons for this assertion;

a) Most of the imported technologies came under the industrial property system of restrictive patterns and license. This is a very sensitive barrier for Nigeria. The implication of this is that Nigerians cannot copy and internalize these technologies even if they have the capacity.

Because of this, Nigeria has to make do with dependent development, which has several deleterious economic consequences.

b) The MNCs jealously guard the technological know-how of their technologies by way of refusing to make use of competent staff. The MNCs instead use mere technicians who are at the last rung of productive process and simply assemble together what they knew not how it was produced. By implication Nigerians cannot learn from the technicians the intricacies involved in the production of the material or product.

c) Another point of skillful deceit by the MNCs is the fact that where qualified and competent indigenous staff are to be exposed to the technological know-how of a type of production.

Sometimes the type of technology they are exposed to is so sophisticated that they are mesmerized by it. In some cases, the high capital that may be needed simply embarrasses the nation in that they cannot afford it instead she prefers to forget about it.

d) The MNCs increase the mal-distribution of income in Nigeria and other less developed countries. The case of oil workers earning in a month what some federal civil servants earn in a year does not augur well with the development of the nation. This step creates a class-conscious society, which does not help development as such. Therefore, the type of technology that the MNCs imported into the country is the one that serves the few urban elite because only they have the resources to get at it while the generality of the populace continue to face stark underdevelopment.

iii) - Structural Distortion*:* The principle of industrialization in an open economy of the Nigerian government in relation to the MNCs has given the MNCs the freedom to choose their line of operations, the locations of their industry and other productive processes. The MNCs natural base is usually in urban centers of the Nigerian society like Lagos, Kaduna, Enugu and Port- Harcourt. The industries in these cities are mainly those of oil and consumer goods. This urban concentration of MNCs distorted the structure of the society by enhancing an uneven “development”.

iv*) - Political Instability**:* Because these corporations require a stable host government, which of course is sympathetic to capitalism, they try as much as possible to directly protect the existing government whenever a reactionary leader or group seems to take over the government. The MNCs try to maintain the status quo that is, dependent development which encourages the emergence of authoritarian regimes in the host country and go ahead to create alliances between international capitalist and domestic capitalist elite. This exploitative alliance is sustained by the intervention of the corporations’ home governments in the internal affairs of the less developed countries. In this fashion, foreign investment tends to make the host country politically dependent upon the metropolitan country, Gilpin (1987).

It is on record that the MNCs kept President Mobutu of Zaire in power for so long because he was tutelage to them and with MNCs they sucked dry the economy of Zaire. The MNCs equally were responsible for the early exit and assassination of Patrice Lumumba because he would not allow their exploitative activities. The same story is true of Captain Thomas Sankara of Burkina Fasso and so many others. So the multinationals in the third world in particular and Africa at large have gained much from the political instability that exists here and there. Africa now has the greatest number of countries experiencing one kind of political crisis**.**

v) Profit Repatriation: These corporations have siphoned our economy by sending bulk of their profits to their home countries which they could have invested to develop our country, thereby, subjecting us to the whips and caprices of underdevelopment. Consequently, the royalties or pittance paid to the government by these MNCs are so inconsequential that they cannot be invested into heavy industrial projects. Today we are suffering from economic underdevelopment because of capital flight.

vi) Bribery and corruption: These corporations are one of the agents of corruption in Nigeria. They have influenced our leaders negatively through bribes to earn their ends meet. This is a wrong signal to the international community and a big minus for Nigerians’ image and reputation.

vii) Salary Discrimination: Multinational corporations adopt discriminatory salary policies. Expatriates are highly paid while Nigerians are given peanuts when compared to what expatriates are earning monthly or annually. For instance, I personally witnessed this scenario at 7-up Bottling Company and Ama Breweries plc.located in Enugu. These companies not only pay fat salaries to these expatriates but also take responsibility for their up-keep to the extent of feeding their dogs.

viii) Inadequate Provision of Social Responsibilities: Multinational corporations have not done much in terms of social responsibilities. For instance, the largest oil producer in the country, Royal Dutch/Shell has been repeatedly criticized. In the early 1990s, several ethnic groups in Nigeria, which was ruled by a military dictatorship, protested against foreign oil companies for causing widespread pollution and failing to invest in the communities from which they extracted oil.

ix) *Cultural Degradation*: The adverse effects of the presence and operations of MNCs in Nigeria are also felt in the area of our cherished cultural heritage. Indeed, there are negative effects of foreign direct investment on the cultural and social well-being of Nigeria and other fewer developing countries. The domineering presence of the MNCs in Nigeria is characterized as constituting a form of "cultural imperialism or *co*lonization of the society" (Gilpin, 1987), through which Nigeria and indeed, the rest of the developing countries lose control over their culture and social development. These multinationals undermine the traditional values of the Nigerian society and introduce through its advertising and business practices, new values and tastes inappropriate to the Nigeria nation. An instance of this is the introduction of foreign violent and crime-laden films and videos as well as pornographic materials into Nigeria. It has been rightly observed that these foreign values are not only bad in themselves but are detrimental to the development of the country because they create demands for luxury and other goods that do not meet the true needs of the common masses.

