INTERNATIONAL PRESSURES ON NIGERIA'S ECONOMY: AN EVALUATION OF ACTIVITIES OF MNCs

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ABSTRACT

Multinational Corporations play a major role in global economic development. Indeed, some scholars have argued that MNCs act as an instrument of both globalization and integration. But another school, particularly Third World scholarship believes that MNCs are rather a continuation of Western colonization by subtle economic means and thus, an agent of underdevelopment. This paper examines the strands with reference to the Nigerian socio-economic milieu, i.e., it attempts a critique of the activities of MNCs in the Nigerian economy. It identifies the overstretched limits and vicious impact these have had on the economy, including the promotion of social decadence and political corruption. This piece uses historical descriptive-analytical method, maximizing and adding to existing literature. The study not only provides alternative means by which MNCs can be used as launch-pad to economic prosperity, but suggests how Nigeria, like other Third World nations, can use its foreign policy to liberate themselves from neocolonial exploitation.

Introduction

What characterized pre-capitalist economy were separate and disparate economies, commonplace in Asia, Africa, Europe and the Americas. There was no unified global economy because the economic systems were relatively far from each other, as the systems were unidentical. However, the activities from the 15th century, of merchants, mercantilists, explorers and fortune-seekers in Europe and elsewhere, soon catalyzed a unifying process of the economies. The period 15^{th-}19th century marked a watershed in world trade and commerce-it commenced a globalization process as it laid the foundations for capitalist economy. Modern multinational corporations have their roots in the traders of the mercantilist era of the 16th-17th century, who constituted instruments of colonialism. Their activities opened up the local economies, increased volume of international trade, expanded the western economies to other continents and increased contacts among the peoples of the world (Buckley, 2003). The 19th century was to mark a turning point as the Industrial Revolution not only changed the socio-political ecology in Europe, but also accentuated expansion and acquisition of lands, territories, search for raw materials and quest to establish external markets to take care of the excesses, and new investment climates for surplus capital(Hobson, 1938). This explicates colonialism. It is however important to note that the process of colonization was aided and ultimately completed by the foreign companies that were established in the areas of “effective occupation” before and after the conference of 1884-85 in Germany.

The Royal Niger Company in Nigeria for instance, had the objective to paint the areas along the Niger River “red” under Taubman Goldie. The commercial and economic conquests of the RNC soon translated into the formal establishment of political control in

Nigeria for Great Britain(Hopkins, 1973). The same went for other companies that concentrated in the economically flourishing southern part of Nigeria, including United Trading Company, United African Company(two descendants of the RNC) and others. By 1945, a number of British companies had become very active in colonial Nigeria, and conglomerates between Britain, France ,US and Holland had also emerged on the nation's economic space. This development, as the pre-colonial one formed the background to the advent and activities of MNCs in Nigeria.

The discovery of oil in Nigeria during colonial rule and its extraction in commercial and exportable quantity from the 1950s attracted a monumental turn out of foreign stakeholders in the oil enterprise. The other areas that have attracted multinational companies over the years include agricultural, automobile, beverage, manufacturing, music, construction, aviation and telecommunication industries. The immediate variable to explain this explosion of MNCs is the fertile market Nigeria represents for the world because of its veritably active consumer population and the abundance of raw materials with which to operate(Olagbaju, J. and Falola, T. 1996). This paper attempts to examine the implications of the outburst of MNCs' activities in Nigeria's economic progress.

MNCs and Global Economic Integration: Myth or Reality

The mid-19th century saw the emergence of international corporations. It was an entrepreneurial joint-stock company, organized in simple hub-and-spoke networks that that established controlled international trade routes , often relying on its home-country's military protection, to import raw materials and export finished products(Anderson and Cavanaugh, 2000). The intensification of imperialism after the revolution in industry in

Europe, led to an explosion of international communication, trade carried out by international corporations or multinational corporations and gradual process of creation of similar economic patterns, identities and systems(Biersteker, 1998). The creation of similarities were rather involuntary, as it was the manifestation of the concentration of production and financial capital to such level that it led to monopolies through the merger of banks and banking capital, what Lenin(1966)calls financial combines, that culminated in financial oligarchies.

