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| **Author 1** | NNADI CHUKWUEMEKA  
PG/Ph.D/06/46298 |
| **Author 2** |  |
| **Author 3** |  |
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IMPACT OF GLOBALIZATION ON CORPORATE ENTREPRENEURSHIP IN NIGERIAN OIL AND GAS INDUSTRY

BY

NNADI CHUKWUEMEKA
PG/Ph.D/06/46298

DEPARTMENT OF MANAGEMENT,
FACULTY OF BUSINESS ADMINISTRATION,
UNIVERSITY OF NIGERIA,
ENUGU CAMPUS.

NOVEMBER, 2011
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A THESIS PRESENTED TO THE DEPARTMENT OF MANAGEMENT, FACULTY OF BUSINESS ADMINISTRATION, UNIVERSITY OF NIGERIA, ENUGU CAMPUS IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF DOCTOR OF PHILOSOPHY (Ph.D) IN MANAGEMENT

SUPERVISOR: PROFESSOR U.J.F. EWURUM

NOVEMBER, 2011
APPREOVAL

This Thesis has been approved for the Department of Management, Faculty of Business Administration, University of Nigeria, Enugu Campus by:

--------------------------------------  --------------------------------------
Professor U.J.F Ewurum               Dr. C.A. Ezigbo
Supervisor                          Head of Department
CERTIFICATION

Nnadi Chukwuemeka, a Post Graduate student in the Department of Management with Registration Number PG/Ph.D/06/46298 do hereby certify that the work embodied in this Thesis is original and has not been submitted in part or full for any other Diploma or Degree of this or any other University.

..................................................

Nnadi Chukwuemeka
PG/Ph.D/06/46298
DEDICATION

With gratitude to the Almighty Father, this work is dedicated to my wife Obioma and my children: Chibueze, Nnabike, Nnamdi, Emeka, Tochukwu and Ebuka.
ACKNOWLEDGEMENTS

I thank the Almighty God immensely for this unique opportunity which would have been foregone had I retired as a Deputy Registrar and pushed into retirement as a Legal Practitioner. By the mercy of God I was converted to an academic which enhanced my ability to exploit this opportunity. Also, I was bowed down by inexplicable circumstances and would have been silenced but for the mercy of God which speedily released me. I sincerely remain grateful to God for this previledge. I thank my supervisor Professor U.J.F Ewurum immensely for accepting me as his supervisee; most importantly for taking pains to professionally and critically assess my draft particularly the research instrument. I appreciate also the peer review of my work by experienced career intellectuals for their critical insights that opened up avoidable weaknesses and claims that were not substantiated. I thank also other colleagues – Mr. C.O. Chukwu, Professor J.A Eze, Professor S.O Uyimadu, Dr E.K. Aghaeze, Dr Ann Ogbo, Dr N.M. Ile, Dr C.O. Ugbam, Dr V.A Onodugo (current Associate Dean Students Affairs Enugu Campus), Dr Charity Ezigbo, B.I. Chukwu and others for their proddings, encouragement and valuable assistance.

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ABSTRACT

Impact of Globalization on Corporate Entrepreneurship in Nigerian Oil and Gas Industry. The study set out to accomplish the following objectives which were to: determine if corporate entrepreneurship policy was changed as a result of globalization; investigate the extent to which multinational corporations complied with the Nigerian content laws and regulations; find out the impact of globalization on national economy; evaluate the extent of engaging Nigerians in managerial positions and; determine the extent multinational corporations have been socially responsible to their host communities. The study used a survey design; and simple random sampling technique to select the four firms in the industry. A sample size of 270 respondents was used. Some of the respondents were interviewed. The main instrument for primary data collection was the questionnaire, structured in five-point Likert scale. The secondary data were sourced from relevant journals, seminars and workshop papers, magazines, newspapers, unpublished materials (theses, dissertations, etc). Monographs, books and internet. The instrument was checked for reliability using the test re-test method. The reliability co-efficient was 0.99. The data were presented and analyzed using quantitative method such as frequency distribution tables. The test of hypotheses was done using Chi-Square and T-test. The findings indicate that: Parent enterprises were indifferent to impact of globalization on Corporate Entrepreneurship policy; multinational corporations did not comply with the Nigerian Content Laws and regulations; globalization did not impact significantly on national economy; multinational corporations have employed Nigerians in managers and they have not significantly been socially responsible. Based on these findings these recommendations were made that: parent enterprises positively change corporate entrepreneurship policy; multinational corporations comply strictly with the Nigerian Content Act 2010; build their own oil refineries in Nigeria; engage technically proficient Nigerians; and strictly observe the global injunction of being socially responsible. The ensuing harmony between Nigeria and MNCs should leverage her into global status in production and sale for profit.
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CHAPTER ONE
INTRODUCTION

1.1 BACKGROUND OF THE STUDY

Economic globalization is an expanding phenomenon that is fast reshaping and integrating the world into a global village. Observably, the world is witnessing an irresistible thrust for close proximity, unprecedented interdependence and social and cultural linkages among the various economies of the world (House 2004:1). The world-system theory claims that globalization has been completed in the twentieth century. This was the time when the capitalist world system spread across the globe: it further claims that globalization does not constitute a new phenomenon. Its impact was partial because the communist regimes and the newly independent states challenged the West. In fact the world was divided between the West and the East. But economic globalization is the dominant phenomenon in the world today.

Tores (2001:8), defines globalization as a concept by which the whole world for the purpose of trade and commerce is treated as a sovereign political entity. Here trade and commerce refer to numerous opportunities, unfettered access to the world market, and capital flow across the globe and sourcing for cheap quality resources. They belong to the realm of economies. In this sense, Riley (2005:9) defines economic globalization as the process of increasing economic integration between two countries, leading to the emergence of a global marketplace or a single world market. This economic globalization has been occurring for the last several thousand years (since the emergence of trans-national trade). Recently, it has begun to occur at an increased rate over the last 20-30 years (Riley 2005:12). This recent boom has been largely accounted for by developed economies integrating with the less developed economies, by means of foreign direct investment (FDI), the reduction of trade barriers and the
modernization of these developing cultures. Also during the past few decades, according to Ikenson (2009:1), a truly global division of labour has emerged, presenting opportunities for specialization, collaboration, and exchange on scales once unimaginable. The confluence of falling trade and investment barriers, revolution in communication and transportation, the opening of China to the west, the collapse of communism, and the disintegration of the cold war political barriers has spawned a highly integrated global economy with vast potential to produce greater wealth and higher living standards (Ikenson 2009:1).

In developed countries, globalization is pragmatic as it is concerned with actual circumstances. These circumstances include the facts that a small consortium of developed economies comes close to controlling the global economy, and in many industries today, chief competitors come from around the developed countries of the world. For example, the global automobile industry today includes major competitors from Japan, Germany, South Korea, France, the United Kingdom, Sweden and United States. The situation is similar in other key industries including home electronics, information technology (IT) services, telecommunications, medical equipment, software development, pharmaceuticals and defense technologies (Steers and Nardon 2006:4). Also it is striking that eighty-five (85) of the top one hundred (100) transnational corporations have been on the UNCTAD list for several years. The disturbing revelation is that only two, Petroleos of Venezuela and Daewoo corporation of Korea are from the developing countries (UNCTAD, 2000).

The current global economic model is enforced through institutions such as the World Bank (WB), The World Trade Organization (WTO), The International Monetary Fund (IMF) as well as International Investment Agencies (IIA) and other such bureaucracies (International Forum on Globalization (IFG) 2009:1).
These are the agents of globalization-WB, WTO, IMF, IIA. They individually and collectively facilitate the breakdown of barriers to free trade as well as resource protection. The IMF was originally envisioned to promote steady growth and full employment by offering unconditional loans to economies in crises and establishing mechanisms to stabilize exchange rate and facilitate currency exchange. Much of this vision however, was never born out. Instead, pressured by United States representatives, the IMF took to offering loans based on strict conditions later to be known as structural adjustment or austerity measures, dictated largely by most powerful nations. Critics charge that these policies have decimated social safety nets and worsened lax labour and environmental standards in developing countries. The World Bank (The International Bank for Reconstruction and Development), was created to fund the rebuilding of infrastructure in nations ravaged by world war two. Its vision too, however, soon changed. In the mid 1950’s the bank turned its attention away from Europe to the third world, and began funding massive industrial development in Latin America, Asia, and Africa.

Many scholars and critics contend that the Bank’s aggressive dealings with developing nations which were often ruled by dictatorial regimes, exacerbated the developing world’s growing debt crisis and devastated local ecologies and indigenous communities. Both IMF and World Bank policies remain a source of heated debate (Henning 2002:73-74). Naomi et al (1999: 308) state that most critics including exponents of dependency theory in the host countries where transnational firms operate maintain that foreign capital is a source of underdevelopment as these firms encroach on the sovereignty of African states, foment distortions in their economies and divert resources from domestic growth.
The IMF and World Bank induce poor African countries to lower the standard of living of their people (George, 1990). Stiglitz, (2002: 68) goes on to say that after each nation’s economy is analyzed, the World Bank hands every minister the same four – step programme: Privatization, capital market liberalization, market-based pricing and Free Trade.

Onah (2003:3) states that the developing countries want to profit from globalization in the form of increased foreign trade, foreign direct investment, and international borrowing. For countries seeking financial assistance, the International Monetary Fund and World Bank provide it but apply a neo-liberal economic ideology or agenda as pre-conditions to receiving the loan (Madeley, 1999:103). Foreign direct investment is a purchase of sufficient stock in a firm to obtain significant management control (Ball et al, 2002:69). Furthermore, circumstances compel developing nations to concentrate on similar cash crops and commodities (Clogan, 2002: 66). This is a reality as African states have faced a disadvantageous position in the global economy. Most countries rely on a narrow range of primary commodity exports for their foreign exchange earning World prices for these commodities are often unstable, leading to considerable fluctuation in the incomes of exporting states (Naomi et al, 1999:306). The scenario is like a huge price war; their resources then become cheaper favouring consumers in the West. While their goals are slightly different then, the International Monetary Fund and World Bank policies compliment each other (Colgan, 2002:74). Money, technology and raw materials move over more swiftly across national boarders. Along with products and finances, ideas and cultures circulate more freely. As a result laws, economics and social movements are forming at the international level (Berrett-Koehler, 2004:1). Many politicians, academics and journalists treat these trends as both inevitable and (on the whole) welcome.
Knor, (2003:1) affirms that economic globalization is a very uneven process with increased trade and investment being focused in a few countries. This fosters a structure of dependence of the developing countries on the industrial nations. This dependence conforms to a type of international and internal structure which leads them to underdevelopment or more precisely to a dependent structure that deepens and aggravates the fundamental problems of their peoples (Santos, 1970: 231-236). In his considered view, this dependence cannot be overcome without a qualitative change in their internal structures and external relations. Under this exploitative dependence the analysis of the processes of constituting a world economy that integrates the so-called “national economies” in a world market of commodities, capital and even labour power, the relations produced by this market are unequal because the development of parts of the system occurs at the expense of other parts. For example, trade relations are based on monopolistic control of the market which leads to the transfer of surplus generated in the dependent countries to the dominant countries. Also financial relations are from the view point of the dominant powers based on loans and the export of capital. These advantages permit them to receive interest and profits thus increasing their domestic surplus and strengthening their control over the economies of the other countries (Balogh, 1963). The developing countries are to embrace globalization as an inevitable choice or option (Knor, 2003:1). George (1990:143-187) describes the impact of this structured development as follows:

*Debt is an efficient tool (in the hand of IMF and World Bank). It ensures access to other peoples’ raw materials and infrastructure at the cheapest possible terms. Dozens of countries must compete for shrinking export markets and can export only a limited range of products because of Northern protectionism and their lack of cash to invest in diversification. Market saturation ensues, reducing exporters’ income to a bare minimum while the North*
enjoys huge savings. The IMF cannot seem to understand that investing in a healthy, well-fed literate population is the most intelligent economic choice a country can make.

Transnational corporations especially in the Shell PDC, comprise parent enterprise (or entrepreneur or share holder or owner) that controls assets of another entity or entities in a country usually by owning a capital stake (UNCTAD 1999:5). Their foreign affiliates or multinational corporations are new ventures that are born within the confines of the existing parent enterprise or existing business venture in its home country. Management of these multinational corporations in their respective host countries become the sole responsibility of managers who function in the capacity of corporate entrepreneurs because their parent enterprise is based in the home country. This process of branching out or outgrowth is called corporate entrepreneurship or intrapreneuring (Ile, 2003:5). This is the process of bringing about new ventures or corresponding business opportunity through internally generated new resource combination of the parent enterprise (Burgeman, 1984: 154; Stoner and Freeman, 1992: 157).

Steers and Nardon (2006:3) stress that succeeding against the odds often catapults a manager into the higher echelons of the organization with a concomitant increase in personal rewards. But failure to deliver often slows one’s career advancement, if it does not stop it altogether. Furthermore, these international corporations are important catalysts of growth. These firms bring essential capital, technology, management skills, employment, marketing capacity, goods and services to African economies (Naomi et al, 1999:307-308). They concentrate mainly on the production of oil and gas, that is, prospecting, exploration, drilling, exportation, refining and distribution of crude oil and gas because they are capital intensive ventures requiring sophisticated skills and
modern technologies, and standard human capital. These firms control assets much larger than the gross national product of most African countries (Naomi et al, 1999:308). The multinational oil companies exclusively held 100 percent equity in their operations in Nigeria from 1903 to 1973 through colonial inheritance. All Nigerian crude oil was marketed by the crude oil producing companies through their integrated system. Worse still, Nigeria, quickly as if it was labouring under an over bearing influence, sold back the bulk of its participating interest to the same foreign oil operating firms through a buy-back arrangement (NNPC, 2000:1). There is competition between supply chains but only after there is co-operation and collaboration within the same supply chains.

The uninterrupted gas flaring and oil spillage have caused devastating pollution in the environment where they do business of oil and gas. Fortunately globalization is promising vast potential to produce greater wealth and higher living standards for common humanity. But, unfortunately, cooperate entrepreneurs who are hired hands, may not exercise an unapproved right by the parent enterprises to take major decisions that can impact positively on their host communities. It is against this background that this study intends to examine the impact of globalization on the cooperate entrepreneurs who are functionally in charge of multinational corporations in the host countries and the host communities of operation.

1.2 STATEMENT OF PROBLEM
Nigeria embraced economic globalization as an inevitable choice or option. Being on the periphery, she focuses on low-skill, labour-intensive production and extraction of raw materials. Nigeria’s hope to strategically reposition her economy as the twentieth developed economy in the world by 2020 appears unreal. Her sole reliance on her oil and gas industry to achieve her set millennium goals is unrealistic. The economic business organization that
substantially manages and controls her oil and gas industry is the multinational corporations. These multinational corporations are owned by the core states that concentrate on high-skill; capital-intensive production and they are militarily strong and appropriate much of the surplus of the whole world-economy without regard to the effect on others like Nigeria. The corporate entrepreneurs who are agents of the parent enterprises functionally control the operations of these multinational corporations. They are functionally responsible to their parent enterprises. They hardly employ Nigerians and where they do they pay them in local currency and pay their foreign counterparts or expatriate staff in foreign currency. Multinational corporations hardly provide safe and equitable working conditions, blatantly refuse to follow Nigerian pertinent laws and regulations or even protect her environment where they do business. They also fail both to act in socially responsible ways and abide by conventional ethical standards justifying their arbitrary actions on the claim of colonial inheritance. That is why they deliberately neglect the oil pollution which adversely affects the atmosphere, soil fertility, water ways and mangroves, wildlife, plant life, aquatic life and also acid rain.

Fishing and agriculture are no longer productive enough to feed the people in the oil and gas region of Nigeria. The long term neglect of the region by the multinational corporations or oil firms resulted in the absence of critical human development infrastructure and aggravated the tension in the region. Frustrated expectations, widespread indignation and unprecedented restiveness heightened the tension between the local communities and oil companies. This is worsened by the fact that corporate policy insists that parenting must fit with entrepreneurial initiatives at strategic business unit level in host communities/countries where corporate entrepreneurs are functionally in charge of the Multinational Corporations. They doggedly pursue profit maximization and callously remit proceeds to parent enterprises in their home countries.
Along this line, the resources of the multinational corporations are so tightly controlled by the parent enterprises that nothing is left or available for the new and unexpected. This constrains the corporate entrepreneurs from protecting the environment of host communities from pollution and other hazards incidental on their business operations. It also prevents them from being socially responsible with respect to the employment of natives of the host communities whose farmlands and aquatic life are destroyed by pollutants rendering fishing and farming, their two main occupations, unproductive. The host communities by way of reaction resort to violent antagonism and even kidnapping of these corporate entrepreneurs. The corporate entrepreneurs as dependent variable of globalization lack the capacity to abide by conventional ethical norms and professional standards even under the influence of globalization which attempts or promises to bring all human beings, “us” and “them” in the same global context where “we” are “they” and “they” are “we”, all enjoying common humanity.

