NATIONAL DEVELOPMENT AND THE ROLE OF MULTINATIONAL INSTITUTIONS: THE NIGERIA EXPERIENCE

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Abstract

This study examines the phenomenon of national development and the significance of multinational institutions in Nigeria. The actions of multinational corporations in Nigeria have been scrutinized due to concerns regarding their ethical behavior and negative effects on society. Due to their substantial resource base, these organizations wield considerable influence over the economy, situating themselves as intermediaries between indigenous entrepreneurs and establishing a monopoly. Using a content analysis methodology, the research examined a variety of information sources, including library materials, journal articles, online resources, and other pertinent archival materials pertaining to the investigated topic. Examining the Endogenous Growth Theory provided support for the negative effects of multinational corporations in Nigeria. It has been determined that, due to their incorporation into society, these businesses are obligated to adhere to the society's equitable demands, as they generate substantial capital through their operations within the societal framework. Additionally, it is suggested that all constituents, including employees, customers, society, and the government, should be represented on the Board of Directors of various organizations. This would allow for direct representation and active participation in the decision-making process.

Keywords: National development, multinational institutions, economy, developing nations, social economic development.

Introduction

Developing nations have served as a host to multinational firms that have witnessed significant expansion over the course of time, while simultaneously facing challenges related to socio-economic development. Nigeria exemplifies this tendency in a significant manner. Nigeria is widely acknowledged as a leading global producer of oil, hence attracting substantial attention and generating considerable investment. Multinational firms that derive significant earnings from their domestic activities. A multinational corporation, sometimes known as a transnational corporation, is an enterprise that conducts business operations in numerous countries, often with a central headquarters. Enterprises exert a significant influence on economies as they contribute to the promotion of economic growth through several mechanisms. Nigeria, along with various other nations, does not exhibit a congruent positive trajectory in terms of augmenting production and income levels. Nigeria, akin to other emerging nations, remains confronted with the enduring challenge of underdevelopment (Andabai, 2013).

Multinational firms exert a substantial influence in addressing underdevelopment by their active participation in improving socio-economic circumstances. According to Akerodolo (2010), the determinants that exert a substantial influence on the welfare of a country encompass its quality of life, economic advancement, and comprehensive growth. The existence of multinational corporations offers considerable benefits and support, hence generating considerable appeal. The issue at hand has attracted the attention of the governments of the host countries, leading to the creation of a conducive atmosphere. The study focuses on the financial and marketing prerequisites of the firm.

Multinational enterprises (MNEs) are multitude of factors that impact the operational dynamics of national development. Numerous obstacles are evident among enterprises functioning within a specific nation, encompassing concerns such as corruption, insecurity, and other associated elements. The increase in corporate expenditures has resulted in a corresponding surge in the expenses associated with conducting business, thereby discouraging foreign direct investment. The necessity of establishing a peaceful and secure climate in Nigeria is imperative to enable the facilitation of various societal processes. Foreign investment is the process by which individuals, businesses, or governments from one nation allocate capital or resources to the economy of another nation. In accordance with the findings of Oregwu and Onuoha (2013),

Throughout history, multinational corporations have played a significant role in promoting and supporting the progress of nations. In contrast to this prevailing pattern, Nigeria has seen a distinct situation in which the activities of various multinational corporations have transpired. Bernardine (2012) contended that the aforementioned practices have had an adverse effect on both the local communities hosting the activities and the nation at large. As a result, Bernardine (2012) articulated the perspective that the consequences of these endeavors have predominantly yielded unfavorable results. Multinational corporations have been widely recognized as influential agents in promoting both economic and social progress. Andabai (2013) presents empirical evidence indicating the occurrence of deterioration within host communities despite the underlying circumstances and undesirable effects. The current discussion pertains to multinational corporations and their positive effects on the progress of the Nigerian economy.

The importance of the economy cannot be exaggerated. The impact of multinational corporations on the nation, notably in the domain of the phenomenon of technology transfer and the following increase in foreign investment are significant factors that warrant attention. Throughout the passage of time, the acts and endeavors undertaken by individuals have played a significant role in shaping various aspects of society. Corporations have been involved in unethical acts that have had a severe influence on the economy. Enterprises possess the capacity to create a monopolistic market position, thereby engaging in actions that are deemed flagrant and have detrimental effects on the respective geographical regions in which they operate.