MNCs from 1900 established foreign operations to secure sources of raw materials, and developing countries were the largest recipients of worldwide foreign direct investment by virtue of colonial institutions in place at the time and the expansive nature of western influences as a result. Large US corporations began to invest in Europe, mainly in manufacturing. Investment in other nations by European and Japanese businesses soon followed in the 1950s and 60s; but the service sector received a boost in the 1980s to 1990s, showing a marked expansion in the operations of MNCs to other areas of life arising from post World War 11 reconstruction. For instance, where the FDI in developing countries was 60% before 1939 and it dropped as a result of post war development in Europe to 25%, it jumped to 40% in the mid-1990s because of improving economic conditions in the Third World and relative political stability. A good instance was the Lever Brothers(now Unilever) that operated in ninety countries with over 500 service companies(ILO, 1997).

While technological revolution explains the intensity of MNC operations globally, auspicious political and economic clime, coupled with the natural tendencies for capital to keep expanding, account for the globalization of western-oriented MNCs.

Goldstein(2001) attests to this by positing that in addition to the direct connection among members of a single MNC, the operations of MNCs have supported the emergence of a global business infrastructure connecting a transnational community of business people.

For Pearson and Payalslian(1999), MNCs have been the principal vehicles towards the globalization of the international economy. Though they submit that globalization reveals major weaknesses in MNC structure and operations, greater trade liberalization and market deregulation widened the realm for MNCs operations and as they opted for greater decentralization, spreading their management structures across continents within a vast maze of expansive communication network. MNCs are therefore promoting economic structure: capitalism and free trade, which is today a feature of national economies. Their influences are breaking barriers of high tariff and high cost of transportation such that encourages the penetration of borders on a large scale merging economies globally. Put differently, a transnational mechanism is created which facilitates greater international cooperation and functional integration, .i.e., globalizing the world economies into one market, particularly after the fall of communism. Others that have shared in this integrative theory include Balaam and Vaseth(2005), J.S. Palminaso(2006) and M.G. Quinlivan(2001).

Barring all supposed integrative functions of multinationals in global economy, it is increasingly evident that multinational corporations are agents of globalization of western capital. Their intent is for the home-country, but the development it brings along with it for the developing country is happenstance: we must not lose our perspective-multinational companies are profiteering ventures that seek consolidation of capital. The integrative dimension is for the purpose of gaining access and hold for home-country: it is indeed the completion of unipolar hegemony, which probably found space after the cold war. Like colonial economic and political institutions tended to integrate rural and urban centres and societies and states for administrative convenience and economic exploitation, so are MNCs catalyzing western hold on Third World economies and extending colonial rule by economic means(Risse, 2005).

Further, MNCs and their neocolonial nature in Africa and the Third World have created certain fundamental structural imbalances in the state. The "entrepreneurial" privileged class in indigenous business who partner with the MNCs and foreign contractors, have emerged as the rich-few in whose hands the economic destiny of Africa is placed; and who are more likely to utilize the vantages of economic power for favourable policy outcomes and indeed control of political power.

As a corollary to the foregoing, the imbalances extend-or become visible-in the North/South dialogue. MNCs' exploitative activities and integrative tendencies construct inequalities between developed North and developing South. The reason is that the latter perpetually depends on the former for economic leverage and preservation. This is a dependency situation that manifests in an international interdependence characterized by extreme power imbalance. The satellite enclave to which capital is exported witnesses strains and distortions in its historical trend of changes and continuities, increase in the exploitation of labour, plunder of natural resources and ruin of small producers and ultimately the territorial division of the world into two unequal blocs, namely the metropole and the satellite, centre and periphery, developed and developing countries, North and South(Maxfield, 2003).

Having established the strength and weakness of MNCs in global political economy, it is only pertinent to examine the peculiarities of the Nigerian experience from independence to date. The paper identifies that integration was and has not been for the benefit of the country. Even in cases where contracts were awarded to MNCs for speedy completion of the Nigerian project(.i.e. development), they ended up being "white elephants" or jumbo contracts that gulped huge amounts of money, but never saw light of the day. In instances of motive of transfer of technology, like the Peugeot Automobile manufacturing technology transfer to Nigeria from 1972, it has been from bad to worse as the same technology ha not taken off, and PAN even resorted to importing used "tokunbo," so called "graded vehicles" for Nigerian consumption.