It is therefore pertinent to investigate the real impact of globalization on corporate entrepreneurs /intrapreneurs who make things happen in the Nigerian oil and gas industry.

### 1.3 OBJECTIVES OF THE STUDY

The main thrust of the study is the determination of the impact of globalization on corporate entrepreneurship in Nigerian oil and gas industry. To this end the following specific objectives are pursued:

1. To determine the extent to which the parent enterprises have changed corporate entrepreneurship policy as a result of globalization.
2. To investigate the extent to which the multinational corporations have complied with the pertinent Nigerian laws and regulations in her oil and gas industry.
3. To find out the impact of globalization on national economy in Nigerian oil and gas industry.
4. To evaluate the extent of employment of Nigerians in managerial positions in Nigerian oil and gas industry.
5. To identify the extent to which the multinational corporations in Nigerian oil and gas industry have been socially responsible to their host communities.

1.4 RESEARCH QUESTIONS
1. To what extent have parent enterprises changed their corporate entrepreneurship policy in response to influence of globalization?
2. How have the multinational corporations complied with pertinent Nigerian laws and regulations in her oil and gas industry?
3. To what extent does globalization impact on national economy in Nigerian oil and gas industry?
4. To what extent has the Nigerian oil and gas industry employed Nigerians in managerial positions in multinational corporations in her oil and gas industry?
5. How have multinational corporations in Nigerian oil and gas industry been socially responsible to their host communities?

1.5 RESEARCH HYPOTHESES
1. Most parent enterprises in the Nigerian oil and gas industry have significantly changed their corporate entrepreneurship policy in response to the influence of globalization
2. Multinational corporations have significantly complied with the pertinent Nigerian laws and regulations in her oil and gas industry.
3. Globalization has significantly impacted on national economy in Nigerian oil and gas industry.
4. Multinational corporations have significantly employed Nigerians in managerial positions in Nigerian oil and gas industry.
5. Multinational corporations in Nigeria have significantly been socially responsible to their host communities?

1.6 SIGNIFICANCE OF THE STUDY
The study is strategically important to the following sectors or organs:

i. The staff of Parent Enterprises of multinational corporations requires useful information on the realities of existence confronting the corporate entrepreneurs in the host communities where they are functionally in charge of the operations of their multinational corporations. The strict pursuit of profit maximization and total neglect of the adverse consequences of oil pollution on the people and environment of the host communities expose them to antagonism and violence with the host communities. Also, the global competitive pressures do not appear to confer any authority on them to develop and take entrepreneurial initiatives essential for conducive business environment in host communities.

ii. Government Administrators of host communities will benefit from the analysis of findings with respect to compliance with targets set for oil companies in terms of local content utilization and quantum of composite value added or created in their national economies and a review and analysis of their policies on social responsibility on the part of oil firms in host communities.

iii. N.N.P.C staff will evaluate the effectiveness of its supervision of the multinational corporations in transforming the oil and gas industry into economic engine for job creation, development of in-country capacity and active participation of all sectors of the national economy.
iv. Small Business Enterprise’s Manager will face new business opportunities, apply international best practices and undertake strategies for capacity building, skill competency and supplier enhancement.

1.7 SCOPE OF THE STUDY
The scope of the study is on Economic globalization influence on corporate entrepreneurs in Shell Petroleum Development Company of Nigeria Limited, Chevron Oil Nigeria Plc., Texaco Oil Nigeria Plc., and Agip Oil Nigeria Plc. The core elements include: globalization, parent enterprises, multinational corporations in Nigerian oil and gas industry, the host country government (Nigeria), the host communities (Niger Delta) and the Nigerian National Petroleum Corporation.

The geographical area comprised the Niger Delta region of Nigeria. The Niger Delta extends over an area of about 70,000 kilometers and accounts for 7.5 percent of Nigeria’s landmass, extending from Apoi to Bakassi, and from Mashin Creek to the Bight of Benin. The Niger Delta region traverses nine out of the 36 States making up the Federal Republic of Nigeria. These are Abia, Akwa Ibom, Bayelsa, Cross-River, Delta, Edo, Imo, Ondo and Rivers States. The estimated population of the region is about 30million comprising over forty different ethnic groups speaking 250 different dialects across about 3000 communities. The predominant occupations in the area are farming and fishing. Except for the oil sector, the industrial base is virtually none existent. (Osanebi, 2010: 10). The time covered by this study is from 2006 to 2010. This study is working on economic globalization and corporate entrepreneurship in multinational corporations in Nigerian oil and gas Industry.
1.8 LIMITATIONS OF THE STUDY

The limitations of the study are discussed in terms of financial constraint, time, and attitude of the respondents.

**Financial Constraint:** The researcher has to spend quite huge amount of money to travel to Port Harcourt, Warri and Lagos, gain access to relevant but classified journal on the internet, visit Libraries and outright purchase of some current literature etc.

**Time:** Time is always a constraining factor in carrying out research. Time is inelastic and has no substitute. All work and all human activities are done in time. Hence the competing pressure and constraint in the face of dynamic changes in the topic researched. It was time consuming and highly involving.

**Attitude of Respondents:** There is the typical reluctant attitude on the part of some respondents to fill the questionnaire or grant interview. In some cases, some respondents expect to be paid for the use of their time and knowledge; if otherwise, they will be very reluctant in giving the required information. Some hoard information in keeping with the oath of secrecy. In spite of repeated assurance of confidentiality most of them fear the loss of their job. They stick to their gun. This attitude caused delays and hardship to the researcher because the study must be carried out based on information received. The study as of necessity demanded and obtained materials utilized, secretarial services, local transportation to and from relevant centres which substantially impacted on the study. Oil and gas industry is in the Niger Delta domain. The zone is characterized by a high scale of violence including kidnapping of key operators of the crude oil and gas industry. But amnesty granted to Niger Delta militants is relaxing the tension in the zone.
1.9 OPERATIONAL DEFINITION OF TERMS

Globalization: This is the world’s unrelenting drive to build-and capitalize on a more integrated and more productive global economy that leads to lower consumer prices and higher corporate profits (Steers and Nordon, 2006: 1).

Economic Globalization: This is a process of increasing economic integration between two countries leading to the emergence of a global market place or a single world market.

Entrepreneur: This is a person (or group of persons) who undertakes and operates a new enterprise or venture and assumes some accountability for inherent risk; in the context of the creation for profit, entrepreneur is often synonymous with founder.

Human Resource Management: This is the function performed in organization which facilitates the most effective use of people/employees to achieve organizational and individual goals or organizational effectiveness (Ivancevichi- Glueck, 1983:6).

Entrepreneurship: This refers to the parent enterprises who are owners of multinational corporations operating domestically in foreign countries/communities.

Corporate Entrepreneurs “Intrapreneur”/Senior Management: They comprise individuals whose education and experience are both broad and deep and who have the requisite skills for identifying and exploiting opportunities; fostering team-based innovation, or intercreativity, and managing change (Macbeth and Rimac, 2004:17)

Corporate Intraprendurial/Senior Management: This is an application of management process to innovative spirit and activities for corporate benefits (Pinchot III, 1985: XII-XIII).

Corporate Entrepreneurship Function: This is an agency function in multinational corporations performed outside the home countries of the parent enterprises by hired corporate entrepreneurs in multinational corporations
engaged in Nigeria oil and gas production with conflicting results in profit to parent enterprises and suffocating environment to the host communities where they do business.

**Multinational Corporation:** This is a foreign firm or holding company with a number of overseas operations each of which is left to adapt its products and marketing strategy to what local managers perceive to be unique aspects of their individual markets (Ball et al, 2006:6).

**International Business:** This business aims at making profit by carrying out its activities across national borders (Ball et al, 2002).

**Glocalization:** This captures the way in which homogenization and heterogenization intertwine (Robertson 1995a:40).

**Globality:** This is a contested phenomenon as we are... in a period of globe-wide cultural politics, involving explicitly globe-oriented ideologies. (Robertson 1992:5).
REFERENCES


UNCTAD (2000)
CHAPTER TWO
REVIEW OF RELATED LITERATURE

2.0 INTRODUCTION

To set the theoretical framework for this study, this chapter reviews the following existing relevant literature: Theoretical Framework, Globalization including its agents and models, Nigerian development since 1960, Domestication of Multinational Corporations in Foreign Countries, Corporate Entrepreneurs in Multinational Corporations, Pertinent Nigerian Laws and Regulations, Corporate Social Responsibility in Nigerian Host Communities, Nigerian Liquefied Natural Gas and Summary of the Review of Related Literature. This review pictures current experiences and observations in the area of the study. It relieves the researcher of unintentional replication or duplication of previous studies and determines the relevant relationship of this study with previous ones in a cumulative manner. Furthermore, it links the research findings with the theoretical framework which enables and empowers the discussion on findings.

2.1 THEORETICAL FRAMEWORK

The theoretical framework is based on the growing competitive pressures in the world whose principal cause lies in the world’s unrelenting drive to build and capitalize on a more integrated and more productive global economy that leads to lower consumer prizes and higher corporate profits (Steer and Nardon 2006:3) and that as the world grows smaller, our common humanity shall reveal itself Obama (2009) in Igboaja (2009: 89); “grounding prosperity and survival of corporate entrepreneurs and their firms on global competitive advantage”. The saying is no more – go West. Today, the advice is very different; Go Global. The future has shifted unequivocally, as have the opportunities, and
smart companies and their corporate managers have to respond accordingly (Steers and Nardon 2006: 4).

The world facing global managers today is complex, challenging and constantly changing. Many people are rethinking what management is all about because of the increasing pace of change both in organizations and in the larger world. Today’s managers should continually regard “change” as a constant in their lives.

**The basic theories on globalization are:**

i. World-System Theory;

ii. World Polity Theory; and

iii. World Culture Theory.

2.2.1 **World-System Theory**

This theory sees globalization as “the process, completed in the twentieth century, by which the capitalist world-system spreads across the actual globe. Since the world-system has maintained some of its main features over several centuries, globalization does not constitute a new phenomenon (Wallerstein, (Utopistics), 1998:32). The modern world-system originated around 1500. In parts of Western Europe, a long-term crisis of feudalism gave way to technological innovation and the rise of market institutions. Advances in production and incentives for long-distance trade stimulated Europeans to reach other parts of the globe. Superior military strength and means of transportation enabled them to establish economic ties with other regions that favoured the accumulation of wealth in the European core. Capital-intensive production was reserved for core countries while peripheral areas provided low-skill labour and raw materials. The unequal relationship between European core and non-European periphery inevitably generated unequal development. At any one
time, a particular state could have hegemonic influence as the technological and military leader, but no single state could dominate the system: it is a world economy in which states are bound to compete. While the Europeans started with only small advantages, they exploited these to reshape the world in their capitalist image. The world as a whole is now devoted to endless accumulation and profit-seeking on the basis of exchange in a market that treats goods and labour alike as commodities.

World-system theory is defined as any historical social system of interdependent parts that form a bounded structure and operate according to distinct rules, or “a unit with a single division of labour and multiple cultural systems” (Wallerstein, 1974a:390). Three concrete instances stand out: mini-systems, world empires, and world-economies. The modern world-system is a world-economy. “It is a capitalist world-economy because the accumulation of private capital, through exploitation in production and sale for profit in a market, is its deriving force; it is a system that operates on the primacy of the endless accumulation of capital via the eventual commodification of everything” (Wallerstein, 1998:10).

The World System Theory works as follows:

- Strong states in core areas –i.e., those that are militarily strong relative to others and also not dependent on any one group within the state -serve the interests of economically powerful classes, absorb economic losses, and help to maintain the dependence of peripheral areas.

- Semi peripheral areas are a “necessary structural element” in the system because “they partially deflect the political pressures which groups primarily located in peripheral areas might otherwise direct against core-states”, thus preventing unified opposition.
• Shared ideology solidifies the commitment of ruling groups to the system; they must believe the system’s “myths” and feel that “their own well-being is wrapped up in the survival of the system as such” lower strata need not feel any particular loyalty; however, they tend to become incorporated into the nationally unified culture created by ruling groups, starting in core states. An ideology for the system as a whole only developed later: “The ideology of liberalism has been the global geoculture since the mid-nineteenth century” (Wallerstein, 1998:47).

• Different forms of labour and labour control suit different types of production, distributed across the three main zones; historically, they included wage labour, tenant farming, servitude, and slavery, (Wallerstein, 1974b:86-7). Status and rewards match the hierarchy of tasks: “crudely, those who breed manpower sustain those who grow food who sustain those who grow other raw materials who sustain those involved in industrial production” (Wallerstein, 1974b:86).

The World System Theory changes as follows:

• Expansion on the basis of European advantage and structural features of the system. In the period 1733-187, the European world-economy “began to incorporate vast new zones into the effective division of labour it encompassed” (Wallerstein, 1989:129) - namely, the Indian subcontinent, the Ottoman Empire, the Russian empire, and West Africa. “the modern world-system became geographically global only in the latter half of the nineteenth century, and it has only been in the second half of the twentieth century that the inner corners and more remote regions of the globe have all been effectively integrated” (1998:9) as a result, most goods are market commodities and most labour is wage labour everywhere.
• Cyclical crises that occur when, after periods of innovation and expansion, reduced profit rates and exhaustion of markets lead to recession and stagnation, to be followed by a new period of accumulation. Shifts in dominance from one power to another due to advances in productivity, the fragility of monopoly, and success in war (cf. 1995:26-7). The Netherlands was “hegemony” in the mid-seventeenth century, the UK in the mid-nineteenth, the US in the mid-twentieth (1995:25). Periods of clear leadership alternate with struggle in the core.

• Resistance by anti-systemic movements that can lead to regime change, ideological shifts, and alternatives to the system. The most notable anti-systemic force of the last two centuries was socialism, which forced core states to redistribute wealth and supported the formation of new independent states challenging the capitalist world-economy.

• Transition from one type of system to another due to contradictions that cannot be contained. The capitalist world-economy is a historical configuration and therefore bound to be superseded.

Current situation.

• “We have entered into the crisis of this system…. An historic transition” (1998: 32-3). But the direction of the system is not clear: “we are face to face with uncertainty” (2000:6). The main reason is that the world economy is in a phase of recession and stagnation, increasingly reflected in social unrest (Wallerstein, 1995:19, 29).

• US hegemony has been in decline since about 1970 (1995: 15ff.), increasing the likelihood of struggle in the core.

• The old anti-systemic forces are exhausted, but so is liberalism
2.2.2 World Polity Theory
This theory considers globalization as the growth and enactment of world culture. Since at least the middle of the nineteenth century, a rationalized world institutional and cultural order has crystallized into universally applicable models that shape states, organizations, and individual identities (J. Meyer et al., “World Society and Nation-State”, Am. J. of Soc. 1997). Conceptions of progress, sovereignty, rights, and the like, have acquired great authority, structure the actions of states and individuals, and provide a common framework for global disputes.

World Polity Theory is defined as a “system of creating value through the collective conferral of authority” (Meyer 1980: 111-2). The system is constituted by a set of rules, also called frames or models. Actors in the system are “entities constructed and motivated by enveloping frames” (Boli and Thomas 1997:172). The world polity contains no single actor or institution defining what is valuable for the world as a whole. “Instead of a central actor, the culture of world society allocates responsible and authoritative actor hood to nation-states” (Meyer et al. 1997:169). Their authority is rooted in a world culture: a set of universally applicable models that define who legitimate actors in world society are, what goals they can pursue and how they can pursue them. While world polity models define sovereign states as key actors, enabling authorities to construct collective goals and devise the means or programme to produce them, state officials are not the only ones engaged in such authoritative creation of value (Meyer et al, 1980:112).

The World Polity works as follows:

- World culture constitutes states as rationalized actors—i.e., entities that are systematically organized and operated according to formal rules. “In
world culture the nation-state is defined as a fundamental and strongly legitimated unit of action.

- World culture exerts pressure towards isomorphism. Institutionalization of world models leads to structural similarity. Thus, nation-states adopt similar constitutional forms, public educational systems, policies on women’s rights and the environment, etc. (Meyer et al 1997:152-3).

- States are structured to a degree and in a manner that is unrelated to their actual needs and circumstances, leading to the “decoupling of general values from practical action” (Meyer et al 1997:155).

- International nongovernmental organizations represent, carry out, and elaborate global principles. They are “built on world-cultures principles of universalism, individualism, rational voluntaristic authority, progress, and world citizenship” (Boli and Thomas 1997:187).