According to the study conducted by Odigwe and Owan (2019), in the adequate provision of compensation, the host community experiences a perception of being adequately paid in terms of commensurate value. Multinational firms may have a proclivity for employing misleading tactics throughout the process of concluding contractual agreements, however they often harbor a sense of entitlement or rationalization for their behavior. These enterprises are also involved in behaviors such as tax evasion, bribery, and illicit activities. Within the domain of municipal politics, the presence of environmental degradation and its associated issues have a substantial role in the condition of underdevelopment. Nigeria is situated within the West African region. Multinational corporations endeavor to enhance profitability through the minimization of expenses, thereby pursuing a dual purpose. The major rationale underlying the choice to allocate resources to foreign countries has led to the formation of multinational firms that currently occupy a prominent market position. The discourse pertaining to political economy has evoked unfavorable reactions. According to Chukuezi (2011), the Nigerian economy is primarily governed by multinational firms. The aforementioned companies are creating significant financial gains within the Nigerian market. Considering the evidence that multinational as corporations exert a more substantial impact on the economy, it becomes imperative for them to take on the responsibility of supervising it.

Instead of facilitating the progress of the nation, they inadvertently contribute to its hindered growth. The term "country" denotes a geographic and political entity that is commonly distinguished by the ethical conduct of multinational firms operating there. The application of these methodologies may be considered unethical as a result of the adverse consequences they have imposed on society.

Furthermore, throughout the implementation of this strategy, a monopolistic market structure is formed. In Nigeria, various corporations are involved in reprehensible activities, such as the contamination of the natural environment. The lack of adequate technical transfer, violations of human rights, and blatant unwillingness to perform their commitments. The subject under consideration concerns the societal responsibilities linked to the adverse activity of gas flaring, which has been noted to cause substantial damage to several environmental facets, such as wildlife, fisheries resources, and agricultural land, specifically. In the Niger-Delta region, individuals are not adequately compensated for their activities. Likewise, the behaviors executed by these persons. The proliferation of multinational corporations has been correlated with an increase in societal maladies, including the misuse of drugs (Eluka, Uzoamaka & Anekwe, 2016).

Activities such as prostitution, kidnapping, armed robbery, and murder are classified as grave criminal offenses. Nigeria has experienced substantial financial losses of billions of dollars. The facilitation of Naira transfer to foreign nations is enabled by the activities conducted by multinational firms, specifically in the domain of taxation. In many situations, it is frequently seen that behaviors including evasion, bribery, under-declaration of profit, over-invoicing, smuggling, and racketeering are prevalent. In accordance with the findings of Odunlami and Awolusi (2015).

Multinational Corporations

The prevalence of multinational businesses saw a substantial increase in the 20th century as a result of the colonial era, leading to Nigeria being marked by a noticeable presence of these entities. The identification of oil reserves in the Niger Delta region stimulated the involvement of global entities in the nation, leading to the generation of employment prospects for a significant proportion of the youth population within the country (Ajayi & Omolekan, 2013). Abdul-Gafaru (2006) posits that multinational firms play a significant role in enhancing human resources through the facilitation of knowledge and experience transfer. Nevertheless, the current social, political, and economic discussions are abundant with critical narratives concerning the activities of multinational firms within the nation. The concept of a multinational enterprise pertains to businesses that possess a distinct national identity in comparison to their competitors. Udoka (2015) posits that multinational firms are strategic organizations engaged in global operations. A multinational corporation, alternatively referred to as a multinational firm, often comprises a central entity and one or more subsidiary organizations.

To establish dominance, the parent firm frequently maintains a substantial proportion of the business's equity capital. This suggests that overseas activities are perceived as an extension of domestic functions, with the central office retaining its role as the locus of decision-making for the organization. According to Jones (2016), multinational enterprises are defined as organizations that engage in business activities across many nations. The global circulation of technology, ideas, preferences, and commodities is facilitated by the transnational production and distribution of products and services. These organizations function on a worldwide level.