In considering the issue of the transfer of inappropriate technology, it has to be noted that Nigeria and other third world economies want not only the most advanced technologies but also labour-intensive technology, which will serve as appropriate technology, in order to maximize employment. Furthermore, the transfer of capital-intensive technology by the MNCs is not beneficial to the less developing economies like Nigeria. This is true because what would have taken a lot of time doing, machines do better in a lesser time and thereby save costs. The charge of cultural imperialism, despite its veracity, has to be stated at the same time that the very process of economic growth or development itself is destructive of traditional values, since it necessarily involves the creation of new tastes and unaccustomed desires. MNCs are inherently exploitative. Stopford(1998) states that advocacy groups often portray multinationals as globetrotting sweatshop operators, indifferent polluters, and systematic tax evaders. Exploitation remains a problem. But how much of this is a function of business in general, rather than MNCs in particular? He claims that smaller, local firms often can be much more exploitative than foreigners. Multinationals typically pay at or above the going wage and provide superior training. But even if most MNCs are well intentioned, they suffer from a credibility gap.

Perhaps unwittingly, MNCs can fuel public concern by being culturally insensitive, not honoring promises made by their predecessors, and being inconsistent in other aspects of their "social contract" with local society. With regard to the environment, international big business is both the creator of pollution and the only resource available for its cleanup. The MNCs' record on pollution pales in comparison with those of many local businesses and state-owned enterprises. The issue of tax evasion continues to generate acrimonious debate, despite guidelines produced by the Organization for Economic Cooperation and Development. Multinational corporations protest that they pay their taxes responsibly. When many MNCs conclude that the host government had abandoned its favorable investment climate. They cut back on capital spending, closed some plants, and moved money offshore.

*Employment policies: **These corporations are in the habit of employing expatriates to fill in the key positions. That is why they adopt ethnocentric model of staff selection where expatriates are given preference in terms of recruitment and selection. This is inimical to the economic growth and development**.

2.4 MANAGEMENT OF MULTINATIONAL CORPORATIONS IN NIGERIA

Managing multinational corporations require a different set of conceptual tools
than in the case of purely domestic firms. In particular, it is important to understand the Fundamental economic, strategic, structural, organizational, and socio -political issues that have Impact on the process of international expansion of the firms, on the linkages between foreign subsidiaries and corporate headquarters in the home country, and on the relationship between the multinational firms and interest groups in the foreign countries, including the government, labor unions, customers and suppliers. Their employment modes such as polycentric, ethnocentric and geocentric should be seriously taken into consideration in order to achieve effectiveness and efficiency in their managerial process. Bernadine (2003:26) identifies four possible models. These models include:

Ethnocentric model: This model works within the assumption that management and human resource practices are critical core competence to a firm's competitive advantage and as such should not be trifled with nor compromised (Bird et al, 1998). Under this model, the foreign subsidiaries tend to have little autonomy and operations and decisions are typically centralized at the headquarters. The bulk of the management staff is usually sent from the headquarters and comprises mainly the Parent Company Nationals. Most Japanese and American organizations are known to use this approach in recruiting and deploying their staff.

Polycentric Model: This model handles subsidiary as a distinct entity with some level of decision making authority. Under this model both the management and the supporting staff are usually selected competitively from the local labour market. The only challenge is that in most cases, these local personnel are hardly ever promoted to work outside their local environment either in other countries where the company has subsidiaries or in the headquarters. This model is cheaper in addition to being more adaptable to local conditions.

Geocentric Model: This model tries to remove the boundaries and separating lines between the parent company and the subsidiaries scattered all over the globe. It strives to integrate its businesses with the relationships based on collaboration and mutual reciprocity Onodugo (2013). Under this model, the organization begin to see itself as having a global workforce that can be deployed and utilized in a variety of ways throughout the world. Key positions tend to be filled by the most qualified individuals regardless of nationality, race or colour. Staff remunerations in companies that are geocentric are generally based on global market rates and standards. Pay and work considerations are solely based on individual contributions to the organization rather than country of origin.

It is important to note that within the contextual needs of developing countries any model chosen must strike a balance between maximizing its huge labour potential and providing opportunities for technology transfer. A critical look at the models enumerated above, one can suggest that, for multinational corporations to thrive in Nigeria, polycentric and geocentric

Models or approaches to staff selection be adopted. They increase the chances of technology transfer. The best strategy again is for developing countries like Nigeria to initiate standard policies that will be binding on the operations of multinational corporations in Nigeria.

WAYS OF MINIMIZING NEGATIVE EFFECTS OF MULTINATIONAL CORPORATIONS IN NIGERIA.