- Within nation-states, “world-society ideology…. directly licenses a variety of organized interests and functions” (Meyer et al 1997:160). For example, environmental groups may hold states accountable, or nationalist groups may claim legitimacy, in terms of world-cultural principles. Global models sustain many domestic actors.

The World Polity Theory changes as follows:

- In stateless world society, no single authoritative actor can control culture. Such lack of exclusive control creates ample room for innovation (1997:169)

- Pursuit of similar goals by similar states leads to intense competition. “The greater the number of entities…. that pursue similar interests requiring similar resources, the more the entities will come into conflict with each other and develop theories of one another as sources of social ills” (Boli et al, 1997:170).
World society legitimates different kinds of actors—individuals, states, interest groups, and international organizations. These are bound to come into conflict. A case in point is the tension between claims to equality by individuals and state justifications for specification that produce inequality, or particular groups may claim a right to cultural distinction and autonomy against state pressure toward homogenization (Boli et al, 1997:171).

Much change stems from “the dynamism that is generated by the rampant inconsistencies and conflicts within world culture itself, “especially “contradictions inherent in widely varied cultural goods: equality versus liberty, progress versus justice, “and the like (Boli et al, 1997:172).

World-cultural standards “create strong expectations regarding global integration and propriety” and therefore “can easily provoke world-societal reactions seeking to put things right” when individuals, companies, or states violate those standards (Boli et al, 1997:175).

More concretely, non-governmental organizations can be a force for change: “In mobilizing around and elaborating world-cultural principles, non-governmental organizations (NGOs) lobby, criticize, and convince states to act on those principles” (Boli and Thomas: 187).

2.2.3 World-Culture Theory
This theory considers globalization as “the compression of the world and the intensification of consciousness of the world as a whole’ (Robertson, 1992: 8). In thought and action, it makes the world a single place. What it means to live in this place, and how it must be ordered, become universal questions. These questions receive different answers from individuals and societies that define their position in relation to both a system of societies and the shared properties of humankind from different perspectives. The confrontation of their world
views means that globalization involves “comparative interaction of different forms of life” (Robertson, 1992:27).

World culture theory is defined as a label for a particular interpretation of globalization that focuses on the way in which participants in the process become conscious of and gives meaning to living in the world as a single place.

In this account, globalization “refers both to the compression of the world and the intensification of consciousness of the world as a whole”; in other words, it covers the acceleration in concrete global interdependence and in consciousness of the global whole (Robertson, 1992: 8). It involves the crystallization of four main components of the “global-human circumstance”: societies (or nation-states), the system of societies, individuals (selves), and humankind; this takes the form of processes of, respectively, societalization, internationalization, individuation, and generalization of consciousness about humankind (Robertson 1991: 215-6; 1992: 27).

The world culture theory works as follows:

- **Relativization.** Each unit in the emerging world order takes shape relative to the others that surround it.

- **Emulation.** Although globalization does not create a common culture in which everyone holds the same beliefs and values, it does create a single arena in which all actors pursue their goals by deliberate comparison with others, using at least some common standards as yardstick.

- **Glocalization.** The universal ideas and processes involved in globalization necessarily are interpreted and absorbed differently according to the vantage point and history of particular groups. In some cases, this is done strategically, for example when global marketers create local traditions on the assumption that difference sells. More
generally, glocalization captures the way in which homogenization and heterogenization intertwine (Robertson, (1995a:29 & 40)

- **Interpretation.** Specifically, universalism and particularism have become part of a single nexus, united “in terms of the universality of the experience and, increasingly, the expectation of particularity, on the one hand, and the experience and, increasingly, the expectation of universality on the other”.

- **Contestation.** Globality is contested: “we are… in a period of globe wide cultural politics, involving “explicitly globe-oriented ideologies”. Some of these advocate a tightly integrated world, others defend difference; some envision global gesellschaft, others gemeinschaft (Robertson 1992:5 & 78-79)

The world culture theory changes as follows:

- **Inherent dynamics of globalization.** World culture theory portrays the process as ongoing and open-ended

- **Movements of de/reglobalization.** Globalization provokes reaction/resistance

- **Multiple sources.** While world culture theory emphasizes the role of reflexivity and worldviews in globalization, in principle change can originate anywhere.

**Entrepreneurship Theory**

The theory of entrepreneurship is defined as a verifiable and logically coherent formulation of relationships, or underlying principles that either explain entrepreneurship, predict entrepreneurial activity (for example, by characterizing conditions that are likely to lead to new profit opportunities to the formation of new enterprises), or provide normative guidance (that is, prescribe the right action in particular circumstances). As we are now in the new
millennium. It has become increasingly apparent that we need to have some cohesive theories or classifications to better understand this emerging field (Kuratko and Hodgetts 2007: 37).

The Select Global Theory: A Critical Review

The World Culture Theory builds on the premise that the world or the globe has a common culture. The cultures of the world reflect the peculiarity of the way of life in all settlements comprising the globe. When cultures come in contact, they may converge in some aspects, but their idiosyncrasies will likely amplify. Although globalization does not create a common culture in which everyone holds the same beliefs and values; it does create a single arena in which all actors pursue their goals by deliberate comparison with others using at least some common standards as yardsticks. The universal ideas and processes involved in globalization necessarily are interpreted and absorbed differently according to the vantage point and history of particular groups. In some cases, this is done strategically for example when global markers create local traditions on the assumption that difference sells. This implies that World Culture Theory is not uniform but divergent and a necessary condition for global association.

World Polity Theory contains no single actor or institution defining what is valuable for the world as a whole. Instead of a central actor the culture of world society allocates responsible and authoritative actorhood to nation states. Their authority is rooted in a world culture; a set of universally applicable models that define who are legitimate actors in world society, what goals they can pursue and how they can pursue them. While world polity models define sovereign states as key actors, enabling authorities to construct collective goals and devise the means or programme to produce them, state officials are not the only ones engaged in such authoritative creation of value. This gives sovereignty a
presumption of independence or autonomy which is not tenable in the face of globalization.

The World-System Theory relates appropriately to the specific objectives of this study. It clearly states the beginning premise of economic globalization as the advances in production and incentives for long-distance trade. This stimulated Europeans to reach to other parts of the globe. Superior military strength and means of transportation enabled them to establish economic ties with other regions that favoured the accumulation of wealth in the European core. It was only in the second half of the twentieth century that the inner corners and more remote regions of globe have all been effectively integrated. This facilitated the establishment of multinational corporations as domestic companies operating in foreign countries or host communities. The study adopts the World-System Theory because globalization substantially tends towards capitalism which is basically an economic phenomenon. In this respect, it is related to the modern world-system which is a world-economy. The basic linkage between the parts of the World-system is economic, favouring the accumulation of private capital through exploitation in production and sale for profit in a market as its driving force. This endless accumulation of capital is via the eventual commodification of everything.

2.2 GLOBALIZATION AND ITS RELEVANT ASPECTS

Omolayale (2004: 21) describes globalization as a concept by which the whole world for the purpose of trade and commerce is treated as one sovereign political entity, (Egonmawan (2000) and Tores (2001:8) In this definition, “trade and commerce” pull the people of the world together, into one large market, under a ‘sovereign authority’ or a ‘global president’. This will result in world-wide opportunities; world-wide access to market, instant capital flows, e-mail computers across the globe. Inherent competitive pressures will provide a sophisticated labour market. Multinational corporations will become domestic
corporations contributing substantially in developing the skills of workers in developing economies and adoption of modern technologies. The global GDP will be owned and shared by the entire citizens of the world.

All processes relating to trade and commerce will interrelate and mutually reinforce information flows and real time transactions, facilitate global trade, investment, education and global prices of factors of production. Also, global ideas and culture will circulate more freely within the globe. As a result, laws, economies and social movements are to be formed at the international level.

Hitt et al (2003: 13) describe globalization as the increasing economic interdependence among countries as reflected in the flow of goods and services, financial capital and knowledge across the country borders. Available but constrained opportunities must be strategically competed for by corporate managers and their respective firms.

The widening gap between the developed and the developing countries continues to increase: for example the United States has a population of 300 million people and gross domestic product (GDP) of over $10 trillion, China with a population of 1,285,000,000 has a GDP of over $1 trillion; Japan with a population of 140,400,000 has a GDP of over $4 trillion. This information is contained in the country rating of economic activity comprising only 50 countries of the world. Nigeria was not on the list. (The Economist Pocket World in Figure, London Profile Book; 2004).

The picture now is worse because the developing countries still rely on a narrow range of primary commodity exports for their foreign exchange earning. Secondly, the world prices of their commodities are often unstable. Thirdly, they have very low production capacity and sale for profit, the driving force in economic globalization. To survive this keen global competition, organizations
must adopt the strategic flexibility approach which involves coping with uncertainty and the accompanying risks (Onwuchekwa, 2000). Also organizations should develop slack resources strategies as contingencies or back-up. The components of global strategy include:

1. Highest quality products / services
2. Most profitable world-wide market
3. Lower production cost
4. Changing market and competitive conditions
5. Global sourcing of raw materials, technology, capital, facilities and human resources and other essentials.

Gidden (1990: 64) defines globalization as intensification of worldwide social relations which link distant localities in such a way that local happenings are shaped by events occurring many miles away and vice versa, also, depicting the transformation of the relations between states, institutions, groups and individuals, the universalization of certain practices, identities and structures and perhaps more significantly the expression of a global restructuring that has occurred in recent decades in the structures of modern capitalist relations (Aina 1997: 8).

Giddens’s definition confirms that local customs, events, identities- have lost authentic background and are irresistible subjects to distant social relations impact. Aina’s definition talks of critical changes in the structural and super-structural in the modern capitalist relations particularly with respect to former enemies during the cold war. The reigning ideology is capitalism because socialism of the Eastern block dissolved and vapourized with the fall of Soviet Union. This was a review of the definitions by the researcher.

Fundamentally, globalization is an economic phenomenon that has as well, political, social, and technical dimensions. The overflow, resulting from the
application of resources, gives force or strength to political and social aspects. That is why Samuelson (1970: 13) highlights that every national issue or interest has an economic dimension and requires an economic understanding to make progress in dealing with it. Ohamae (1995: 64) affirms that economic activities are what define the landscape on which all other institutions, including political institutions, must operate. Therefore, economic globalization may be defined as the ongoing process of greater economic interdependence among countries and is reflected in the increasing amount of cross-border trade in goods and services, the increasing volume of international financial flows and increasing flow of labour (Fischer 2003: 3). In summary, economic globalization is worldwide openness to international trade in goods and services, technology, labour and capital, foreign borrowing and lending, foreign aid, transport and communication and global strategies, linking and coordinating activities (Ball et al 2006).

**Globalization – An ongoing process:**

Oxford Learners Dictionary defines process as connected series of actions, changes especially such as are involuntary or unconscious or series of operations deliberately undertaken. In other word, it implies a scheduling of activities, or operations specifying the sequence of and methodology of achieving project activities. Interestingly, at the 1999 World Economic Forum (WEF) annual meeting in Davos, Switzerland, a new word, globality, was introduced as the meeting’s theme. Daniel Yergin, author of the Commanding Height decided that since globalization is a process, a different word was needed for “the results of this process- a place, a condition, the situation that comes afterward”. Professor Klaus Schwab, founder of the WEF explained, “We wanted to look beyond the economic dimensions of what is happening. It is “globality”- the economic, political, social and technological results of globalization.
This definition implies that the series of changes or operations exert effect on the movement of technology, raw materials, labour, information, products and finances and group of firms that operate on a joint development project complementing and specializing in order to overcome common problems, achieve collective efficiency and conquer markets beyond their individual reach, that is, across continents and regions, (ESCWA, 2003: 6 – 7). Networks are business relationships that link together geographically dispersed enterprises and their agents drawn from various sectors (Khalid 1995) and they are usually conceived as a tool designed to attain a certain objective, (ESCWA, 2003: 6-7). Deon (2000) states that the process of Globalization has many dimensions:

i. Expansion of internal trade

ii. Migration of people to various parts of the world (colonization, slavery, world wars)

iii. Flow of cash and other types of investment amongst nations

iv. Capital investment by firms or citizens/individuals

v. Exchange of finance capital between nations or regions

vi. Impact and influence of multinational corporations (MNCs)

vii. Exchange of technology and

viii. Expansion of international networks and the impact of electronic technology on the media.

All these are agents but none of them or a group of them had force enough to enthrone globalization as a universal phenomenon.

**Globalization Stimulus**

The concept of globalization is not new and there is a convergence among scholars on this point (Farazmand, 1999: 510; Knor, 2003:1, Held et al, 1999:5). The period of the gold standard and liberalization of the 19th century is often called the First Era of Globalization and it broke down in the late 1920s arising from the collapse of the gold standard.
The current trend of unrelenting drive by the world to forge a global economy (Stecrs and Nordon 2006:3) is feasting on the collapse of the Soviet Union and the cold war as well as its solid alliances which kept the world totally divided into two blocks – East with its philosophy of socialism and West with its philosophy of capitalism. This division turned the world into “two small worlds” that were completely indifferent and antagonistic to one another. Today, globalization is being defined with respect to changes within the capitalistic structure. The current trend is to skew with or align with America or capitalism or be blocked out. Held et al (1999) attests to this new globalization thus:

Empires, once the principal form of political rule and political organization, had given way to a worldwide system of nation, states, over laid by multilateral, regional and global systems of regulation and governance. Moreover, whereas previous epochs were dominated by collective or divided hegemony of (Eastern) Western powers, the contemporary era can claim to have only a single potential hegemonic power: United States whose enormous structural power has remained deeply inscribed in the nature and functioning of the present world order.

The above attestation confirms that globalization is substantially Americanization and the Current Chief Apostle or agent of Globalization is, therefore, President Barrack Hussein Obama of the United States of America. He appears to be specially ordained for this assignment by possessing within his nature, a global personality mix: being an American citizen, being an African by origin, being a distant Moslem through the Moslem faith of his late father from Kenya, and currently being a Christian. The theme of his Inaugural Speech on Tuesday January 20, 2009 projects him as a true agent of globalization as follows:

 America is a friend of each nation and every man, woman and child who
seeks a future of peace and dignity and we are ready to lead once more ... Our power grows through its prudent use. Our security emanates from the justices of our cause, the force of our example, the tempering qualities of humanity and restraint. We will work tirelessly to lessen the nuclear threat and roll back the specter of a warming planet. For the world has changed, and we must change with it.

2.2.1 Globalization as an Ideology

Globalization is a capitalist ideology which draws strength and spread from the pre-eminence and sole dominance of America in shaping the world order after the collapse of the Soviet Union with its ideology of socialism. The spread of capitalist liberal democracy is unfettered. For example Obama strongly presented the advantages of Democracy as an alternative or preferred alternative to what obtains in Cairo, Egypt (Moslem world) even in Russia. It was a dominant feature in his speeches in Turkey, Egypt, Russia, Ghana and world bodies. Capitalism and Western Liberal Education are the ideal economic and political system. This system advocates freedom, individualism, privatization, competition, free enterprise, women liberation, and right of youths, children and others (Farazmand, 1999:511).

The current market-induced global economic crises show the imperfection in a capitalistic market driven economy. Market economic framework nevertheless is the most superior model of economic management (Soludo 2008:24). Also market fundamentals and ideology are the drivers of the modern day globalization (Steers and Nordon 2006:18). They observe that market has no soul and tends to be impartially rewarding competition and distributing common wealth unfairly. Obama (2009) in his inaugural speech advocates for a supervising authority or committee to constantly moderate the excesses of the market: “Nor is the question before us whether the market is a force for good or
ill. Its power to generate wealth or expand freedom is unmatched, but this crisis has reminded us that without a watchful eye, the market can spin out of control and that a nation cannot prosper long when it favours only the prosperous. The success of our economy has always depended not just on the size of GDP, but on the reach of our prosperity, on our ability to extend opportunity to every willing heart not out of charity but because it is the surest route to our common good (Obama, 2009).”

2.2.2 Globalization Forces

Ball et al (2002:12) list five major kinds of drivers, all based on change, that are leading international firms to the globalization of their operations. They are politics, technology, market, cost and competition (Brake et al 1995). Political: there is a trend toward the unification and socialization of the global community. Ample evidence shows that the cultures of the world are getting more and more interconnected and that the business world is becoming increasingly global (House, 2004). Public policy making facilitates the flow of resources across the globe, improves mutual understanding and integration of nations, enhances and strengthens market liberalization and ideal as of liberal democratic culture and shapes the structure of the economy. National policies, on economic, cultural and technology, that were until recently under the jurisdiction of their respective country governments and people, have come increasingly under the influence of international agencies and/or big multinational corporations and global economic and financial players (Khor, 2003). Other international organization include: the United Nations (UN) and its agencies, World Bank, IMF and GATT and WHO, International court of Hague. For example the former Liberian president Charles Taylor, is facing trial on charges of war crimes in Liberia during his tenure as president of Liberia. This has gone beyond the supreme court of Liberia which would have been the final authority on the matter. Also, the US military attack on Iraq, the war to
eliminate al Qaeda in Pakistan or Afghanistan by NATO, PKK in Turkey, Taliban in Afghanistan, HAMAS in Palestine, is a global design to flush out terrorist in all forms disturbing the peace and free flow of resources in the world.