The term multinational enterprise (MNE) is frequently employed interchangeably with multinational corporation (MNC) and is characterized as an entity that engages in global business operations and maintains its central administrative offices in an economically advanced country. Multinational firms are commonly recognized as expansive corporate entities that engage in commercial activities across numerous nations, hence having a pervasive worldwide presence. Foreign direct investments (FDIs) possess the capacity to engender economic activity in developing countries, so fostering enhancements in both the standard of living and overall economic growth. Multinational firms wield significant financial resources, hence having considerable influence over the governance of a nation. Multinational firms are distinguished by their practice of establishing subsidiary entities in several jurisdictions, along with possessing a range of administrative, technical, and financial resources that support their foreign direct investments. Multinational companies, as described by various scholars, refer to expansive corporate entities that possess legal establishment in a certain country, commonly referred to as the home country. These entities concurrently exert authority over production and distribution operations in several other nations, referred to as host countries.

Negative Effects of Multinational Corporations on Nigerian Economy

The presence of multinational corporations in Nigeria has had a profound and detrimental effect on the country. The manifestation of disruptive conduct by individuals has exerted a substantial influence on the economic landscape of our nation. The aforementioned items include:

The oil producing firms in Nigeria exhibit clear signs of environmental degradation. The environmental impact of these firms has been well documented, with evidence pointing to the degradation of farmlands, wildlife, and waterways as a result of their activities, particularly through the practices of gas flaring and oil spillages (Udoka, 2015). Concurrently, considerable financial losses have been experienced as a result of these issues, impeding the nation's economic growth and development to a large extent.

Technological underdevelopment: The role of multinational corporations (MNCs) in exacerbating this problem is well acknowledged, since they strategically leverage this sphere to a considerable degree. Multinational corporations (MNCs), in their purported endeavors to facilitate the industrialization of Nigeria, unintentionally promote an economic framework marked by the presence of small and inefficient branch-plant establishments that lack the capability to stimulate holistic growth. The local subsidiaries predominantly operate as self-contained enterprises inside the host economy, without the ability to stimulate autonomous expansion. These companies intentionally and deceitfully import inappropriate forms of technologies that hinder the evolution of indigenous technical innovations. Multinational corporations (MNCs) deploy capital-intensive manufacturing techniques, which have been linked to the problem of unemployment. Several obstacles impede the progress of home technologies. Before the advent of multinational companies (MNCs) in Nigeria, the country exhibited a wide array of technologies, primarily of a small-scale kind. Multinational corporations (MNCs), rather than fostering growth for local enterprises, gradually supplant them through the introduction of more sophisticated technologies. Multinational companies (MNCs) exert dominion over advanced technology, abstaining from its equitable and affordable dissemination to Nigeria and other developing countries.

The negative impacts of multinational companies (MNCs) on the Nigerian economy are most conspicuous in the realm of technology transfer. Tonye and Andabai (2014) provide four main justifications for this assertion. The majority of the imported innovations were subjected to the industrial property system, with limitations and licensing arrangements. The present matter presents a substantial obstacle for Nigeria, considering its delicate character. The implication of this assertion is that individuals from Nigeria may encounter difficulties in successfully embracing and integrating contemporary technologies, although having the requisite ability. Consequently, Nigeria is constrained to partake in a kind of development that is contingent upon external causes, commonly referred to as dependent development, thereby resulting in numerous unfavorable economic consequences.

Multinational corporations (MNCs) strategically refrain from hiring skilled individuals in order to safeguard their technological know-how. Multinational corporations (MNCs) hire technicians that hold the lowest position in the productive process and are largely tasked with product assembly, without complete knowledge of the production procedures involved. The suggestion is that individuals from Nigeria face challenges in obtaining information from professionals regarding the intricacies involved in the production of a specific substance or product (Eluka, Uzoamaka & Anekwe, 2016).

One additional facet of strategic deception utilized by multinational corporations (MNCs) is to the intentional placement of skilled and competent local staff members in roles that provide them with opportunities to acquire specialized knowledge and experience associated with a particular mode of production. At times, humans may have a sense of fascination with the degree of complexity demonstrated by the technology they encounter. In specific cases, the considerable financial resources needed can potentially give rise to a sense of embarrassment for a nation, as it may beyond their fiscal capacity, prompting them to choose to overlook the issue.

Multinational companies (MNCs) play a role in exacerbating income disparity in Nigeria and other economically disadvantaged countries. The current scenario, in which oil workers are remunerated on a monthly basis at a level that matches or exceeds the yearly salaries of specific federal civil servants, is not favorable to the overall progress and advancement of the nation. This process gives rise to a society that is marked by the presence of class awareness, but its contribution to overall progress is not substantial. Therefore, the technology that multinational corporations (MNCs) introduced into the country predominantly serves the urban elite, since they possess the requisite financial resources to avail themselves of it. As a result, a considerable portion of the populace continues to endure substantial underdevelopment (Udoka, 2015).