MNCs and the Nigerian State

Popular theories used to explicate the erosion of Nigeria into infamous pantheons from the 1980s have been underdevelopment or lack of it, poor administration of policy and policy regimes, inefficient implementation of ideas and policy actions, political instability, etc., the pressures of neocolonial structures as the MNCs are often underplayed. They have become regular government "guests"(Folarin, 2006) whose multifarious activities have rather quickened the failure of the Nigerian state than expected. For instance, their activities in the oil sector have increased environmental endangerment that has fuelled ethnic crisis in the Niger Delta; and dangerously, political corruption resulting from contract deals has escalated.

The aforementioned factors may constitute the latent but immediate factor in the crisis of economic development; the discovery and expropriation of oil in exportable quantity in

Nigeria heightened the crisis of development. It also constructed a new kind of immorality in public circles and among privileged individuals in the corridors of power, which was characterized by official bribery, “contractocracy,” that found space in the contraption of squandermania. For instance, after the oil boom of the civil war, money was no longer the problem, “but how to spend it,” a philosophical anomaly that engendered rot in the public and private sectors(Olukoshi, 1991:25-35). This pervasive situation created a new scenario in which emergency contractors and MNCs emerged not to be left out in the interminable squandering attendant with nation-building. The economic consequence has been the prohibitive cost of governance. Egekhwaide and Ogunkola(2001).

The exploitative tendencies of transnational or multinational companies in Nigeria have not only impacted on cost of governance but also on its nationhood. The MNCs have enjoyed unbridled relationship with the surrogates in government- military or civilian- who have always used the wealth from the oil in the South to implement failed projects through “jumbo contracts” awarded to MNCs and their local collaborators. while the source[oil-producing states] languish in perpetual squalor and ecological degradation as a result of activities of the foreign oil companies. This has soured inter-group relations and caused restiveness among the people of the South-South. There have been the cases of Isaac Boro who led the first “secession” in the early 1960s, Movement for the Survival of the Ogoni People(MOSOP) of the late Ken Saro-Wiwa, and Niger Delta Revolutionary Volunteer Force(NDRVF) led by Asari Dokubo to mention a few. Recently a peaceful protest over unresolved matters on revenue allocation to the Niger Delta states was made by south-south delegates to the national reform conference (N.P.R.C) who marched out and refused to continue in the conference going on in Abuja. These are delicate matters threatening the fragile corporate existence of Nigeria, and which find answers in rethinking both the running of the state and the activities of MNC's in the treasure bases.

This paper, from the discourse above, essentially looks at two crucial factors in Nigeria's economic stagnation namely, the wasteful, white elephant projects with the foreign contracting firms winning the bids for completed or uncompleted projects like the Ajaokuta steel (rolling) mill, Lagos Metroline, building of whole cities like Abuja, roads, bridges, dams, houses, stadiums, office complexes, hotels, schools, hospitals, railways, vehicle manufacturing, etc., which have been the country's hugest drainpipes. Secondly, and related to the first, are the MNC's like the oil companies and multipurpose construction companies such as Feugerolle, Strabag, Julius Berger, etc, who, in collaboration with "government businessmen", embark on endless constructions or very expensive contracts (Akinterinwa, 1999).

Scholars like Ikime(1985), Meier,(2000), Awolowo(1966) and Osoba(1993) have separately argued that Nigeria is a failed project. It was activities of expatriate or colonial economic profiteers that began the capitally- intensive project called Nigeria. The story of Nigeria dates back to the 19th century when British expeditionists, particularly the trading company led by Taubman Goldie's Royal Niger Company, had sufficiently "painted the area red" in Her Majesty's interest ahead of other colonial powers in the west coast of Africa. Granted effective occupation like other European imperialists in the Berlin settlement of 1885, Goldie's RNC and the British forces managed to bring the area under British economic control and consequently, colonial rule. Interestingly, the peoples of the different areas had separate systems of government, differences in heritage and different worldviews. Indeed, they only related economically with one another as independent kingdoms and states before colonial rule. The act of bringing these peoples together through mergers, for mere colonial administrative convenience and economic exploitation, was the beginning of failed projects and by extension, the cyclic motion of Nigeria's economic stagnation(Folarin, 2006:16).