The political powers of a few powerful countries float the multinational corporations. They, also, control both the hardware and software that make the world thick. These few powerful global companies are shown in table 2.1 below:

**Table 2.1**
The World Largest Corporations (Market Value in millions) for 2008 and 2009 respectively are as follows:
FT Global 500 March 2009
FT Global 500 March 2008
Prices and market value as at 31 March 2009
Rank March 2009
Rank Dec 2008

<table>
<thead>
<tr>
<th>Rank Mar 2009</th>
<th>Rank Dec 2008</th>
<th>Company</th>
<th>Country</th>
<th>Sector</th>
<th>Price</th>
<th>Market Value $m</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>Exxon Mobil</td>
<td>US Oil &amp; gas producers</td>
<td>68.1</td>
<td>336,524.9</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>2</td>
<td>PetroChina</td>
<td>China Oil &amp; gas producers</td>
<td>0.8</td>
<td>287,185.2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>Wal-Mart Stores</td>
<td>US General retailers</td>
<td>52.1</td>
<td>187,885.4</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>China Mobile</td>
<td>Hong Kong Mobile</td>
<td>8.7</td>
<td>174,672.9</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Telecommunication</td>
<td></td>
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<tr>
<td>6</td>
<td>7</td>
<td>Microsoft</td>
<td>US Software &amp; computer Services</td>
<td>18.4</td>
<td>163,319.5</td>
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<td>7</td>
<td>8</td>
<td>AT&amp;T</td>
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<td>25.2</td>
<td>148,511.3</td>
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<td>9</td>
<td>9</td>
<td>Johnson &amp; Johnson</td>
<td>US Pharmaceuticals &amp; Biotechnology</td>
<td>52.6</td>
<td>145,481.2</td>
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<tr>
<td>9</td>
<td>11</td>
<td>Royal Dutch Shell</td>
<td>UK Oil &amp; gas producers</td>
<td>22.5</td>
<td>138,999.2</td>
<td></td>
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<tr>
<td>10</td>
<td>5</td>
<td>Procter &amp; Gamble</td>
<td>US Household goods &amp; home construction</td>
<td>47.1</td>
<td>138,012.6</td>
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<td>11</td>
<td>12</td>
<td>Chevron</td>
<td>US Oil &amp; gas producers</td>
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<td>12</td>
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<td>Berkshire Hathaway</td>
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<td>133,664.6</td>
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<td>13</td>
<td>18</td>
<td>China Construction Bank</td>
<td>China Banks</td>
<td>0.6</td>
<td>133,228.6</td>
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<td>14</td>
<td>23</td>
<td>IBM</td>
<td>US Software &amp; computer Services</td>
<td>96.9</td>
<td>129,995.1</td>
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<td>15</td>
<td>13</td>
<td>Nestle</td>
<td>Switzerland Food producers</td>
<td>33.8</td>
<td>129,613.8</td>
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<td>16</td>
<td>15</td>
<td>BP</td>
<td>UK Oil &amp; gas producers</td>
<td>68.1</td>
<td>126,660.1</td>
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<tr>
<td>17</td>
<td>35</td>
<td>Petrobras</td>
<td>Brazil Oil &amp; gas producers</td>
<td>15.4</td>
<td>123,856.5</td>
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<tr>
<td>18</td>
<td>24</td>
<td>BHP Billiton</td>
<td>Australia/UK Mining</td>
<td>22.2</td>
<td>118,221.7</td>
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<tr>
<td>19</td>
<td>19</td>
<td>Total</td>
<td>France Oil &amp; gas producers</td>
<td>49.7</td>
<td>117,854.1</td>
<td></td>
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<tr>
<td>20</td>
<td>32</td>
<td>Bank of China</td>
<td>China Banks</td>
<td>0.3</td>
<td>115,243.1</td>
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<td>21</td>
<td>25</td>
<td>Toyota Motor</td>
<td>Japan Automobiles &amp; parts</td>
<td>31.6</td>
<td>108,917.1</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>10</td>
<td>General Electric</td>
<td>US General Industries</td>
<td>10.1</td>
<td>106,765.8</td>
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<td>23</td>
<td>48</td>
<td>Sinopec</td>
<td>China Oil &amp; gas producers</td>
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<td>101,805.3</td>
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<td>24</td>
<td>30</td>
<td>Coca-Cola</td>
<td>US Beverages</td>
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<td>101,729.2</td>
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<td>25</td>
<td>17</td>
<td>Novartis</td>
<td>Switzerland Pharmaceuticals &amp; Biotechnology</td>
<td>37.9</td>
<td>100,159.6</td>
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<tr>
<td>26</td>
<td>21</td>
<td>JP Morgan Chase</td>
<td>US Banks</td>
<td>26.6</td>
<td>99,885.4</td>
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<tr>
<td>27</td>
<td>37</td>
<td>Cisco Systems</td>
<td>US Technology Hardware &amp; equipment</td>
<td>16.8</td>
<td>97,886.6</td>
<td></td>
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<tr>
<td>28</td>
<td>22</td>
<td>HSBC</td>
<td>UK Banks</td>
<td>5.7</td>
<td>97,408.9</td>
<td></td>
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<tr>
<td>29</td>
<td>27</td>
<td>Volkswagen</td>
<td>Germany Automobiles &amp; parts</td>
<td>307.1</td>
<td>96,625.8</td>
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<td>30</td>
<td>16</td>
<td>Roche</td>
<td>Switzerland Pharmaceuticals &amp; Biotechnology</td>
<td>137.4</td>
<td>96,512.5</td>
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<tr>
<td>31</td>
<td>51</td>
<td>China Life Insurance</td>
<td>China Life Insurance</td>
<td>3.3</td>
<td>94,731.8</td>
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<td>32</td>
<td>31</td>
<td>Telefonica</td>
<td>Spain Fixed line Telecommunications</td>
<td>19.9</td>
<td>93,828.1</td>
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<td>33</td>
<td>54</td>
<td>Apple</td>
<td>US Technology Hardware &amp; equipment</td>
<td>105.1</td>
<td>93,615.0</td>
<td></td>
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<tr>
<td>34</td>
<td>29</td>
<td>Vodafone Group</td>
<td>UK Mobile telecommunications</td>
<td>1.8</td>
<td>92,342.0</td>
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<tr>
<td>35</td>
<td>20</td>
<td>Pfizer</td>
<td>US Pharmaceuticals &amp; Biotechnology</td>
<td>13.6</td>
<td>91,870</td>
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<tr>
<td>36</td>
<td>44</td>
<td>Gazprom</td>
<td>Russia Oil &amp; gas producers</td>
<td>3.9</td>
<td>91,498.0</td>
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<td>37</td>
<td>39</td>
<td>Oracle Corporation</td>
<td>US Software &amp; computer Services</td>
<td>18.1</td>
<td>90,050.2</td>
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<tr>
<td>38</td>
<td>34</td>
<td>Verizon Communications</td>
<td>US Fixed line Telecommunications</td>
<td>30.2</td>
<td>85,785.1</td>
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<td>39</td>
<td>56</td>
<td>Google</td>
<td>US Software &amp; computer Services</td>
<td>348.1</td>
<td>83,634.9</td>
<td></td>
</tr>
<tr>
<td>40</td>
<td>49</td>
<td>Intel Corporation</td>
<td>US Technology</td>
<td>15.0</td>
<td>83,596.8</td>
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</tbody>
</table>

Table 2.1 shows the World Largest Corporations and the Countries owning them as follows: Out of the forty-four (44) World Largest Corporations, United State of America owns 21; United Kingdom, 5; China, 5; Switzerland, 3; France, 2; Brazil, 1; Australia, 1; Japan, 1; Germany, 1; Spain, 1; Russia, 1; and Italy, 1. The United States of America has the highest number of World Largest Corporations with twenty (21) corporations, followed by United Kingdom and China with five (5) each.

Technology

There is an increased flow of ideas and information across borders, enabling customers to learn about foreign goods. This increase is facilitated by recent advances in computers and communication technology. In fact it is technology that dictates the pace of trans-world social spaces. The key rudimentary technology that marks or characterizes the incipient globalization include among others, the introduction of the Telegraph in 1837, the Telephone in 1876, the wireless in 1895, the aeroplane in 1930s and the digital computers (Scholte in Adie; 2004:5).

After the World War II, the place of technological innovation took a quantum leap after 1950 following the introduction of transistor radio, the application of cable, satellite and digital technology to TV and orbital satellites in 1960s (Adie...
The development in computer related technology, such as, fiber optics, cable TV systems in Europe and Asia. Cable News Network and others instantly links communication and reception of information to and from any part of the globe. For example, an advertisement can reach numerous countries simultaneously, thus creating regional and sometimes, global demand. Global communication network enables manufacturing personnel to coordinate production and design functions worldwide so that plants in many parts of the world may be working on the same product (Ball et al 2002:12). The internet and network computing enable small computers to compete globally because they make possible the rapid flow of information regardless of the physical location of the buyer or seller.

Internet video conferencing allow seller to demonstrate their product to perspective buyers all over the world without the need to travel. It also, permits international companies to hold corporate meetings between managers from the headquarters and overseas subsidiaries without expensive time consuming travel. In addition, communication by e-mail on the internet is faster and more reliable than using postal mail and much less expensive using a fax machine. Both internet uses have given home office managers greater confidence in their ability to direct overseas operations. In short, Internet is an interface between seller and buyer, managers at headquarters and overseas subsidiaries while e-mail is highly reliable, faster and far less expensive in the current information technology dispensation. ICT flattens the world and makes peoples and nations to simultaneously enjoy global events, and actions. For example, “Manchester United” is a global household word. In addition to internet there are cell phones and palm coders that also contribute in making the world smaller. Multinational corporations manufacture products in many countries and sell to consumers around the world (Donald, et al: 2002).
The case of obtaining information and making transactions on the internet has started to have a profound effect on many firms and universities. For example the University of Nigeria collects fees, uploads names of jamb successful candidates among others, on the internet. Also CISCO system, a network-equipment maker, makes 80 per cent of its $12 billion annual sales from its web [CISCO, (Annual Report 1999 ww.cisco.com), July 31, 2000]. The concept of using the web to find suppliers is already established in certain industries and more are coming online (Donald, et al: 2002).

The internet is a global information source. The ways to access information on the internet include among others; the World Wide Web (www), the Gopher; the File Transfer Protocol (FTP); the Telnet; Browsers and Search Engines. There is the internet directory for international business. Ajayi (2003) observes that in 1998 industrial countries, accounting for 15% of the population, had 88% of internet users. In contrast, South Asia with 20% of world population had less than 1% of internet users while Sub-Saharan Africa with 8.7% of world population has 0.1% connected to the internet(Donald, et al: 2002).

**Market**

Managers are always under pressure to increase the sales and profits of their firms and when they face a mature saturated market at home, they begin to search for new markets outside the home country. They find out that:

1. Market with a rising GNP per capita and population growth appear to be viable candidates for their operations and
2. The economies of nations where they are doing business are growing at a considerably faster rate than is the economy of their own market. This is globalization by widening the market internationally, regionally and even globally (Ball et al 2002: 75). The means for entering or supplying foreign markets may be just two activities (i) exporting to a foreign
market and (ii) manufacturing in it. This drive for more profits is facilitated by the multinational corporations. They produce at cheaper rate due to the sophistication of equipment and human resources, intensive capital and ready access to back-up fund from their headquarters in their respective home countries. They enjoy the advantage of “foot-loosing” that is, out sourcing of materials from every part of the world and moving production sites to where labour is skilled, cheap and highly exploitative. Multinational Corporations, basically for competitive advantage, prefer to transmit abroad the knowledge of how to produce goods rather than the goods themselves, and to do this by setting up their own production facilities rather than licensing foreign firms (Dunning 1971:21).

**Cost**

Economies of scale to reduce unit costs are always a management goal. One means of achieving them is to globalize product line to reduce development, production and inventory costs. The international firm can also locate production facilities in countries where the costs of the factors of production are lower (Ball et al 2002:13). Most experts advocate and opponents agree that multinational corporations can be a most potent agent of innovation, a ruthless cutter of costs and a wily harnesser of resources (Streeten in Dunning 1971:240). Cost should be defined as what the consumer pays to obtain goods or services and to derive full utility from them. Customers are happier in a more integrated and more productive global economy that leads to lower consumer prices and higher corporate profits (Steers and Nardon 2006:3). For example – “Why Slovak?... the relative low cost of labour in Slovakia... while the average German autoworker earns more than $40 per hour and the average French autoworker earns close to $30, the average Slovak autoworker earns less than $8 (Power, 2004 A18).


**Competitiveness**

Competition continues to increase in intensity and complexity. New firms, many from newly industrialized and developing countries, have entered world markets in automobiles and electronics. In many industries today, chief competitors come from around the world, and each competitor has its own unique competitive strengths. For example, the global automobile industry includes major competitors, from Japan, Germany, South Korea, France, the United Kingdom, Sweden, and the United States. Soon, other major competitors, such as, China and perhaps India, will enter this crowded global market. The situation is the same or similar in other key industries including, among others, home electronics, information technology (IT) services, telecommunication, medical equipment, software development, pharmaceuticals and defense technologies. (Steers and Nordon 2006:4). With respect to developing countries, “countries like Kenya which had a per capita income larger than South Korea’s when I was a boy have been badly outpaced” (Obama, 2009 Ghana Speech). Secondly, “to underscore the misfortune of Nigeria is to compare Nigeria with Indonesia and even Malaysia. Nigeria and Indonesia had the first oil boom at the same time. Both countries were comparable in almost all counts. Both experienced oil boom in 1973 and thereafter, both took different policy choices. The outcomes of the differences in policy regimes are such that today, while manufactures as a percentage of total exports is about 40 per cent in Indonesia, it is less than one per cent in Nigeria – where Nigeria was in 1970 (Soludo, 2006:10).

**2.2.3 Globalization Perspectives**

Oxford English Dictionary defines perspectives as the apparent relation between different aspects of a problem. Prospects of the problem (concept of globalization) may be right/wrong or inter disciplinary. Donald et al (2002:11) state that although globalization is discussed everywhere…. In fact social
scientist discusses the political, social, environmental, historical, geographical and even cultural implications of globalization (Riggs, 2000). Some also speak of technological globalization, political globalization and the like (Lubbers, 1997).

According to Farazmand (1999:11) there are probably four substantial aspects of globalization. They are as follows:

2.2.4 Globalization as an internationalization
This perspective sees globalization as an international system that leverages to pursue their interests peacefully, a system where the universal rights of human beings are respected and violations of those rights are opposed, a system where we hold ourselves to the same standards that we apply to other nations, with clear rights and responsibilities for all (Obama, 2009 on US-Russia relations). This emphasizes cross-border relations among nations and their organizations, including friendship between peoples. As a result international bodies, bound nations like the United Nations with headquarter in New York.

2.2.5 Globalization as border-openness
This cross border exchanges of goods and services, capital, information by nations and organizations facilitate the mutual attainment of their national interests. This opens opportunity to establish progressively closer contacts for many years. Recently, the pace has dramatically increased making the world more interdependent than ever. Multinational corporations manufacture products in many countries and sell to consumers around the world. Money, technology and raw materials move over more swiftly across national borders. Along with products and finances, ideas and cultures circulate more freely. Ohamea (1995: 119) calls the perspective, a borderless world. The most important flow is export and import. Indeed, only seven countries account for
nearly 60 per cent of today’s global exports: Japan, Canada, Germany, France, Italy, the United Kingdom and the United States. (Economist, 2004:59). This success has direct consequences for national economic development and prosperity.