Role of Multinational Institutions in National Development

The principal role of multinational corporations in the economy is to enable the movement of physical and financial capital to countries who are facing deficiencies in their capital resources. As a result, the accumulation of wealth gives rise to the emergence of fresh employment prospects, both in a direct manner and indirectly through the phenomenon known as "crowding-in" effects. In addition, multinational corporations generate monetary resources that contribute to the generation of additional tax revenues. Consequently, this facilitates the improvement of infrastructure and the strengthening of human resources in emerging nations. According to Quinlivan (2005), multinational firms have a role in decreasing global poverty rates and are in line with the United Nations' goal of fostering international cooperation and peaceful conflict resolution through the improvement of capital flow efficiency. In general, multinational corporations (MNCs) possess the capacity to stimulate economic activities in developing nations, presenting an opportunity to improve the standard of living, promote economic advancement, and make contributions to regional and global well-being.

Throughout its history, the Nigerian economy has experienced series of reforms and restructuring initiatives in many key sectors. Several changes have been enacted, spanning across areas such as finance, petroleum, and power. The implemented changes have predominantly favored the financial sector, necessitating banks and insurance companies to undergo recapitalization or consolidation as per governmental regulatory directives. The telecommunications industry experienced a substantial transformation with the implementation of the general system for Global System for Mobile Commutation (GSM) in 2001. In recent times, there has been a notable implementation of several structural modifications, such as the deregulation of the downstream petroleum sector and the privatization of previously state-owned parastatals. The aforementioned advancements have exerted a substantial influence on the broader milieu. During the period spanning from 2001 to 2007, the nation's Gross Domestic Product (GDP) demonstrated a compound annual growth rate of 20.68% in nominal terms. One notable trend seen during the economic boom is the gradual increase in the contribution of the non-oil sector, specifically in the agriculture and telecommunication industries, to the overall Gross Domestic Product (GDP) of the country.

The activities undertaken by multinational corporations make significant contributions to the development and prosperity of various countries, including Nigeria. Multinational corporations have the capacity to stimulate economic growth by their direct investments in physical manufacturing, hence increasing tangible production. The presence of multinational corporations in host nations has been observed to have a negative impact on the host nations' import activities, while concurrently promoting increased competitiveness within the host nations. The presence of increased competition fosters the effective distribution of production resources within the countries where it occurs (Bakare, 2010).

Nigeria has witnessed a significant surge in foreign direct investment as a result of its investments in the Global System of Mobil (GSM) telephony. The oil industry has witnessed a significant increase in foreign direct investment, as evidenced by the expanding presence and operations of multinational corporations in the country's oil sector. Multinational corporations actively participate in the direct transmission of technology to their foreign-owned subsidiaries, as well as the indirect transmission of technology to domestically owned firms in host countries. The potential impacts of advanced technology derived from foreign-owned enterprises can be observed through four distinct mechanisms: vertical linkages that establish connections between affiliates and domestic suppliers and consumers, horizontal linkages that establish connections between affiliates and firms operating in the same industry within the host country, labor turnover from affiliates to domestic firms, and the internationalization of research and development activities. The pace of technological progress in firms at a collective level is reliant on the innovative and social capabilities of the countries where they are located, as well as the capacity of other enterprises within those countries to successfully incorporate and embrace these advancements.

Multinational corporations play a significant role in fostering investment and income growth in host countries. They also contribute to the improvement of local environments, offer access to skilled managerial expertise, support the balance of payments by increasing exports and reducing imports, and assist in the equalization of production factor costs. They play a crucial role in facilitating and promoting domestic manufacturing, hence enhancing the efficiency and effectiveness of the production process. Furthermore, they are able to generate positive reactions from operators inside the surrounding area. A significant number of notable Nigerian entrepreneurs initially secured jobs with foreign organizations, through which they acquired vital skills and expertise that played a pivotal role in their subsequent business pursuits (Osuagwu & Ezie, 2013).