Tied to the aprons of external forces for survival, which had become a belief since 1914, with no attendant sense of commitment or patriotism because "Nigeria" did not emerge of the peoples freewill, it had been the incidence of one group out-smarting the other to conscript expatriates in looting the funds (Osoba, 1993:52). Consequently, there had been among Nigerian groups the quest to monopolize power so as to monopolize resources to benefit the "self" or the group, and the foreign partners that aid them to do so because of the prospects in the Nigerian goldmine-whether agricultural as it was up to the 1960's, other minerals as it had been from the 1920's to the 1970's, or oil mineral as it has been from the 1970's to date. Nigeria's over-reliance on foreign direct investment (whether genuinely for development or otherwise) explains the high share of foreign capital with little for Nigeria itself. In the years 1960-1975 for instance, the most significant problem of Nigerian industrial development was the high share of foreign capital investment. Olayide (1976:64) observes that in 1965 for instance out of a paid up capital of about N128m for the entire country, about 61% fell to private investment from abroad; 12% to Nigerian private investment and the remaining 27% to Nigerian government.

There was also the problem of high percentage of foreign ownership and control, which started in the late 1960's up till the indigenization policy of 1974, but which has come up again in recent times. Prior to 1974, foreign investors had almost exclusive controlling interest in such important industries as Tobacco, chemical products, plastic products, fabricated metal products, electrical machinery and transport equipment. Most of these industries are capital intensive. Foreign participation also exceeded 50% in the paid-up capital of textile, food, beverages, rubber, leather and furniture industries prior to the indigenization (Olayide, 64). With protection, guarantee and subsidy from the Nigerian state, MNC's, previously involved mainly in import-export trade, began to increasingly attracted to some productive activities of import-substitution industrialization. The Nigerian state at federal and regional levels as well as Nigerian private individuals and enterprises collaborated with foreign companies and investors in promoting the establishment of import-substitution industries, with all the capital, machinery, technical and managerial and organizational skills coming from abroad. (MAMSER,1987:38). The consequence was the promotion of more production and employment in European and American economies than Nigeria. The dependent capitalist economy of post-colonial Nigeria was also consolidated in the process. Thirdly, it naturally led to domestic disarticulation exemplified by peasant and petty commodity production and the abandonment of the rural areas, which were even the source of resources, for the urban centers.

In 1987, MAMSER noted that foreign domination and control of major investment activities and the consequent repatriation of politics, dividends and interests, inhibited domestic accumulation and re-investment of capital by Nigerian entrepreneurs because they lacked adequate resources to compete with multi-national companies. As a result, indigenous entrepreneurs became middlemen, distributive agents or intermediaries between foreign interests and the larger Nigerian society and economy.

The post-civil war economy in Nigeria was aggressively reconstructive and essentially developmental with the oil boom at its disposal to make these realistic. The objective manifested in three national development plans between 1970 and 1985, which were documented in the 1979 constitution (Olaniyan, 1988). As earlier noted however, the oil boom and the well intended national development plans rather produced local and foreign gold diggers who saw Nigeria as the new gold mine in Africa to whom their fortune-seeking binoculars and attention must turn. The genuine opportunities provided for Nigeria to take off to the level of a developed country were dashed by a combination of hurried and reckless execution of planning, bureaucratic corruption, several grandiose and white elephant projects being undertaken at the same time, emergency contractors and ten percenters arising in their number, incompetent but exploitative MNC's and investors trooping in to get the jobs. The opportunities were wasted. Revenue was lavished on unviable and grandiose projects which were purely conceived and almost all contracts were grossly inflated. A telecommunications contract worth several hundreds of millions of dollars was awarded to the international telephone and telegraph (ITT) by Muritala Mohammed, Gowon's commissioner for works at the time. The ITT chief in Africa, M.K.O. Abiola, was Mohammed's personal friend and business partner (Osoba, 1993:52) and the contract given the American company (ITT) was bogus indeed as its task of developing the telecommunications system (telephone, telegraph, etc) to a world standard, was no more than a small improvement on the existing colonial one and that sector, only four years ago, since the early 1970's, witnessed a revolution.