Table 2.2: Worlds Largest Economies (GDP in $billions, 2004)

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP</th>
<th>Country</th>
<th>GDP</th>
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<tbody>
<tr>
<td>1. United States</td>
<td>10,065</td>
<td>11. Brazil</td>
<td>502</td>
</tr>
<tr>
<td>2. Japan</td>
<td>4,141</td>
<td>12. India</td>
<td>477</td>
</tr>
<tr>
<td>3. Germany</td>
<td>1,846</td>
<td>13. South Korea</td>
<td>422</td>
</tr>
<tr>
<td>4. United Kingdom</td>
<td>1,424</td>
<td>14. Netherlands</td>
<td>380</td>
</tr>
<tr>
<td>5. France</td>
<td>1,309</td>
<td>15. Australia</td>
<td>368</td>
</tr>
<tr>
<td>6. China</td>
<td>1,159</td>
<td>16. Russia</td>
<td>310</td>
</tr>
<tr>
<td>7. Italy</td>
<td>1,088</td>
<td>17. Taiwan</td>
<td>282</td>
</tr>
<tr>
<td>8. Canada</td>
<td>694</td>
<td>18. Argentina</td>
<td>268</td>
</tr>
<tr>
<td>10. Spain</td>
<td>581</td>
<td>20. Belgium</td>
<td>229</td>
</tr>
</tbody>
</table>


The United States is still the highest in 2010 with 14.600 trillion dollars. The position changes thereafter with China coming second with 5.879 trillion dollars in 2010 an overwhelming improvement from her sixth position in 2004. She has now overtaken Japan, Germany, United Kingdom and France as shown in Figure 2.1, Japan in 2010 comes third with 5.474 trillion dollars as against her second position in 2004.

Source: Business Day 2011: 2, February 16, Vol. 9 No.25

Figure 2.1: Worlds Largest Economies (GDP in $trillions, 2010)
Export stimulates the economies of producer nations and support their manufacturing and service base. At the same time failure to export (or to be allowed to export) to foreign countries can lead to closed factories, unemployment and economic stagnation. It is for reasons such as these that organizations, such as the World Trade Organization (WTO) were established to break down tariff barriers and encourage more open trade around the world. (Steers and Nardon, 2006:5). Openess is a mirror reflecting the relative capabilities of nations in manufacturing of goods and services for export. South Saharan Africa economies are still within an entrapment called a “growth tragedy” Syndrome (Nissanke and Thorbecke 2008:9).

These economies are based on weak and fragile institutions including very low human index. Dependence on commodities – or a single export- concentrates wealth in the hands of the few and leaves such people too vulnerable to downturns (Obama 2009). Where is Africa going wrong?... by relying in her ability to pick minerals from the ground or seek debt relief and foreign assistance, by investing more on things than on information, and more on the military than on education (Emegwali, 2006). Nissanke and Thorbecke (2208:2) findings show that the downside of globalization is most vividly epitomized in developing nations in times of global financial economic crisis. The costs of repeated crisis associated with economic and financial globalization appear to have been borne overwhelmingly by the developing world and often disproportionately so by the poor who are most vulnerable. On the other hand, benefits of globalization in booming times are not necessarily shared widely and equally in the global community.

The current financial and economic crisis is caused by some laxity in the United States but collateral damages have become global. Countries that have done every thing prudently to keep their fundamentals sound are being imperiled and with no compensation mechanism from the United States (Soludo, 2008:33).
2.3 AGENTS OF GLOBALIZATION

The agents of Globalization, as earlier noted, include: multinational corporations and multinational agencies – The World Bank, International Monetary Fund (IMF), World Trade Organization (WTO), including International Trade, Foreign Direct Investment (FDI) and others.

i) Multinational Corporations

Multinational corporations are involved in a growing concentration and monopolization of economic resources and power. Fewer and fewer multinational or transnational corporations are gaining a larger and rapidly increasing proportion of world economic resources, production and market shares. A big transnational company typically produces or trades in an increasing multitude of products, services and sectors. When it is economically beneficial, they expand through mergers and acquisitions and control a larger share of the global market (Clairmont 1996). In 1982 the top 200 global corporations accounted for $3.046 billion of sales, equivalent to 24 percent of the World GDP ($21.900 billion) (Clairmont, 1996).

International corporations, transnational or multinational firms have had a prominent and often contentious role in African economies as a result of the low levels of economic development in the region and the legacy of colonial investments. Foreign firms have established monopolistic or oligopolistic positions in many sectors. These corporations also account for a significant share of formal private sector employment in numerous countries and they frequently dominate product markets… the region’s marginality was reflected in its low proportion of global investment (Room, 1775:23)

The international business community claims that international corporations are important catalysts of growth because they bring essential capital, technology, managerial skills, employment, marketing capacity, goods and services in Africa countries.
But critics think otherwise: they maintain that foreign capital is a source of underdevelopment as these firms encroach on the sovereignty of African states, foment distortions in their economics and divert resources from domestic growth. Secondly, they often apply disproportionate bargaining power with respect to host country government. Enormous resources at their disposal permit them to eclipse the government with which they do business. Their mobility allows them to search out the most hospitable markets and this offers them greater leverage in negotiating with Africa states. They wring concessions from host countries, such as, protected markets, tax breaks and relaxed labour and environmental regulations. (Chazan et al 1999: 208). With all these concessions, and their intense desire for increased sales and profit maximization, what is left for assisting the developing countries or host countries?

Many developing countries have tried to control these foreign firms through four general approaches: exclusion, nationalization indeginization and regulation (Wilson 1990).

Streeten (in Dunning 1971:240) states that multinational corporations are private firms and their private interests will clash with the social and national interest of the host country. Secondly, they tend to sacrifice the national development of the country for their desire for profits. Thirdly, the foreign subsidiary sacrifices its own profits in the interests of the parent company or sister companies in an advanced country or indeed to the interest of the group of companies as a whole and thus… damages local development.

ii) **Multinational Agencies: World Bank and IMF**

Chazan et al (1999: 305) state that African leaders, in the throes of fiscal crisis, turned to the multilateral financial institution (Chiefly IMF and the World Bank) for supplementary financing and access to world markets. These institutions gained greater influence in economic policy-making and
they promoted stabilization and structural adjustment programmes throughout the region. But the meandering part of economic reform and the discouraging performance of economies in Africa have intensified debates about the necessary conditions for Africa recovery.

Meanwhile, in Africa a hidden genocide lays waste the continent. This genocide is likened to the IMF and the World Bank... Lynas (2000) regrets the dubious role being played in Africa by these multilateral finance institutions.

_It is not right for a bank to run the whole world, says Fred Mimembe, editor of the Zambian Post. They do not represent any body other than the countries that control them. What this means in practice is that the United States runs our country; He continues “look at any African country today, and you will find that figures are swinging down, education standards are going down, health standards going down and infrastructure is literally breaking up”. (Mark Lynas letter from Zambia, The Nation, February 4, 2000)._

Stiglitz, the formal head of World Bank, then says that after each nation’s economy is analyzed the World Bank hands every minister the same four-step programmes. They are as follows:

**Privatization**

Stiglitz (2000) points that some corrupt politicians were corrupt enough to go ahead with some states sell-offs: “Stiglitz said that rather than objecting to the sell-offs of the state some politicians, using the world banks demands to silence local critics- happily flogged their electricity and water companies. “You could see their eyes widen at the possibility of commissions for shaving a few billions off the sale price and the US government knew it… The US Treasury View on
1995 Russian sell-off was…. “We wanted Yeltsin re-elected. WE DON’T CARE if it’s a corrupt election.

Capital Market Liberalization
And the article continues, “When (the outflow of capital) happens, to seduce speculators into returning a nation’s own capital funds the IMF demands that these nations raise interest rates to 30%, 50% and 80%.

Market Based Pricing
IMF drags the gasping nation to “a fancy term for raising prices on food, water and cooking gas leading predictably to “the IMF riot”, that is, “peaceful demonstrations dispersed by bullets, tanks and tear gas”, that cause further capital outflow.

Free Trade
“Rules of the World Trade Organization and the World Bank” he likens to the Opium Wars or “opening Market”, Europeans and Americans today are kicking down barriers to sales in Asia, Latin America and Africa while barricading our markets against the third world’s agriculture”. The view is well summarized by Robin Hanhel (1999). According to him: the IMF has prescribed the same medicine for troubled third world economies over two decades:

- Monetary austerity – Tighten up the money supply to increase internal interest rates to whatever heights needed to stabilize the value of the local currency.
- Fiscal austerity – increase in tax collections and reduce government spending dramatically.
- Privatization – sell off public companies to the private sector.
Financial liberalization – Remove restrictions on the inflow and outflow of international capital as well as restrictions on what foreign businesses and banks are allowed to buy, own and operate. (Robin Hanhel 1999:52 Panic Rules South End Press)

Further, Stiglitz had problems with the IMF/World Bank plans-

- The plans are devised in “secrecy and drawn by an absolutist ideology that undermine democracy and
- That they do not work. He points out that IMF structural “Assurance” led to Africa’s income dropping by 23%.

iii) World Trade Organization (WTO)

Steers and Nardon (2006:5) state that failure to export (or to be allowed to export) to foreign countries can lead to closed factories, unemployment and economic stagnation. It is for reasons such as these that organizations, such as the World Trade Organization, were established to break down tariffs and encourage more open trade around the world. This does not guarantee success for less developed countries, but it is at least meant to start leveling the playing field. According to Stiglitz (2000), World Trade Organization (WTO) is about “opening markets”. As in the nineteenth century Europeans and Americans today are kicking down barriers to sales in Asia, Latin America and Africa while barricading their own markets against the third world’s agriculture.

Onah (2000) stresses that trade liberalization enhances and strengthens export flow in lines of production where a country has comparative advantage or global competitive advantage. Developing countries like Nigeria which export essentially natural products and raw material based manufacturers are very unlikely to benefit in the export sector through export liberalization. This is due partly to the high tariff walls imposed by both
developed and developing countries against imports from developing countries and partly to increased competition that results from trade liberalization.

For example see table 2.3 below which shows the post Uruguay tariff rates imposed on developing countries exports by developed countries. The average tariff rate imposed on tropical agricultural products by European Union, the major importer of Nigeria agricultural products, stood at 10 per cent. Although the average rate on processed products used as raw materials was of the order of 5 per cent (or less), the rates on raw material – based products such as textile and leather goods averaged 7.8 – 10.1 per cent.

Table 2.3: Post Uruguay Trade- Weighted Tariffs Averages on Imports from developing countries in selected developed countries (%)

<table>
<thead>
<tr>
<th>S/No</th>
<th>Product</th>
<th>Canada</th>
<th>European Union</th>
<th>Japan</th>
<th>United States</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Agric Product (Non Tropical)</td>
<td>4.9</td>
<td>16.8</td>
<td>14.9</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>Agric Product (Tropical)</td>
<td>0.6</td>
<td>10</td>
<td>10.9</td>
<td>1.2</td>
</tr>
<tr>
<td>3</td>
<td>Tropical Product (Non Agric)</td>
<td>3.6</td>
<td>1.5</td>
<td>1.9</td>
<td>1.4</td>
</tr>
<tr>
<td>4</td>
<td>Natural Resource-based</td>
<td>1.9</td>
<td>4.8</td>
<td>3.2</td>
<td>2</td>
</tr>
<tr>
<td>5</td>
<td>Textiles and Clothing</td>
<td>15.6</td>
<td>10.1</td>
<td>7.9</td>
<td>16.9</td>
</tr>
<tr>
<td>6</td>
<td>Leather and Footwear</td>
<td>15</td>
<td>7.8</td>
<td>11.5</td>
<td>9.1</td>
</tr>
<tr>
<td>7</td>
<td>Other industrial items</td>
<td>3.1</td>
<td>2</td>
<td>2.3</td>
<td>1.7</td>
</tr>
<tr>
<td>8</td>
<td>All sectors (excluding fuels)</td>
<td>7.4</td>
<td>6.9</td>
<td>4.7</td>
<td>n.a</td>
</tr>
</tbody>
</table>


Similarly, tariff rates imposed on both primary and manufactured products by developing countries are too high to encourage increased exports in response to increased trade liberalization.
iv) **International Trade**

International trade is an essential aspect of international business while international trade concerns exchange of goods and services across borders, the international business includes other aspects that facilitate this borderless exchange. Ball et al (2002:9) define international business as a business whose activities are carried out across national borders and it includes not only international trade and foreign manufacturing, but also the growing service industry in areas such as transportation, wholesaling and mass communications. This term is used interchangeably with foreign business which donates the domestic operations within a foreign country.

Currently, international business is transforming into a global business. In international business, nations involve in mutual transaction and rely heavily on the principle of comparative advantage. Global business dispenses with nations and focuses on global companies. A global company is an organization that attempts to standardize and integrate its operations worldwide in all functional areas. It relies on the principle of competitive advantage. This competition continues to increase in intensity and spread worldwide. The result of this overwhelming force of globalization has resulted in explosive growth in international trade because of extreme liberalization of trade. Both global and international business use firms, not nations, as instruments of operation. Firms now deal with both domestic and foreign environmental forces. The role of the international manger, in exercising three choices in what to do with a concept or technique employed in domestic operations: 1) transfer it intact 2) adapt it to local conditions, or 3) not to use it overseas, has been modified by the global standardization of products or services.
This paper examines international trade in terms of exports and imports. In 1990 a milestone was reached when the volume of international trade in goods and services, measured in current dollars, surpassed $4 trillion. Nine years later, despite global economic slow down associated with the Asian financial crisis that began in 1997; international trade in goods and services reached $6.8 trillion. The total volume of world exports in 1999 was greater than the gross national product of every nation in the world, except the United States. One quarter of any thing grown or made in the world is now exported, another measure of the significance of international trade (Ball et al 2006:61-62).

The fact that members of trade groups: European Free Trade Association, Association of Southeast Asian Nations (ASEAN), European Union (EU), US- Canada Free Trade Agreement, Economic Community of West Africa States (ECOWAS) and others are increasingly selling more to each other, is a development that will influence international companies’ choices of locations for their plants and other operations.

The developed nations trade with one another, for example, Mexico and Canada are major trading partners because…

- They share a common border with the United States
- Freight charges are lower,
- Delivery times are shorter, and
- Contact between buyers and sellers are easier and less expensive.

Now Mexico, Canada and the United States are members of the North America Free Agreement and their importance as trading partners will surely grow.

Many of the Asian countries appear as importers of American goods as well because:
1. Their rising standards of living enable their people to afford more imported products and the countries’ export earnings provide the foreign exchange to pay for them.

2. They are purchasing large amounts of capital goods to further their industrial expansion, and

3. Their governments, pressured by the America Government to lower their trade surpluses with the United States, have sent buying missions to this country to look for product to import (US-Aggregate foreign trade data: 1999).

The developed nations account for nearly 70 percent of the world’s international trade and over 90 percent of foreign direct investment. It is now understandable why Ohamae of the consulting firm, Mckinsey & Co, contends that for an international firm to compete in world markets it must be present in at least two and preferably all three parts of a triad composed of the United States, Japan and European Union.

The triad includes nearly all the world’s developed countries, which include much larger markets (about 80 percent of the world gross national product (GNP), and, also, have business climates (Political, financial and legal forces) that are more favorable to business and more predictable than are in the developing countries. The trade pattern of the triad is shown below as figure 2.2 below:

![Figure 2.2 Showing INTRATRIAD TRADE 1999 (Billions of Dollars)](source: United Nations, Monthly Bulletin of Statistics, July 2000, pp.258-61.)
Recently, another group of countries has emerged to become a fourth important region with a combined GNP of over $2 trillion. This group includes the newly industrialized economies (NIES) in East Asia, consisting of the “Asian Tigers”, (South Korea, Taiwan, Hong Kong and Singapore), two newly industrializing countries (NICs) (Malaysia and Thailand) and China (Ball et al 2002).

While exports stimulate the economies of producer nations and support their manufacturing and service base, failure to export (or to be allowed to export) to foreign countries can lead to closed factories, unemployment and economic stagnation (Steers and Nardon 2006:5).

The focus is now on the Nigeria’s manufacturing sector, the real engine that promotes exports trade between nations or international trade. Nigeria’s manufacturing sector was compelled to depend on the importation of minerals that she has in abundance (in Nigeria). Mine sites were abandoned as crude petroleum provided cheaper sources of energy and government revenue. Furthermore, the manufacturing sector was characterized by:

1. Low capacity utilization which averaged 30% in the last decade;
2. Low and declining contribution to national output which averaged 6% from 1997-1999;
3. Dominance of light assembly type of consumer goods manufacture;
4. Low value added production due to high import dependence for inputs;
5. Dominance of substANDARD goods which cannot compete internationally and others. (Federal Republic of Nigeria 2000);

With respect to the manufacturing sub-sector a greater production of the products is raw material based. Such products include petroleum products, cement, and aluminum product, fertilizers, textile materials, ceramic product, fixed vegetable oils, dyestuff, salt, glass wares, footwear, rubber and plastic product. Other manufactures of small magnitude include polyethylene products,
pharmaceutical goods, roofing materials, toiletries and basic metal product, (Onah 2000:13).

The above products are produced essentially for the domestic market by enterprises most of which are wholly or partially owned by multinational corporations. However, a few of the products such as detergents, toilet soap, sugar, confectionaries, beer and cocoa-based beverages are exported to other Western African countries (Onah, 2000).