Based on the observed trajectory of Foreign Direct Investment (FDI) inflows into Nigeria, with a major concentration on the oil sector, concerns have arisen over the possible benefits obtained from extractive FDI. Several factors imply that the indirect gains of FDI may be limited in extractive sectors, notably in the oil subsector. The lack of integration between the extractive sector and other areas of the economy can be attributed to its enclave nature. Furthermore, the exchange of technology between foreign and domestic enterprises in extractive industries may face limitations due to the capital-intensive nature of the technology utilized (Akinlo, 2004). Furthermore, Akinlo (2004) posits that the significance of backward and forward connections in the context of knowledge transfer is somewhat diminished in extractive foreign direct investment (FDI). The reason for this phenomenon is that the production processes within the natural or primary resource sector exhibit a reduced dependence on inputs from local suppliers. This can be attributed to the sector's significant capital intensity and its major concentration on sales within overseas markets. Based on present trends, it is widely anticipated that a substantial proportion of these investments will be assisted by private foreign inflows, predominantly originating from China, Russia, and the Middle East. Moreover, it is anticipated that there will be a continuous flow of financial resources from the official donor sector, with a probable focus on substantial long-term investments in infrastructure, as well as Nigeria's budgetary commitments.

Based on the research conducted by Bakare (2010), it is apparent that multinational corporations(MNCs) have exerted a positive impact on economic growth, foreign direct investment (FDI), and international commerce. Nevertheless, the scenario seems to vary when contemplating the effects on domestic investment. The lack of proper incentives for domestic investment in Nigeria can be linked to various causes, including inconsistent government policies, insufficient infrastructural development, political instability, and poor human capital development. As a result, Nigeria witnessed a decrease in both its economic growth and life expectancy over the duration of the analyzed timeframe.

Strategies for Alleviating Adverse Impacts of Multinational Corporations in Nigeria

The possible mitigation of the unfavorable consequences of multinational corporations on the Nigerian economy can be achieved through the utilization of:

The potential for positive influence on multinational corporations and the mitigation of their detrimental impact on the Nigerian economy exists through government intervention, despite the presence of unethical practices such as bribery and corruption. The integration and structuring of government aid can be carefully implemented as an integral component within a comprehensive nationwide environmental initiative. There exist three overarching methodologies through which this objective can be achieved. The primary aim is to disseminate information, enhance consciousness, and cultivate substantive dialogues and consensus among the business community regarding voluntary endeavors. Furthermore, it is crucial to offer incentives and assistance to enterprises that have a keen interest in embracing environmentally sustainable business strategies. Furthermore, Otokiti (2012) proposes an alternative strategy that entails enhancing the oversight of environmental circumstances and enforcing penalties.

The implementation of stringent punishments and sanctions holds the potential to significantly mitigate instances of corruption. It is advisable for governmental authorities to contemplate the adoption of more rigorous penalties targeting business executives, which may encompass the potential measure of corporation liquidation.

Organizations that prioritize the reduction of their environmental impact commonly institute a corporate environmental policy, comprising a collection of environmental principles and standards, often backed by formal objectives. Broadly speaking, the majority of these assertions express a firm's dedication to ecologically sustainable methods across the several phases of product and service creation, encompassing design, manufacturing, and distribution. Furthermore, the organization places significant emphasis on its commitment to complying with all relevant rules and regulations, and strives to exceed these standards whenever possible. Moreover, these assertions promote the value of openness through the adoption of an open-book policy. This policy enables employees, community members, and other relevant stakeholders to get access to information pertaining to any potential adverse effects that the company might impose on the environment.

Environmental scanning is a crucial first procedure for organizations aiming to mitigate their environmental footprint, as it enables them to get a comprehensive comprehension of their external environment. Typically, it is common for the majority of firms to do an environmental audit as an integral part of their operational protocols. The primary objective of audits is to get a comprehensive comprehension of the quantity and nature of resources utilized by a firm, product line, or facility, along with identifying the many categories of waste and emissions produced. Some companies also strive to quantify this information in monetary terms in order to understand the financial implications. Additionally, this approach enables the determination of priorities for a company in order to maximize its return on investment.