A major instance of positively effective impact of MNCs in Nigeria was the special relationship government went into with Peugeot Automobile France to transfer the Peugeot automobile technology to Nigeria, first by opening an assembly plant and building for government uses, Peugeot 504 salon cars., and ultimately for manufacturing such here from the abundance of iron and tin-ore in the country. Consequently, all government functionaries from the middle to the top levels, civilians and military, were entitled to the cars for official and private issues, which were cheaply procured by hire purchase or direct car loans. Soon, the Peugeot Automobile Nigeria (PAN) in Kaduna began massive production with the Nigerian market glutted by Peugeot brands and the entire society used to them. Ironically as expected, a culture of consumption rather than production became entrenched and the object of technology transfer became absolutely defeated. Today, Nigerians' taste for consumption has reached an all-time high, with the three classes, the poor middle-class and rich going for ranges of *tokunbo* (imported fairly used) cars befitting their classes.

Many of the concrete post-civil war projects were characteristically over-ambitious, poorly planned and executed, corruptly over-costed, politically motivated, ethnically or sectionally located and inevitably wasteful and unsuccessful. Classic instances include the Liquefied Natural Gas projects, the steel mills and the steel rolling mills. One project that has found Nigeria's wealth generously shared among European expatriates and Nigerian technical personnel, workers and politicians alike, is the Ajaokuta steel company (now steel rolling mill), with hundreds of millions of US dollars invested in it from the mid 1970's, abandoned several times and revived again. Its first production a couple of months ago, was actually still a test-production. Yet this project, in the Third National Development Plan period alone (1975-1980) received over N1billion representing 22.5% of the aggregate projected in industry (Olayide: 72). Again, in what seemed a politically and sectionally located move, a refinery in the oil sector, was built in Kaduna, Northern Nigeria. Oil pipes from the seas in the Niger Delta passing crude, reached the refinery. This was an ambitious and unnecessary project, which, like other federal character-motivated projects, had resulted in sheer wastages.

The oil sector has been the worst hit. Aside the fact that sudden oil wealth was the cause of the general social and economic immorality, accentuated by the white elephants and over-billed contracts, the sector attracted two things from the MNCs. First, more MNCs came into the country, including those whose focus was not oil hitherto. Existing countries in Nigeria "diversified" into the oil sector and the industry of prospecting, exploration, lifting of crude and sale of refined oil boomed from them. With their collaborators in government, Shell, Agip, Total, Unipetrol, with the support of their home countries and headquarters abroad, and to whom the profits will go, the Nigerian market became a booming one. In recent years, Chevron, Elf (now with Total), Mobil, Texaco and small scale indigenous (petrol) companies have joined in the second stage of the oil boom.

Second, Nigeria, with its huge oil companies, provided a good market in which the MNC's could concentrate part of their effort to expand their sales. The MNC's therefore offered contractor finance/suppliers credits of all types to state governments and their parastatals. Also, they stepped up, through these trading subsidiaries or local companies or agents, exploitation of consumer goods to Nigeria, thereby exacerbating the problem of reconciling social surplus with investment (cf Olukoshi,28). Apart from the deepening crisis of exploitation by the MNC's and their role in the jumbo contracts and white elephants; in addition, foreign oil companies operating in Nigeria have been generally insensitive to the problems, particularly environmental challenges of their host communities (Agbodike,1990:175).

Other over-ambitious, over-costed and wasteful projects in the political, social and infrastructural sectors included the Universal Primary Education, the Federal Capital Territory, the jumbo salary awards, the agricultural policies such as OFN and Green Revolution; some airports, some institutions of higher learning, Lagos metroline project, Better Life Project, Family Support Programme, and so forth. After having taking off with much pomp and canopy involving huge capital, the UPE scheme of 1976 soon collapsed because of corruption and bad implementation. In 1977, seven new federal universities were created and there was a drastic reduction in the tuition and boarding fees of tertiary institutions (Osoba,52). The reversal of this decision six months later because of its wastefulness, hitherto not considered before the decision, culminated in the "calamitous consequences that have gone down in history as the 'Ali Must Go' crisis."