These negative effects of multinational corporations on Nigerian economy can be reduced through the instrumentality of:

- **Government active intervention and honest participation:** Although government herself is guilty of unethical practices like bribery and corruption but she can still influence operations of multinational corporations positively in order to reduce the magnitude of their nefarious activities on Nigerian economy. Assistance from government can be planned and programmed as a component in a national environment program. This can be achieved in three broad ways: Inform, sensitize and engage businesses in dialogue and negotiations concerning voluntary initiatives. Secondly, offering incentives and assistance to firms seeking to adopt more environmentally responsible business models. Thirdly, re-enforcing monitoring environmental conditions and enforces sanctions (Mazurkiewicz, 2003).
- **Strict penalties and sanctions:** These have the capacity to curb corrupt practices. Government should impose more severe penalties on the directors of companies and threats of corporate closure.
- **Corporate Environmental Policy:** Companies committed to reducing their environmental impact usually create a set of environmental principles and standards, often including formal goals. At minimum, most of such statements express a company's intentions to respect the environment in the design, production and distribution of its products and services; to commit the company to be in full compliance with all laws and go beyond compliance whenever possible; and establish an open-book policy whereby employees, community members and others can be informed of any potentially adverse effects the company might have on the environment.
- **Environmental Scanning:** Before a company attempts to reduce its impact on the environment, it is essential that it first gains a full understanding of it. For most companies, this usually involves some kind of environmental audit. The goal of audits is to understand the type and amount of resources used by a company, product line or facility, and the types of waste and emissions generated. Some companies also try to quantify this data in monetary terms to understand the bottom-line impact. This also helps to set priorities as to how a company can get the greatest return on its efforts, onwuchekwa(2000).
- **Employee Training/ Involvement:** Leadership of companies recognizes that to be effective, an environmental policy needs to be embraced by employees throughout the organization, not just those whose work is related to the environment. To do that, companies should engage in a variety of activities, especially education, to help employees understand the environmental impact of their jobs and to support their efforts to make positive changes. Some companies go further, helping employees become more environmentally responsible throughout their daily lives, helping them build a true environmental ethics. Besides education, many companies create incentives, rewards and recognition programs for employees who demonstrate their environmental commitment.
- **Green Procurement:** To help ensure that their products and processes are environmentally responsible, many companies seek to buy greener products and materials from their suppliers. Some companies participate in buyers' groups in which they leverage their collective buying clout and power to push suppliers to consider alternative products or processes.
- **Green Products:** Products themselves may be made more environmentally friendly, with regard to, for example, the control of emissions, noise, reduced health and safety risks, and reduced energy

requirements.

- **Effective Regulatory Mechanism:** investors must be thoroughly screened so that genuine ones can be allowed to do business. This will ensure that the kind of investment that is welcomed is one that can complement the developmental objective of the host country and equally ensure that only multinationals that meet the developmental objectives are welcomed.

3.1 METHODOLOGY

RESEARCH DESIGN:

This study adopted a theoretical Research design. Research design is a plan of investigation that specifies the sources and types of information relevant to the research problem.

3.2 SOURCES OF DATA

Data for the research was collected through secondary source. The research utilized content analysis of library materials, journal publications, internet materials and other documented materials relevant to the subject matter.

5.1 SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

Based on the literature reviewed, the following findings were articulated:

- Multinational corporations have done more harm than good on Nigerian economy in terms of profit repatriation, environmental degradation, human rights violation, non-technology transfer, bribery and corruption etc. That most of these corporations are imperialist and parasitic in nature.
- That it is only through active government participation and honest intervention in operations of these multinationals that will minimize their nefarious activities on Nigerian economy.
- That adoption of ethnocentric approach of staff selection will not only favour a developing economy like Nigeria but also the polycentric approach that encourages filling the key positions from home country nationals should be entrenched and encouraged.

5.1 CONCLUSION

Multinational corporations are the major vehicles by which globalization is affecting businesses in different parts of the world. Globalization further makes the influence of multinational enterprises more pervasive and impacting. These corporations in spite of their meager benefits have impacted negatively on our economy. Nigeria as a developing country can only benefit tremendously from operations of these multinationals if serious considerations are given to the environment in which they operate.

Since these corporations are component of the society, they must subject themselves to the fair requirements of the society, for, their relationship is paramount and reciprocal (the corporation needs the society just as the society needs the corporation) "Business is not divorced from the rest of the society. How these corporations behave affect many people, not just shareholders Ango (2012).A strong tie must exist between government and various multinationals operating in Nigeria to ensure maximum co-operation and peaceful co-existence.

RECOMMENDATIONS

- Representative of all stakeholders-employees, customers, society, government should be appointed as members of the Board of Directors of various corporations, for direct representation and participation in the decision- making process.
- The polycentric model of staff selection should be imposed by government on these corporations which will be enshrined under her terms of agreement with the multinational corporations operating in Nigeria. This will enhance skill acquisition and ensure adequate transfer of technology.
- There should be interactive sessions on regular basis between the Multinational corporations and leaders of our country to proliferate understanding and enhance harmonious business relationship especially on moral and Ethical ground. Such interactions would impact positively on the ethical performance of both the companies in particular and the various corporations at large.
- Discrimination in employment policies and salaries of workers should be ruled out and adoption of polycentric and geocentric approach to staff selection should be encouraged to benefit our citizenry.
  *A technology policy transfer should be formulated which will be binding on any company wishing to do business in Nigeria. This policy will boost our image and prestige thereby ensuring sustained economic growth and development which is our

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