**Industrial Sector in Nigeria**

The industrial sector consists of three sub-sectors: mining and quarrying, manufacturing and processing, and electricity generation. The mining and quarrying sub-sector which produces crude oil, solid minerals and gas by far accounts for the largest share of the industrial sector output. The industrial sector accounted for about 31 percent of the gross domestic products in 1980, its share increased overtime and in 2003 it stood at 47 percent (CBN Annual report and statements of account, 1981, and 2003) in the figure below:

![Sectoral Contribution of the GDP (%) 1980-2003](image)

**Figure 2.3 Showing Sectoral Contribution of the GDP (%) 1980-2003.**

**Source:** CBN Annual Report and Statement of Accounts, 1981 and 2003
The mining and quarrying sub-sector alone was responsible for slightly over 23 and 43 per cent of the GDP in the corresponding years. Other minerals produced in commercial quantity in the country include gas, cassiterite, columbite, coal, marble and limestone. However as shown in figure 2.3 above the total contribution of these minerals in GDP is less than 0.5 per cent. Yet, Nigeria has an estimated land area of 923,773 km² with varied vegetation and soil types that are suitable for a variety of solid minerals including coal, columbite, ignite, tin, bitumen, topax, kaolinite, talc, marble, barite, gypsum and iron ore. The proven reserves of crude petroleum and mineral gas are well over 27 billion barrels and 120 trillion standard cubic feet respectively. (Federal Republic of Nigeria, 2000:1).

v) **Foreign Direct Investment (FDI)**

Foreign direct investment is the pronounced aspect of foreign investment which is divided into two components. The other component is portfolio investment. Portfolio investment is the purchase of the stocks and bonds solely for the purpose of obtaining a return on the funds invested while in direct foreign investment the investors participate in the management of the firm in addition to receiving a return on their money.

The distinction between these two components has begun to blur due to the growing size and number of international mergers, or acquisitions and alliances, in recent years.

If a nation is continuing to receive appreciable amount of foreign investment, the investment climate must be favourable. The industrialized nations invest primarily in one another just as they trade more with one another.

Historically, a foreign direct investment has followed trade because it is less costly and less risky. It starts with small increments by using domestic or foreign agents to export. With increased export, it sets up an export department
with hired sales representatives living in overseas markets. Later, it establishes its own sales company to import in its own name.

Finally, it begins manufacturing there first to be assured of having profitable and continuing business in its product line with few firms engaged in it. This is especially important to developing countries that are dependent on foreign direct investment to promote jobs and tax revenue. In spite of the inflow of FDI earlier recorded, less than about 60 percent of the population of Nigeria lives on less than $1 US per day, with low level of inward domestic investment. For example, between 2008 and 2009 Nigeria hopes to attract US $600 billion of FDI to finance its vision 2020 policy to transform its economy into one of the 20 largest world economies (Library of congress 2008).

2.4 MODELS OF GLOBALIZATION

Tickly (2001) identifies three main models of globalization. They are as follows; Hyperglobalistic Approach, The Skeptical Approach and The Transformationalistic Approach. They help in understanding the dynamism of globalization or trends of change in globalization. For example;

1. Hyperglobalistic model shows that globalization is attaining its real form of complete global village structure, in terms of common culture, pattern of governance by a global authority or body of authorities and global citizens, enjoying the specter of a warming planet. When regionalism and old hatreds, lines of divide shall dissolve, the smallness of the world will reveal common humanity. Terrorists will be totally eliminated. Absence of a global authority is responsible for the current global financial crisis. Hence, the advice that this crisis has reminded us that without a watchful eye (or hyperglobalistic model) the market (or the nations and others) can spin out of control. (Obama 2009 Inaugural Speech), (Ohamea 1995:
Donald 1992). This is considered to be idealistic by critics. They believe in their national traditional constituencies and defining characteristics.

2. The Skeptical model. This shows that globalization has weakened existing national blocks paving way to partial internationalism (Green 1997). It sees globalization as a scheme of cheat and exploitation of the weaker groups that are entrapped in the net of globalization. They prefer their national background than turning proxies or preys in the dream world of globalization.

3. The transformationalistic model. This is a process of guided change drawing strength from integrating the first two globalization models. They believe in the unrelenting drive bringing the world into a strong interconnectedness. They see the face of globalization as contradictory. When cultures come in contact, they may converge in some aspects but their idiosyncrasies will likely amplify (House 2004:1). Some countries benefit while some are worse off in global relationship. It emphasizes that poverty is not a monopoly of the advanced or developed nations, that is, poverty line includes the poor in both advanced and developing nations. The wealthy class includes those in advanced and developing countries. The fact is that in developing nations, those wealthy ones are leveraged into wealth or riches by the corrupt practices of the multilateral agencies in the implementation of their “conditionalities”: this, also, opens up the territorial control of national governments to ruthless incursions by multinational corporations and multilateral agencies, the strong agents of globalization, dominant in host countries. This appears to provide clues to the negative role of globalization in developing countries.

2.5 NIGERIAN DEVELOPMENT SINCE 1960

Iyoha (2007) regrets that Nigeria’s economic development and performance since independence in 1960 has been decidedly unimpressive as it is estimated
that Nigeria received over $228 billions from oil exports between 1981 and 1999. “From reliable sources, we learn that out of the ₦2.9 trillion shared from the excess crude oil account between May and October 2008, more than ₦100 billion went into private accounts of some greedy public officers (Akpan 2009 in NEWSWATCH February 16).

“Ransome Owan is a highly respected expert in energy policy reforms. He heeded a call to serve his country in the power sector. He was appointed chairman of the newly created Nigeria Electricity Regulatory Commission (NERC). He is currently being investigated by the Economic and Financial Crimes Commission (EFCC) for alleged mismanagement of ₦1.54 billion. His six commissioners are being investigated by the Anti-Graft Agency. All of them are currently on suspension on the orders of President Umaru Yar’Adua, but they have been struggling to regain their offices. In addition, one new fraud-ridden practice was the appointment of consultants to handle various aspects of the commission’s activities. For example, between September and October 2008, Owan and his team allegedly squandered a total of ₦851,518.006 through the award of eighteen consultancy services to different companies. (NEWSWATCH, 2009 March 16).

i. Nigerian Development
The origin of development plan in Nigeria was in 1954 when at the request of the government of (Colonial) Nigeria and the United Kingdom, the International Bank for Reconstruction and Development (IBRD), otherwise known as the World Bank sent a Mission to Nigeria. The mission’s task was to appraise the economic development prospects of Nigeria and recommend practical measures for their realization”. (Abudalami Abubaka (nd).

The objective of the Development planning (1962-1985) comprised stages of planning continuum. The National Economic Council 1959, at its tenth
meeting, decided that a national development plan should be prepared for Nigeria with the Objective of:

“the achievement and maintenance of the highest possible rate of increase in the standard of living and the creation of the necessary conditions to this end, including public support and awareness of both the potentials that exist and the sacrifices that will be required”.

Taking cue from the above guidelines, succeeding plans have in varying degrees of specificity – attempted to spell out that objective in an admixture of economic, social and political terms. During the short period 1962 – 1980 total federal planned expenditure jumped from a meager ₦ 359 million in 1962 to ₦ 26 billion in 1980 (see tables 2.4 and 2.5 below).

### Table 2.4 National development Plan 1962 – 68 Federal Capital Expenditure Programme 1962 – 68 Distributed by Sectors.

<table>
<thead>
<tr>
<th>Sector</th>
<th>£ Millions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Economic</strong></td>
<td><strong>1962 – 68 Programme Planned Expenditure</strong></td>
</tr>
<tr>
<td>1. Primary Production</td>
<td>20.5</td>
</tr>
<tr>
<td>2. Trade &amp; Industry</td>
<td>44.0</td>
</tr>
<tr>
<td>3. Electricity</td>
<td>98.1</td>
</tr>
<tr>
<td>4. Transport</td>
<td>104.0</td>
</tr>
<tr>
<td>5. Communications Social Overhead</td>
<td>30.1</td>
</tr>
<tr>
<td>6. Education</td>
<td>29.2</td>
</tr>
<tr>
<td>7. Health</td>
<td>10.3</td>
</tr>
<tr>
<td>8. Town &amp; Country Planning</td>
<td>23.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>359.4</td>
</tr>
</tbody>
</table>

*Source: Third National Development Plan*
<table>
<thead>
<tr>
<th>Sector</th>
<th>Total</th>
<th>Fed. Govt.</th>
<th>Total States</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Agriculture</td>
<td>1,645.852 (8.2%)</td>
<td>11,750.845 (2.9%)</td>
<td>895.007 (13.4)</td>
</tr>
<tr>
<td>2. Mining and Quarrying</td>
<td>2,680.425 (8.2%)</td>
<td>2,680.425 (10.2%)</td>
<td>-</td>
</tr>
<tr>
<td>3. Manufacturing Craft</td>
<td>5,315.817 (16.2%)</td>
<td>4,907.227 (18.8%)</td>
<td>408.644 (6.1%)</td>
</tr>
<tr>
<td>4. Power</td>
<td>1,75.238 (3.2%)</td>
<td>932.038 (3.6%)</td>
<td>143.200 (2.1%)</td>
</tr>
<tr>
<td>5. Commerce and Finance</td>
<td>559.355 (1.7%)</td>
<td>6,274.324 (24%)</td>
<td>235.922 (3.5%)</td>
</tr>
<tr>
<td>6. Transport</td>
<td>7,303.068 (22.2%)</td>
<td>6,274.342 (24%)</td>
<td>1,028.726 (15.4%)</td>
</tr>
<tr>
<td>7. Communications</td>
<td>20,474.082 (62.3%)</td>
<td>(66.8%)</td>
<td>(44.9%)</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>17,469.005 (66.8%)</td>
<td>(66.8%)</td>
<td>(44.9%)</td>
</tr>
<tr>
<td>Social</td>
<td>2,463.822 (7.5%)</td>
<td>1,656.193 (6.3%)</td>
<td>807.629 (12.0%)</td>
</tr>
<tr>
<td>8. Education</td>
<td>759.928 (2.3%)</td>
<td>314,160 (1.2%)</td>
<td>455.768 (12.0%)</td>
</tr>
<tr>
<td>9. Health</td>
<td>3,786.765 (115%)</td>
<td>2,272.831 (8.7%)</td>
<td>1,513.934 (22.7%)</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>32,854.616 (100%)</td>
<td>26,165.115 (100%)</td>
<td>6,698.501</td>
</tr>
<tr>
<td>National Total</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Third National Development Plan, op cit. p. 348

This is a mere money increase without any appreciable development. Nigeria’s population was large but majority of them was ignorant and illiterate; her labour was unskilled, her technology very rudimentary and her output was raw material based, their vision limited to their rustic environment and quality of life reflected their traditional and native standard of life. The core beneficiaries of the plans were the British at home and those in Government Reserve Areas (GRA) in Nigeria, and the Nigeria elites who manage the affairs after independence 1960. She traded merit and progress with protection racket that shielded and empowered mediocrity.
ii. Employment of Nigerians in managerial positions oil and gas industry

Tribalism: This is the stuff with which our existence is salted for good or bad. Our leaders, after independence, nurtured it in order to win support. Our government tends to encourage and strengthen it by entrenching it in the 1979 constitution of the Federal Republic of Nigeria as the Federal character principle: in Chapter 11 section 14 sub-sections 3 and 4. It affords Nigerians the privilege to attain positions which their lack of creativity does not entitle them (Enekwe, 1989:9).

Regrettably is the immunity clause which has enthroned corruption with impunity in the high places. This is restriction on legal proceedings in Section 308 of CFRN: 1999:

1. (a). No civil or criminal proceedings shall be instituted or continued against a person to which this section applies;
   (b). A person to whom this section applies shall not be arrested or imprisoned during that period either in pursuance of the process of any court or otherwise;
2. No process of any court requiring or compelling the appearance of a person to whom this section applies shall be applied for or issued.
3. The provision applies to a person holding the office of President or Vice President, Governor or Deputy Governor (while serving the tenure of his office).

This provision lures them or induces them to abuse the national or state treasury with impunity and without any consequence.

UNPREPARED NATIONAL LEADERS

Our leaders- Presidents of the Federal Republic of Nigeria since 1960 have only political clout but critically lack the educational background or sound knowledge background to unravel the mystery of complex national challenge.
Nigeria got her first graduate Head of State in the person of Shehu Yar’Adua. Others, Tafawa Belewa, Johnson Aguiyi-Irons, Yakubu Gowon, Murtala Mohammed, Obasanjo (first time) Shehu Shagari, Generals Mohammed Buhari, Ibrahim Babangida, Sani Abacha, Abdusalam Abubaka, Obasanjo (second time) and now Umaru Musa Yar’Adua. (SUNDAY SUN 2009 July 26 p. 15). Samuelson (1970:3) highlights the fact that every national issue or interest requires an economic understanding to make any progress in dealing with it.

2.6 DOMESTICATION OF MULTINATIONAL CORPORATIONS IN FOREIGN COUNTRIES

The presence of multinational corporations in Nigeria is an aberration. In short, they constitute a different stage of globalization in Nigeria.

1. The government of the United Kingdom used her military and trading companies to subdue colonial Nigerians. Their industrial revolution was sustained by local resources naturally endowed for the growth, sustenance and welfare of native Nigerians. Nigerian population and her resources were truncated to serve the British interest. This confirmed that Nigeria was welded together in the interest and for the benefit of an European power (Forsyth 1975:1)

2. In spite of what appears to be the colonial government commitment to industrial growth from 1950 onwards, little (or no progress) was made in this sphere between 1950-1961.

3. The produce marketing board acted as instrument for the exploitation of the Nigeria rural peasants. By maintaining a price policy by which the producer was paid (far) less than the world market value of his produce, the board accumulated large surpluses which ran into millions of pounds. Unfortunately, a large chunk of the accumulated surplus was siphoned to the metropolitan state (Forest 1977:42)…. Much of the proceeds from the farm exports were kept away from the Nigeria farmers by the marketing
board and retained in Britain in the form of British securities. These retained surpluses amounted to £ 120 million by 1954 and stood at £ 238 million by 1961 (Dolu, 1976:108).

4. Ohamae’s stages of globalization define how successful global firms move or transfer their export and production facilities to foreign countries. They tend to pass through the (following) five relatively distinct phases in their development as global competitors in host communities as follows:

a. Creating export-oriented companies: Companies interested in going international, manufacture their products in their home country… and then export them through a foreign distributor…

b. Establishing overseas branches: They now establish overseas branches to handle products directly in host country – marketing, distribution and customer service, the roles earlier performed by foreign distributor.

c. Moving production overseas: The Company opens a production facility for its products overseas nearer the emerging markets…

d. Achieving complete insideration: Companies begin to shift control over several support functions… to autonomous local branches overseas.

e. Achieving complete globalization: Companies begin seeing the world as one global market place.

Colonial heritage abridged all these due processes and colonial firms rooted themselves in their former colonial territories without regard to the governments and peoples of the independent countries. They claimed and maintained ownership of the commanding heights of the national economy without negotiations and due compensation. This implies that while the colonial territories are politically independent, their economies remained under colonial control just by sheer might and ruthless method.
5. As colonial government in Nigeria, British colonial masters/administrators, in 1903 carried out a mineral survey and prepared a documentation of our minerals. In 1908 they began oil exploration which started with the discovery of bitumen; (in Ondo State). In 1919 the Department of Geological survey, established by the colonial Government did extensive work in exploration, identification and evaluation of solid minerals in Nigeria. They established the proven reserves of many minerals. And in 1954, the World Bank appraised the economic development prospects of Nigeria and recommended practical measures for their realization.

6. The oil firms held 100 percent equity in their operations-exploration and marketing of crude oil from 1908 to 1973.

The economic foundation of the Young Independent Nigeria was seriously weakened by British Government and her agents. The truth is that Nigeria has no economic foundation on which to start the process of growth like Malaysia and Indonesia.

_The west has often approached Africa as a patron (Founder, Owner) rather than a partner (Obama 2009 speech in Ghana)._

2.7 CORPORATE ENTREPRENEURS IN MULTINATIONAL CORPORATIONS IN NIGERIAN OIL AND GAS INDUSTRY

**Agent of Parent Enterprise**

Entrepreneurship suggests that corporate strategy is shaped by viable internal entrepreneurial initiatives that drive value creation. The challenge is to generate as many new ideas as possible. Therefore, the parenting role is simply to create the conditions to make it happen. The parenting framework suggests that corporate strategy involves corporate parenting. That is, that corporate centre
adds value to strategic business units by exerting its influence on them. In fact according to this framework value creation occurs when parent characteristics fit with key success factors on each unit’s industry and with its needs for improvement which they call parenting opportunities. What matters is the business insight of the corporate centre. The centre envisions and the organization follows. Corporate value creation appears when parenting fits with entrepreneurial initiatives at strategic business unit level. This is the situation of strategic Harmony. A company that intends to foster corporate entrepreneurship should first establish a clear long-term strategy in order to create a framework for new intrapreneural initiatives to develop. Indeed, strategy should identify key vectors for development among which corporate entrepreneurs might choose and apply corporate resources that would be available for specific vectors of development. New ideas would compete for them. Then, if ideas do not match strategies, they do not get resources. This approach would represent a reconciliation of two substantive schools of thought in strategic management, the corporate entrepreneurship tradition and the parenting one.