The importance of employee training and involvement in relation to the effectiveness of an environmental policy is acknowledged by organizational leadership. For the policy to effectively attain its objectives, it is crucial that all employees, regardless of their specific job responsibilities, exhibit a shared acceptance and endorsement of it. In order to achieve this objective, it is imperative for organizations to proactively participate in diverse initiatives, with a particular focus on education, to augment employees' comprehension of the ecological consequences associated with their specific duties, and to foster their endeavors in effecting constructive transformations. Numerous firms adopt supplementary tactics to facilitate their employees in cultivating an elevated level of environmental consciousness in their day-to-day activities, hence fostering the development of a genuine environmental ethos. In addition to formal instruction, numerous organizations implement incentive systems, incentives, and recognition initiatives to acknowledge employees who have a strong dedication to environmental sustainability.

Empirical Review

The study conducted by Nseobong and Anthony (2021) examined the impact of multinational firms on the economic development of Nigeria. Based on an examination of the existing research, this review reveals that multinational firms have exerted a substantial influence on Nigeria's economic development, yielding both advantageous and detrimental outcomes. Certain multinational corporations have been observed to engage in unethical business practices. This analysis examines the impact of multinational firms in Nigeria by considering two prominent theories: endogenous growth theory and dependence theory. These theories provide valuable insights into the negative consequences associated with multinational enterprises operating in the country.

In order to enhance its appeal to foreign investors, Nigeria could consider enhancing and expanding its policies aimed at promoting cost-effectiveness. This can be achieved through the reduction of tariffs on imported goods, as well as the enhancement of infrastructure. Furthermore, it is imperative for Nigeria to cultivate a cohesive moral and ethical rapport with these global firms.

In their study, Odunlami and Awolusi (2015) aimed to assess the impact of multinational corporations on economic development in Nigeria. The findings of the study indicate that multinational firms have played substantial role in fostering the development of Nigeria. In order to enhance its appeal to foreign investors, Nigeria could consider enhancing and expanding its policies to promote cost-effectiveness. This might involve cutting tariffs on imported commodities, as well as improving telecommunications and transportation facilities. Moreover, given that this study has underscored the advantages, connections, and associations between multinational corporations (MNCs) and economic progress, Nigerian authorities could potentially leverage these informative findings during negotiations.

In their study, Tonye and Andabai (2014) conducted an empirical research to examine the influence of multinational corporations (MNCs) on the economic growth of Nigeria during the period from 1991 to 2014. The research was conducted using data obtained from the CBN Bulletin spanning the years 1991 to 2014. The study utilized secondary data obtained from authoritative sources such as the CBN statistical bulletin and the national bureau of statistics. The study employed time series analysis, an econometric technique, to examine and evaluate the formulated hypotheses. The study proceeded to propose that multinational corporations (MNCs) should engage in the provision of infrastructural amenities as part of their corporate social responsibilities towards the host communities. It is recommended that host governments enforce regulations requiring multinational corporations (MNCs) to allocate a portion of their revenues towards the purposeful and direct advancement of the host communities. This practice is expected to foster a favorable working environment and enhance regional security. The Federal Environmental Protection authorities should be cognizant of their obligations to effectively monitor multinational corporations (MNCs) in order to prevent any violations of established laws and regulations.

Theoretical Review

The concept of endogenous growth theory refers to a theoretical framework within economics that focuses on the factors and mechanisms that drive long-term economic growth from within an economy.

The hypothesis, initially put forth by Romer in 1986, aims to elucidate the enduring growth rate of an economy by focusing on endogenous causes. The endogenous growth models emphasize the need of investment in human capital and stock as drivers of specialized progress. The presence of multinational firms in the pursuit of their objectives gives rise to an economic predicament for the host nation. Endogenous growth theory posits that the determinants of economic development are mostly derived from within a country, encompassing both its economic activity and policy framework. The Endogenous growth theory has undeniably made a substantial contribution to enhancing our comprehension of diverse instances pertaining to the long-term economic expansion of nations and regions.

Endogenous explanations aim to elucidate the impact of market forces, public policy decisions, and institutional solutions on the formation of economic dynamics within specific countries and regions. These explanations strive to elucidate the underlying factors contributing to the disparities in growth rates observed across different countries and regions. Multinational corporations serve as conduits for economic growth and the transfer of capital resources. They play a pivotal role in driving development, encompassing both internal development, such as the cultivation of human and social capital.

Human capital refers to the economic representation of an individual's knowledge, skills, abilities, and other relevant traits that hold significance in the execution of economic endeavors. The aforementioned components of human capital encompass personal characteristics that possess a lasting nature. Human capital is developed by investments in individuals, encompassing activities such as training, preparation for productive work, expenses related to maintaining a nutritious diet, migration, and efforts to gather knowledge on pricing and income.