Many project contracted to foreign firms had been wasteful and poorly completed or uncompleted; but the most extravagant contractual projects, Osoba(1993:52) claims that none has been more absurd than the federal capital project in Abuja, "a veritable bottomless pit which successive governments continue to dump the dwindling wealth of the nation." From the Abuja contracts, small and big foreign contractors, construction MNC's with their local partners, made huge fortunes. Among them were Fougerolle, Dumez (both French companies) and Julius Berger (a German company) to mention just a few. Some made easy and big profits, and some were outrightly fraudulent. It is on record that Dumez was not only able to have 80% of its working capital[worldwide], but also 180% of its profit from Nigeria (Akinterinwa,135). This shows that it exists almost entirely because of the juicy contracts of construction in Nigeria. According to Akinterinwa (154) French companies, which got most of the Abuja contracts by the end of 1980, appeared to have secured their contracts by the French strategy of "settlement", "ten percent" or kick-backs. The Uwaifo investigation panel revealed that Fougerolle paid N21.8million in return for obtaining a contract of N329million from the Shagari administration. The Julius Berger company, which was the favourite of the Babangida regime, also reportedly paid as much as 1million US dollars each year as kick-backs to President Babangida himself in its billions of dollars contracts of roads, complexes and structures construction in Abuja (and its construction of such elsewhere like the Third Mainland bridge in Lagos).

While 100% of all the money for Abuja contracts, and the road networks, bridges, institutions, stadiums, refineries, ports, etc., was and still coming from oil, the same factor has sparked off a culture of importation in the course of which ports have become congested and the country has had to pay a fortune on demurrage. All interests have converged on the appropriation and consumption of oil revenues and the phenomenon of abandoned mountains of bags of imported fertilizers and cement, machinery worth millions of naira left rusting away in open fields, and newly built tarred roads by Julius Berger, Strabag, Cappa and D'Alberto, etc., washed away by the first rainfall, and many other colossal wastes have become familiar in the country. (MAMSER: 40).

MNCs and Wasteful Government Enterprises

Successively, regimes have demonstrated unquantifiable amounts of wastes through unfocussed policies. One of such cases of good but wasted or mismanaged initiatives by the Nigerian government was the N30b Third National Development Plan of 1975-80. This era witnessed the critical lose of much fund to “white elephants” and MNC’s. In the allocations of that period, the private sector participation stood at N10billion of the total planned expenditure(Ojiako, ND) with MNCs and foreign investors constituting 95% of that sector. Even the Nigerian Enterprises (amendment) Decree of 1977 could not stop that. The remaining N20billion was devoted to post-war economic consolidation through over-ambitious projects and jumbo contracts. Thus about N25billion of the total capital was wasted as it brought little or no development to Nigeria. What appeared like development such as universities, refineries, roads, etc were either ill-timed or hurriedly put together, but were certainly drainpipes for embezzlement and exploitation. One of the seeming landmarks in the agriculture sector of the third national development plan was Obasanjo’s *Operation Feed the Nation* which began in 1976 and whose aim was,

> *to make this nation self sufficient in basic food needs during this cropping season. It also hoped that the operation will impart to the whole country a new sense of purpose and bring home to the need for self reliance.*

Suffice it to say that the substantial part of N2.2 billion devoted to the OFN was a colossal national waste as OFN was just a famous name that did not meet its objectives of a return to rural large scale farming, agricultural revolution, or alleviation of the food crisis..

The failure of the project was underscored by the instituting of the Green Revolution of the Shehu Shagari administration, which also failed. The Shehu Shagari administration reviewed the import rules imposed by the military, removing most of the restriction to assist local and foreign individualists in importing needed materials in the drive towards rapid industrialization (Olaniyan, 1988). The development and use of local raw materials was thus discouraged, and the import substitution once again reinforced Nigeria's dependence on external sources with the traditional strains and stresses on foreign exchange and balance of payments. Several things followed, coupled with the global economic recession from which Nigeria greatly suffered.