McBeth and Rimac (2004:17) show that Entrepreneurship is an opportunity focused approach to venturing that requires “creative state of mind that can see a way around impossible problems and opportunities along the way” (Crawford, 2000). In the hypercompetitive business environment, any competitive advantage will be short-lived. Only by adopting a deep commitment to on-going innovation and self-renewal, fostered and managed through entrepreneurship will organizations match the pace of change and ensure their long-term sustainability and survival; in the new century. The comparison of the entrepreneurial orientation to the traditional orientation across five of its dimensions is summarized below:
### Table 2.6 The Generational Divide

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyal to the organization</td>
<td>Respect for authority and</td>
<td>Challenge authority</td>
<td>Unimpressed by authority</td>
<td>Respect for authority</td>
</tr>
<tr>
<td>Pay your dues</td>
<td>hierarchical system.</td>
<td>Desire flat, democratic</td>
<td>Competence and skills are</td>
<td>who demonstrate competence</td>
</tr>
<tr>
<td>Climb the corporate ladder</td>
<td>Seniority and job titles are</td>
<td>system</td>
<td>respected over seniority.</td>
<td>and advanced skills.</td>
</tr>
<tr>
<td>Career = opportunity</td>
<td>respected</td>
<td></td>
<td></td>
<td>Flip traditional roles on</td>
</tr>
<tr>
<td>Understands the volatile</td>
<td></td>
<td></td>
<td></td>
<td>their head by teaching</td>
</tr>
<tr>
<td>nature of employment</td>
<td></td>
<td></td>
<td></td>
<td>superiors how to use</td>
</tr>
<tr>
<td>Formal relationship with</td>
<td></td>
<td></td>
<td></td>
<td>technology</td>
</tr>
<tr>
<td>superiors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loyal to the team</td>
<td>Loyal to the team</td>
<td>Loyal to the manager</td>
<td>Loyal to colleagues</td>
<td></td>
</tr>
<tr>
<td>Live to work</td>
<td>Live to work</td>
<td>Work to live</td>
<td>Work to contribute</td>
<td></td>
</tr>
<tr>
<td>Career = self worth</td>
<td>Career = self worth</td>
<td>Career = one part of me</td>
<td>Career = opportunity to add</td>
<td></td>
</tr>
<tr>
<td>Wants job security</td>
<td>Wants job security</td>
<td>Expects to be downsized</td>
<td>value</td>
<td></td>
</tr>
<tr>
<td>Personal relationships with</td>
<td>Personal relationships</td>
<td>Informal relationship with</td>
<td>Very casual relationship</td>
<td></td>
</tr>
<tr>
<td>supervisors</td>
<td></td>
<td>superiors</td>
<td>with superiors</td>
<td></td>
</tr>
<tr>
<td>Loyal to colleagues</td>
<td>Colleagues are friends</td>
<td>Tell me hay you can do for me</td>
<td>Show me what you can do</td>
<td></td>
</tr>
<tr>
<td>Work to live</td>
<td>Open dialogue to resolve conflict</td>
<td></td>
<td>for me right now</td>
<td></td>
</tr>
<tr>
<td>Career = self worth</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wants job security</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Personal relationships</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Avoid conflict</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Informal relationship with</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>superiors</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Focus on results</td>
<td>Focus on results</td>
<td>Focus on results</td>
<td>Focus on quickest solution</td>
<td></td>
</tr>
<tr>
<td>Change the rules</td>
<td>Change the rules</td>
<td>Change the rules</td>
<td>using technology</td>
<td></td>
</tr>
<tr>
<td>Work independently with</td>
<td>Work independently with</td>
<td>Work independently with</td>
<td>Challenge the rules</td>
<td></td>
</tr>
<tr>
<td>little supervision and</td>
<td>Work independently with</td>
<td>little supervision and</td>
<td>Work independently with</td>
<td></td>
</tr>
<tr>
<td>informal team structure</td>
<td>informal team structure</td>
<td>informal team structure</td>
<td>supervision and direction</td>
<td></td>
</tr>
<tr>
<td>Multi-task</td>
<td>Multi-task</td>
<td>Multi-task</td>
<td>Fluid work style</td>
<td></td>
</tr>
<tr>
<td>Flexible work style</td>
<td>Flexible work style</td>
<td>Flexible work style</td>
<td>Desire change</td>
<td></td>
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<tr>
<td>Focus on results</td>
<td>Focus on results</td>
<td>Focus on results</td>
<td>Focus on quickest solution</td>
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<tr>
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<td>little supervision and</td>
<td>little supervision and</td>
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<td></td>
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<tr>
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<td>informal team structure</td>
<td>informal team structure</td>
<td>supervision and direction</td>
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<td>Fluid work style</td>
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<tr>
<td>Flexible work style</td>
<td>Flexible work style</td>
<td>Flexible work style</td>
<td>Desire change</td>
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<tr>
<td>Focus on results</td>
<td>Focus on results</td>
<td>Focus on results</td>
<td>Focus on quickest solution</td>
<td></td>
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<tr>
<td>Change the rules</td>
<td>Change the rules</td>
<td>Change the rules</td>
<td>using technology</td>
<td></td>
</tr>
<tr>
<td>Work independently with</td>
<td>Work independently with</td>
<td>Work independently with</td>
<td>Challenge the rules</td>
<td></td>
</tr>
<tr>
<td>little supervision and</td>
<td>little supervision and</td>
<td>little supervision and</td>
<td>Work independently with</td>
<td></td>
</tr>
<tr>
<td>informal team structure</td>
<td>informal team structure</td>
<td>informal team structure</td>
<td>supervision and direction</td>
<td></td>
</tr>
<tr>
<td>Multi-task</td>
<td>Multi-task</td>
<td>Multi-task</td>
<td>Fluid work style</td>
<td></td>
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<tr>
<td>Flexible work style</td>
<td>Flexible work style</td>
<td>Flexible work style</td>
<td>Desire change</td>
<td></td>
</tr>
<tr>
<td>Focus on results</td>
<td>Focus on results</td>
<td>Focus on results</td>
<td>Focus on quickest solution</td>
<td></td>
</tr>
<tr>
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<td>Change the rules</td>
<td>Change the rules</td>
<td>using technology</td>
<td></td>
</tr>
<tr>
<td>Work independently with</td>
<td>Work independently with</td>
<td>Work independently with</td>
<td>Challenge the rules</td>
<td></td>
</tr>
<tr>
<td>little supervision and</td>
<td>little supervision and</td>
<td>little supervision and</td>
<td>Work independently with</td>
<td></td>
</tr>
<tr>
<td>informal team structure</td>
<td>informal team structure</td>
<td>informal team structure</td>
<td>supervision and direction</td>
<td></td>
</tr>
<tr>
<td>Multi-task</td>
<td>Multi-task</td>
<td>Multi-task</td>
<td>Fluid work style</td>
<td></td>
</tr>
<tr>
<td>Flexible work style</td>
<td>Flexible work style</td>
<td>Flexible work style</td>
<td>Desire change</td>
<td></td>
</tr>
</tbody>
</table>

**Source:** Mcbeth and Rimac, (2004) The globe and mail, March 31, 2004, C6 “the generation divide, Virginia galt”.

The model below illustrates the view of how innovation and entrepreneurship lead to self-renewal and create sustainable advantages for individuals, organizations and societies.
Cycle of Self-Renewal

**Figure 2.4 Cycle of Self-renewal**


**Dependent Variable of Globalization**

The most sought-after professionals in 21st century economy will be a new breed of corporate entrepreneur or intrapreneur (Pinchot,1976): individuals whose education and experience are both broad and deep and who have the requisite skills for identifying and exploiting opportunities; fostering team-based innovation or intercreativity and managing change (Mcbeth and Rimac 2004: 17).

The 21st century corporation is faced by two conflicting yet very vital objectives: the first and more conventional objective pertains to integrating the various activities of the firm, aiming to achieve coherence, economics of scope
and economies of scale; the second, more entrepreneurial in nature, centres on creating new businesses and spurring innovation. And in an attempt to find a synergistic solution that attains a balance between these two conflicting objectives, now more than ever, businesses have started looking seriously at corporate entrepreneurship as route to success.

Corporate entrepreneurship tries to encompass the conflicting notions of individual initiative on one hand and corporate development on the other. In effect, businesses cannot foster the entrepreneurial spirit in employees without providing a sufficient incentive for the employees to take the associated risk. This would also require the business to increase autonomy of individuals, thereby exposing the organization to the risk that their personal projects might diverge significantly from key strategic alignment.

Furthermore, by doing so, corporations are effectively helping in nurturing the development of certain employees into highly valuable and marketable entrepreneurs, exposing themselves to the risk of their most valuable human resources leaving the organization to quit and start their own ventures.

In this context, the incentive system in place in the organization plays a vital role. The incentive and compensation system helps the organization in achieving multiple objectives:

1. fostering environmental and risk-taking spirit in organization
2. attracting and retaining the best talent
3. promoting venture success and
4. ensuring equity and equality (Viswanathan and Nagarajan 2004: 25)
INTERNAL FACTORS INFLUENCING CORPORATE ENTREPRENEURSHIP

Figure 2.5 Internal Factors Influencing Corporate Entrepreneurship
Source: Viswanathan and Nagarajan 2004 P29 ESADE MBA BUSINESS REVIEW

INCENTIVE SYSTEMS: THE COMPONENTS

There are 3 major components to a compensation system in a corporate venture:

a. financial incentives
b. non-financial incentives
c. risks

Financial Incentives

Financial incentives are the most widely researched component of the compensation system. The following table provides a summary of the various financial incentives that are commonly used:
Table 2.7: Financial Incentive in Venture

<table>
<thead>
<tr>
<th>FINANCIAL INCENTIVE IN VENTURE</th>
<th>INCENTIVE FEATURES</th>
</tr>
</thead>
</table>
| Equity and Equity-Related     | - shares/options in parent firms/ventures  
                                  - phantom shares: if venture doesn’t exist as a separate entity  
                                  - encourages collaborative behavior  
                                  - purchased equity in new venture links risk to potential reward  
                                  - relatively long term incentive |
| Bonuses                       | - three popular types Fixed accounts known in advance; Variable, performance linked; Discretionary bonus after major contribution  
                                  - can be both long term as well as short term |
| Salary increases and salary   | - salary increase is related to changing role in the venture |
| Fringe benefits               | - holiday trips, scholarships to children, sabbaticals etc. |


Non-financial incentives are sometimes much more important than financial incentives, especially in the case of corporate venture. The following table provides a summary of the various non-financial incentives that are commonly used:

Table 2.8  Non-Financial Incentives in Corporate Venture

<table>
<thead>
<tr>
<th>NON-FINANCIAL INCENTIVE IN CORPORATE VENTURE</th>
<th>INCENTIVE FEATURES</th>
</tr>
</thead>
</table>
| Top management support for venture          | - presence of a management champion for the venture  
                                  - increased resources: money or personnel |
| Autonomy, freedom, independence             | - basic motivation of intrapreneur is to realize his vision in his own way: autonomy  
                                  - intrapreneur does not have to take management permission for every move: freedom & independence in operation |
| Recognition                                 | - recognition is not just a gesture, it is an empowerment tool  
                                  - manifested through recognition ceremonies, awards and corporate publications |
| Authority, responsibility, power           | - subtle incentives  
                                  - only explicit way of awarding these incentives is through promotions  
                                  - promotion to broadened responsibilities is the fundamental corporate reward |

Risks

One unique aspect of a corporate venture is the presence of a substantial risk for the venture personnel. The risk associated with a new venture for the personnel running it may be categorized as follows:

**Table 2.9: Risk for Personnel in Corporate Venture**

<table>
<thead>
<tr>
<th>RISK FOR PERSONNEL IN CORPORATE VENTURE</th>
<th>NATURE OF RISK</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial risk</td>
<td>- opportunity cost of leaving some other division and working for new venture</td>
</tr>
<tr>
<td></td>
<td>- possibility of missing out on incentives due to the inherent risk of the new venture</td>
</tr>
<tr>
<td>Career risks</td>
<td>- working for the new venture may become a stumbling block in the employee’s career. He may miss out on promotions, etc.</td>
</tr>
<tr>
<td>Job security and benefits related risk</td>
<td>- firms sometimes don’t guarantee jobs in case of venture failure. This creates job security risk.</td>
</tr>
<tr>
<td></td>
<td>- While joining new venture employees often have to give up standard benefits package</td>
</tr>
<tr>
<td>Effort &amp; stress</td>
<td>- A new venture, by its inherent nature, is often more stressful and difficult than an established venture.</td>
</tr>
</tbody>
</table>


![Figure 2.6: 4E Model for Incentive Design in Corporate Ventures](image)

*Source: Viswanathan and Nagarajan 2004 P29 ESADE MBA*
2.8 PERTINENT NIGERIAN LAWS AND REGULATIONS IN OIL AND GAS INDUSTRY

Nigerian Content Development Law 2010 is defined as the quantum of composite value added or created in the Nigerian economy: through the utilization of Nigerian human and material resources for the provision of goods and services to the petroleum industry within acceptable quality, health, safety and environmental standards in order to stimulate the development of indigenous capabilities.

The targets set by the Federal Government for Nigerian Content Development are: 45% by 2006 and 70% by 2010. NNPC’s vision for Nigerian content is to transform the oil and gas industry into the economic engine for job creation and national growth by developing in-country capacity and indigenous capabilities. In this way greater proportion of the work will be done in Nigeria with active participation of all sectors of the economy and ultimately Nigeria will be positioned as the hub for service delivery within West African sub-region and beyond. The main thrust of the Nigerian content development policy:

1. Promote a framework that generates active participation of Nigerians in oil and gas activities without compromising standards in order to stimulate growth of indigenous capacity.

2. Promote value adding in Nigeria by utilization of local raw materials and human resources for manufacturing of goods and provision of services to the petroleum industry.

3. Prompt steady measurable and sustainable growth of Nigerian content.

The sectors covered by Nigerian content policy are: all sectors of the Nigerian oil and gas industry. In this phase of activities, primary focus is placed on major contracts and operations in upstream, (JV, PSS and indigenous Producers) midstream (Gas and Power projects) and downstream (Refinery petrochemicals) and other sectors.
The Nigerian Content Division comprises three (3) departments:


These departments collectively are charged with the following responsibilities;

- Study best practices and advise NNPC Management on Nigerian Content.
- Obtain applicable data from industry and plan for new opportunities.
- Develop strategies for capacity building, skill competency and supplier enhancement.
- Drive Nigerian Content implementation and monitor compliance.
- Coordinate sectoral working committees.

These primary objectives are achieved through:

1. **Capacity building through intervention projects**
   
   The NCD is gathering data and developing interventions in consultation with the NCCF and Operators to achieve Federal government projects to bridge local capacity gaps in the industry. These projects range from infrastructure upgrades, resource training and certification, information management and financing.

2. **Compliance monitoring of all activities**
   
   A coordination procedure which governs Nigerian content activities of stakeholders in the industry has been out of place. In force, the Nigerian Content Division will be actively involved in the review of ITTs, evaluation of bids, and monitoring of projects during implementation to ensure NC compliance. Provisions are also made in the draft bill for sanctions against defaulters.

3. **Alignment of key industry stakeholders**
   
   Expectedly, the NNPC has achieved buy-in and support for the Nigerian Content programme from operators and other stakeholders: Oil companies are of the NCCF and actively participate in monthly meetings of the committees to
discuss and review capacity building programmes. In accordance with the industry coordination procedures, dedicated Nigerian Content offices have been set up in all operator companies and mangers appointed to coordinate company NC activities. Nigerian Government through the Nigerian National Development Corporation had difficulty in enforcing compliance of the multinational corporations in her oil and gas industry to meet the stipulated target. The Nigerian Content Development Strategy has no force of law. These difficulties experienced by NNPC in enforcing compliance reinforced the need to underpin the implementation with comprehensive ACT. The Nigerian Content Bill has been passed by the National Assembly and duly signed into law as NIGERIAN CONTENT ACT 2010.