Social capital refers to the accumulation of resources such as cooperation, mutual operations, mutual trust, and mutual assistance that arise from the economic interactions among persons. It is important to note that social capital cannot be privately owned and possesses characteristics akin to a public good. The lack of visibility is attributed to individuals carrying it internally. Various environments exhibit differential support for specific forms of social capital, thus leading to the potential for distinct economic valuation of this capital. This theory was adopted because it provides the basis for human consideration and integration in the quest to develop the nation.

Methodology

The study present study utilizes a secondary data gathering methodology and explicitly examines the relationship between national development and the involvement of international entities. The present study employed published publications, online resources, library materials, and textbooks as primary sources of data.

Conclusion

The importance of multinational corporations, which wield a crucial impact on economic advancement, is a subject that no government can overlook given their key position in the field. The involvement of multinational firms significantly contributes to the facilitation of economic development and growth within the Nigerian economy. In light of the prevailing conditions, it is crucial for the government to provide priority to the multinational business sector in order to facilitate economic growth and progress.

Multinational firms exert a notable influence in promoting employment opportunities and generating economic value, so making important contributions to a nation's overall economic well-being. Hence, it is crucial to give precedence to evaluating the performance of multinational firms, taking into account the significant economic benefits they produce. The development and implementation of governmental policies aimed at facilitating and empowering multinational firms have the ability to significantly impact the promotion of socioeconomic advancement within the economy. These tactics have the potential to effectively address several societal issues, including poverty alleviation, job creation, human development, and enhancement of social welfare for the general population.

The multiplication and advancement of multinational enterprises have significantly contributed to the development of both developing and established nations. The phenomenon has played a significant role in the expansion of employment opportunities, fostering the growth of Gross Domestic Product (GDP), facilitating capital accumulation, and concurrently mitigating poverty rates. Despite the accusations made by a multitude of detractors concerning their involvement in environmental degradation and breaches of human rights. Several scholars have posited that the phenomenon under investigation could potentially be seen as a form of re-colonialism, thereby establishing a connection to the fundamental factors contributing to current global economic disparities and social imbalances. The perceived benefits of multinational enterprises (MNEs) operating in nations with well-developed domestic technology are widely acknowledged. However, in countries with a dominant focus on a specific industry and lower levels of technological progress, like Nigeria, multinational enterprises (MNEs) are often seen as entities that sustain imperialism and participate in exploitative activities. Multinational corporations play a pivotal role in fostering economic growth and development within a given economy.

The active involvement of multinational corporations in supporting socioeconomic development in the nations of their operation is of utmost importance. Simultaneously, it is imperative for governments to implement regulatory measures to ensure that big firms devote a portion of their earnings towards the enhancement of local communities. It is recommended to consider the inclusion of government representation within the governance structure of multinational corporations. The prioritization of a mutual agreement between the Nigerian government and major enterprises over employee selection holds significant importance, as it would effectively facilitate skill development and knowledge transfer. Moreover, it is crucial for the government to proactively cultivate a unified moral and ethical relationship with these companies to ensure compliance with domestic laws.

Recommendations

The following recommendations are put forward:

The notion posits that a firm's Board of Directors should be composed of members from diverse stakeholders, including employees, consumers, society, and government. This strategy would enhance the involvement of all relevant parties in the decision-making process, so boosting their direct participation and encouraging their active engagement. It is recommended that the Nigerian government enforce the mandatory use of the polycentric model for personnel selection in multinational corporations operating within the country. This requirement should be included in the contractual terms agreed upon between the government and these entities. This will facilitate the process of skill acquisition and promote the effective transfer of technology.

Regular interactive discussions between multinational firms and national leaders are necessary in order to foster a shared comprehension and foster a symbiotic commercial collaboration, particularly with regards to moral and ethical deliberations. The aforementioned interconnections are anticipated to exert a favorable influence on the ethical behavior of both the individual enterprises involved and the broader corporate landscape. The prioritization of eliminating discriminatory practices within employment legislation and compensation structures is of utmost importance. Furthermore, promoting the utilization of polycentric and geocentric approaches in the process of staff selection has the potential to enhance the overall welfare of our society.

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