The Babangida administration attempted to right the inherent wrongs in the previous economic reform programmes by the introduction and implementation of SAP. The administration opened the economy with the programme, which almost for greater deregulation, which meant increased private participation in the economy, particularly the oil sector, than it was done by either the Obasanjo regime or Shagari administration. Babangida (1989) himself declared that the previous Nigerian enterprises promotion decree was not suitable for the desired inflow of foreign investment in the country. There was greater participation of MNC's between 1987 and 1993 in the oil, building and banking sectors. Julius Berger swept more than 90% of the contracts for the physical development of Abuja alone. Of all the regimes that pumped money into the FCT it is believed and has been reported that the administration sunk the highest billions of dollars.

The administration also initiated rural and urban economic recovery programmes such as the Better Life for Rural Dwellers(later christened BLP), Directorate of Food, Road and Rural Infrastructures (DFRRI), National Directorate of Employment(NDE), etc., which were noble projects but soon written off after take off because of weak institutions to make them invulnerable to political manipulations and corruption. Further, bodies like the BLP ennobled the institution of the First Lady which created a kind of conjugal dictatorship(Adesina and Folarin, 2000).

There was an economic setback for Nigeria however from 1994-98 as it was isolated diplomatically because of the unpopular dictatorship of Sani Abacha. The political crisis and diplomatic row with the international community naturally discouraged foreign investment in Nigeria because it was considered unsafe for investment. However, because of stakes in oil and the Nigerian oil industry in particular, the multinationals in the oil sector remained and found a favourable policy and protectionist disposition towards them by the isolated Abacha junta, which found the oil MNCs, particularly Shell, as the only foreign “assets” left in the pariah state. The regime also initiated the Family Support Programme, another elaborate pet project in replacement of the now defunct BLP, headed by his wife, the First Lady.

The second coming of Obasanjo in 1999 has been more tactful and corrective of his first project failures. First, as argued elsewhere(Folarin,2006:12) it is careful about white elephant projects and jumbo contracts, but not without making “white elephant promises” about electricity and poverty eradication which have failed on several occasions. Second, the deregulation that has been heightened has more local players taking over the economy and competing favourably with the ever active foreign players, including the MNC’s. Third, the government has introduced a new policy in which contractors can no longer get upfront payments but would have taken the project to a high degree before some percentage of funds can be released. Fourthly, some of the failed projects of the past have been revived and it is to this administration's credit that Ajaokuta steel mill started anything meaningful in thirty years by test-producing. Lastly, the culture of wastages engendered by corruption and planlessness is gradually being arrested, which is restoring some integrity to government. The administration is also accused of creating what Frantz Fanon(1963) would probably have called *petit MNCs* such as the Dangotes and the likes that have created business and financial monopolies in Nigeria and in collaboration of western economic empires.

Concluding Remarks

Multinational companies may have acted as agents of change, development and integration; but they have always left behind selective changes and relative development and clear incidence of yawning gap between the metropolitan powers which they serve and which service them and the post-colonial state in Africa. For Nigeria, while we can appreciate the depth of capital investment in the economy, which has inadvertently brought Nigeria into the mainstream of global capital; we can count our blessings, meaning the fruits of FDI are as infinitesimal as they are insignificant, despite Nigeria's front running position in Africa economic recovery through partnership with western oligarchs and an aggressive drive to open up for foreign direct investment.

To stop this aimless drives and stem neocolonial tide increasingly eroding Nigeria's economic progress, a re-directing of foreign policy is important. Foreign policy should consider our national interest in terms of FDI and MNCs in Nigeria for the purpose of economic development as espoused by Legg and Morrison (1971). And if need be, our national interest should be redefined. It is expected that researches along this line of MNCs activities should henceforth place more emphasis on what should determine their place of prime here, which is overall national interests and development.

Put differently, our foreign policy should be concerned with the state's attempt to achieve, protect as well as maintain its national interest and values within an international system consisting essentially of competing state units(Akpotor, 1995:5).

Jumbo projects should no longer be awarded without considering cost and benefit; it is costly for any nation to dissipate huge resources in contemporary international system where other nations are strategizing to move forward-and are indeed doing so- even in limits of economic resources. Contracts to reengineer the state structurally or otherwise can be awarded to indigenous companies with stringent rules and measures attached. This will encourage local entrepreneurship and national development.

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