2.9 CORPORATE SOCIAL RESPONSIBILITY IN HOST COMMUNITIES

Nwachukwu (1988:272) sees social responsibility as the intelligent and objective concern for the welfare of society which restrains individuals and corporate behaviour from ultimately destructive activities, no matter how immediately profitable and which leads in the direction of positive contributions to human betterment.

Davis et al (1996: 24) in their contribution, say, “The idea of social responsibility implies that business decision-makers recognize some obligation to protect and improve the welfare of society as a whole along with their own interest. The net effect is to enhance quality of life in the broadest possible way”.

French and Seward (1995:54) see social responsibility as “the duty of business enterprise to ensure that it does not disrupt the life of the community in which it
operates”. In the same vein, Hargreaves and Danman (1993:32) define the concept as “those investments in and contribution to the wider community designed to help create the healthy overall environment that a company requires to survive and operate efficiently. For Cooke and Mandelson (1997:18), it is “the concern of the welfare of the society which restrains businesses from engaging in destructive activities, whatever their immediate profitability and their focus on contributions to the betterment of society”. In essence, social responsibility could be seen as the obligation of decision-makers or corporate entity to act in a socially responsible manner so as to improve the lot of the society in general and the company’s image in particular. Mallenbaker (2005: 4) sees Corporate Social Responsibility “as how companies manage the business processes to produce an overall positive impact on society.

The World Business Council for Sustainable Development (1999:6) in its publication “Making Good Business Sense” by Lord Holmes and Richard Watts, used the following definitions: “corporate social responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as that of the local community and society at large”. “Corporate Social Responsibility is about capacity building for sustainable livelihoods. It respects cultural differences and finds the business opportunities in building the skills of employees, the community and the government”.

The firms in Nigerian oil and gas industry must respond to hazards such as oil spills, gas flaring, pollution which cause degradation of environment, destruction of aquatic and wild life, destruction of vegetation and continuous lights, heat, noise and emissions from gas flares (NEWSWATCH, 1999:6-14).

Carnegie (1899) in his book The Gospel of Wealth set the classic statement of corporate social responsibility. It is based on two principles:

The social responsibility activities undertaken by Shell Petroleum Development to the host communities according to 2003 Shell Development Report include: Education, agricultural assistance, healthcare, provision of portable water, safety programmes, skill acquisition training, job opportunities, oil spills and contribution to NNDC (DAILY SUN, 2004: 37)

According to Carroll and Buchholtz (2003:18), Corporate Social Responsibility is the impact of a company’s actions on society. They further assert that Corporate Social Responsibility requires a manager to consider his acts in terms of a whole social system, and holds him responsible for the effects of his acts anywhere in that system. They went further to give a more comprehensive definition known as “Carroll’s Four Part definition”. It states that Corporate Social Responsibility encompasses the economic, legal, ethical and discretionary (philanthropic) expectations that society has of organizations at a given point in time.

Table 2.10: Carroll’s Four-Part Definition

<table>
<thead>
<tr>
<th>Responsibility</th>
<th>Societal Expectation</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Required</td>
<td>Be profitable, Maximize sales, minimize costs, etc</td>
</tr>
<tr>
<td>Legal</td>
<td>Required</td>
<td>Obey laws and regulations</td>
</tr>
<tr>
<td>Ethical</td>
<td>Expected</td>
<td>Do what is right, fair and just</td>
</tr>
<tr>
<td>Discretionary</td>
<td>Describe/Expected</td>
<td>Be a good corporate citizen</td>
</tr>
<tr>
<td>(philanthropic)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Essentially, corporate social responsibility means that business should consider the effect of its decision upon all groups that may be affected by them. After
considering such effect, they should make a decision that will result in the
greatest good for the most people.
Moore (2005:5) identifies three core principles that define the essence of
corporate citizenship and believes every company should apply them in a
manner appropriate to its distinct needs.

(1) Minimize Harm: work to minimize the negative consequences of
business activities and decisions on stakeholders including customers,
communities, ecosystems, employees, shareholders and suppliers. Examples include: operating ethically, supporting efforts to stop
corruption, championing human rights, preventing environmental harm,
enforcing good conduct from suppliers, treating employees responsibly,
ensuring the safety of employees, delivering safe-high quality products,
ensuring marketing statements are accurate, etc.

(2) Maximize benefit: contribute to resources and economic well-being by
investing resources in activities that benefit shareholders as well as
broader stakeholders. Examples include: participating voluntarily to help
solve social problems (such as education, health, youth development,
economic development for low income communities, work force
development, among others) ensuring stable employment, paying fair
wages, producing a product with social values, etc.

(3) Accountability and responsiveness to key Stakeholder: build
relationships of trust, which involves becoming more transparent and
open about the progress and setbacks business experience in an effort to
operate ethically. Create mechanisms to include the voice of stakeholders
in governance, produce social reports assured by third parties, operate
according to a code of conduct, listen and communicate with
stakeholders, etc.
2.8 Business Criticism/Social Response Cycle

Factors in the Social Environment

- Criticism of Business
- Increased Concern for the Social
  - A Changed Social Contract
  - Business Assumption of Corporate Social Responsibility
  - Social Responsiveness, Social Performance, Corporate Citizenship
  - A more Satisfied Society

Fewer Factors leading to Business Criticism
Increased Expectations leading to more Criticism

Figure 2.7: Showing Business Criticism/Social Response Cycle

Source: Carroll A.B and Buchholtz H.O (2003), Business and society: Ethics and stakeholders management, Southwestern, a division of Thomson learning, Chapter 2.

A Model of Corporate Social Responsiveness

The process of becoming socially responsive is gradual. It does not occur instantaneously. New attitudes have to be developed, new routine learned, and new policies and action programmes designed. A typical model of the process by which companies are gradually transformed into socially effective organization is shown below:
High

<table>
<thead>
<tr>
<th>Public Awareness</th>
<th>1. Policy</th>
<th>11. Learning</th>
<th>111. Organizational Commitment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialty of (b) performance standard</td>
<td>Formulate policy</td>
<td>(b) Administrative Learning</td>
<td>(c) Public Affairs Management</td>
</tr>
<tr>
<td>Government Enforcement</td>
<td>(a) Identify Problem</td>
<td></td>
<td>(b) Managerial Role Changes</td>
</tr>
<tr>
<td>Availability of skills and technology</td>
<td>1. Technical Learning</td>
<td></td>
<td>(a) Organizational changes</td>
</tr>
</tbody>
</table>

Low

Figure 2.8 A Model of Corporate Social Responsiveness


A company becomes socially responsive in three stages.

i. The Policy Stage:- this is the first step in social awareness. It involves the ability of company to understand the society call for response and action to social problems. Communities may claim that the company is causing environmental or ecological damages to the human, plants and aquatic lives as a result of company’s operations. here, there is need for social policy by companies’ top executives. As shown in the diagram above management identifies the problems and formulates policy. Social responses need to be guided by policies that are carefully and deliberately developed by top management and the board of directors. Kneel-jerk responses to strident social demands often fail to satisfy anyone and might lead to further trouble

ii. The Learning Stage:- technical and administration learning are involved at this stage. For example, once a social problem-environmental degradation- has been identified and a general policy- community development has been adopted, the company must learn how to tackle the problem and how to make the new policy work. The technical learning
involves employing a non-traditional technical expert who is familiar with the culture, life styles, motivations, yearnings, aspirations and special problems of rural community dwellers to advice company officers and managers. Davis et al (1984:55), suggests that this kind of specialized knowledge is particularly helpful in the early stages of social responsiveness when the company is dealing with an unfamiliar social problem. Administrative learning occurs when those who administer the organization’s day-to-day affairs (supervisors and managers) become familiar with the new routines that are necessary to cope with the social problems. Social responsiveness requires the full co-operation of all employees in a top bottom manner.

iii. Organizational Commitment:- at the final stages, the new social policy becomes a guiding philosophy in the organization. This means that the new policies and routines learned in the first two stages become so well accepted throughout the organization that they are considered as a normal part of doing business. Put differently, they are now a part of the “institution” and its standard operating procedures. At this point in the social responsiveness curve the entire organization has committed itself to the new social policy.

As illustrated in figure 2.7 above, a company will move from a low point to a high one according to the strength of the four factors on the vertical axis. The greater the public awareness and concern about rural development, the more likely is a company to establish a community development policy. Specific standards of social performance- for example, good roads, health care, portable water supply and electricity, education, and above all socio-economic empowerment of the rural people- encourage companies to set targets and try to achieve them. Just generally “development of the Niger-Delta” is too general a task, not specific enough to act on. Having the right combination of social skills and technology, such as community relations and effective training and
development programme for the youth, helps move a company along the curve also. Government enforcement of social goals may create a general climate of social responsiveness for all companies and of course may push reluctant companies or businesses to a higher position on the social responsiveness curve. It should be pointed here that the government decree of “fair and adequate compensation by oil firms” as stipulated in the Petroleum Act of 1969 is ambiguous and problematic. The big question is “what constitutes fair and adequate compensation?”

Moving from stage one to stage three on any social issue or problem takes considerable time, for some firms are more flexible than others and some social problems are easier to handle than others.

![Pyramid of Corporate Social Responsibilities](image)

**Figure 2.9 Pyramid of Corporate Social Responsibilities**

*Source: Carroll & Buchholtz (2003), Business and Society: Ethics and Stakeholders Management, Southwestern, a division of Thompson Learning. Pg.22*

**2.10 NIGERIAN LIQUIFIED NATURAL GAS**

The gas sector also holds another opportunity for local content development. With 184-trillion cubic feet proven reserves, the government’s target aims to develop the domestic market and end flaring, and by so doing, capture the real economic value for gas while generating as much revenue from gas (as oil)
within the decade. This development, the government reasoned, could create new industries out of the old oil industry through diversification and strengthening the local economy for greater performance. (GUARDIAN, 2009). Table 2.11 shows the historical development of the oil and gas industry in Nigeria

**TABLE 2.11 HISTORICAL DEVELOPMNT OF THE OIL AND GAS INDUSTRY**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>1903</td>
<td>Documentation of minerals – the hole idea of crude oil exploration in Nigeria was generated</td>
</tr>
<tr>
<td>2.</td>
<td>1905</td>
<td>Actual crude oil exploration started in Nigeria</td>
</tr>
<tr>
<td>3.</td>
<td>1908</td>
<td>Oil exploration started with the discovery of Bitumen deposits in some parts of the then Western Region specifically in the part now called Ondo State.</td>
</tr>
<tr>
<td>4.</td>
<td>1937</td>
<td>Shell D’Archy commenced geological reconnaissance.</td>
</tr>
<tr>
<td>5.</td>
<td>1939</td>
<td>Shell D’Archy was granted an exploration licence.</td>
</tr>
<tr>
<td>6.</td>
<td>Sept., 1951</td>
<td>The first successful well was drilled by Shell D’Archy at Ihuo.</td>
</tr>
<tr>
<td>7.</td>
<td>January 1956</td>
<td>The first successful well was drilled by Shell D’Archy in Oloibori.</td>
</tr>
<tr>
<td>8.</td>
<td>February 1958</td>
<td>The first crude oil shipment was done.</td>
</tr>
<tr>
<td>9.</td>
<td>1961</td>
<td>Texaco had been involved in Oil.</td>
</tr>
<tr>
<td>10.</td>
<td>1962</td>
<td>Nigerian Agip Oil Company license was incorporated.</td>
</tr>
<tr>
<td>11.</td>
<td>1964</td>
<td>Elf Petroleum Nigerian limited made its discovery in Obagi.</td>
</tr>
<tr>
<td>12.</td>
<td>1969</td>
<td>Texaco’s Manufacturing and Marketing started</td>
</tr>
<tr>
<td>13.</td>
<td>1971</td>
<td>Nigeria National Petroleum Corporation was incorporated</td>
</tr>
<tr>
<td>15.</td>
<td>1973</td>
<td>The Nigerian government Got involved in the marketing of crude oil.</td>
</tr>
<tr>
<td>17.</td>
<td>1993</td>
<td>Shell had a focus on social responsibility</td>
</tr>
<tr>
<td>18.</td>
<td>February, 1993</td>
<td>SNEPCO was formed to handle deep water on-shore licences.</td>
</tr>
<tr>
<td>19.</td>
<td>1995/96</td>
<td>Bonga Oil field was drilled, the premier deep water field.</td>
</tr>
<tr>
<td>20.</td>
<td>September 1995</td>
<td>The construction of L.N.G. final investment decision was signed.</td>
</tr>
<tr>
<td>22.</td>
<td>1999</td>
<td>Shell Nigerian Gas was incorporated.</td>
</tr>
<tr>
<td>23.</td>
<td>1999</td>
<td>The integrated Oil and Gas 38.5 Bullion US dollars LNG Train 3 was launched.</td>
</tr>
<tr>
<td>24.</td>
<td></td>
<td>Today all the Oil Companies have department of public and government affairs headed by a manager.</td>
</tr>
</tbody>
</table>

SUMMARY OF REVIEW OF THE RELATED LITERATURE

The related literature provides information for the research questions and hypotheses. It also makes available the best global practice that would help in the preparation of the questionnaire for data collection and analysis of data based on usual practice. The review shows globalization in the form of trade and commerce striving to integrate the world into a global market. The relationship within the market is a dependent structure in which the developed countries exist at the expense of the developing ones. The theories of globalization show the reasons for the existence and consolidation of this structure dependence.

The World-System Theory sees globalization as a process already completed in the twentieth century. It affirms that globalization does not constitute a new phenomenon. Capital intensive production is exclusively reserved for core countries while peripheral areas provided low skill labour and raw materials. The unequal relationship between Europeans core and non-European periphery inevitably generated unequal development.

These interdependent parts of globalization form a unit with a single division of labour and multiple cultural systems. It encourages the accumulation of private capital through the exploitation in production and sale for profit in a market. This is its driving force and it operates via the eventual commodification of everything. Consequently they appropriate much of the surplus of the whole world-economy while the developing countries appropriate extremely very little of what remains. The other two global theories – World Polity and World Culture both strive also to consolidate the solid structure of dependence. Even both the IMF and the World Bank cripple African economic growth through stringent debt management.
The principal economic agent of globalization in developing countries is the multinational corporations under the management and control of Corporate Entrepreneurs as hired agents of the parent enterprises. Their corporate policy is profit maximization and their private interests always clash with the social and national interest of the host country. They sacrifice the national development of the host country for their profits and thus, damage local development.

The parent enterprises insist that Corporate Entrepreneurs strictly observe the corporate policy leaving them with no resources to meet exigencies. They are the sole marketers of Nigerian petroleum products till 1973 when NNPC joined them but as inferior partner technologically and capital-wise. They take title and market them as title owners with profit accruing to them. Also they refuse to build refineries in Nigeria to facilitate refining the crude petroleum products locally. They reject Nigerian human content as being low human index and they import material content from outside to meet global quality standard. These are done at the expense of Nigerian human and material content. Their pollutants cause serious threat to the environment and life including human life. Their calculated neglect provokes violent tension and kidnapping of corporate entrepreneurs yet they remain undaunted.

**GAP IN LITERATURE**

Corporate Entrepreneurs in the Nigerian oil and gas industry did not adhere to global best practice in developing countries.
REFERENCES


Donald, F. Kuratko and Jeffrey S. Hornby (2007) *Corporate Entrepreneurship and Middle Managers; A Model for Corporate Entrepreneurial Behaviour*. (online 2010)


Rigg, F.W (2000) Globalization is a FUZZY term but it may convey Special Meaning, The theme of the IPSA World Congress.


CHAPTER THREE
RESEARCH METHODOLOGY

3.0 INTRODUCTION

The chapter presents a detailed description of the procedures, methods and techniques used in the study. Also, it entails the overall research plans and designs that guided the process of data collection and the range of approaches used in research to collate data. It embraced techniques embodied in comprehensive analysis of the research design, sources of data, population of the study, sample size determination, description of the research instrument, validity of instrument, reliability of instrument and methods of data analysis, including inter-firm analysis in testing the hypotheses.

3:1 RESEARCH DESIGN

This study made use of survey design. The study investigated the current behaviour, opinions and authority scope of corporate entrepreneurs by questioning them as well as interviewing some of them (Anyanwu, 2000: 40). In carrying out this study, care was taken to separate the variables that give thrust to globalization and corporate entrepreneurs. The following data facilitated the design of the research instrument and analytical tools that helped discover the relationship between globalization and corporate entrepreneurship of this research. The pretest interactions in the four selected firms provided information on the population of corporate entrepreneurs in each firm, the total population and gave clue to the sample size. This interaction helped to perfect the research instrument.
3.2 SOURCES OF DATA

The researcher generated data from two principal sources:

1. The primary source of data was through the administration of questionnaire and personal interviews of the respondents who were the corporate entrepreneurs of the select four multinational corporations in Nigeria oil and gas industry.

2. Secondary source of data were from the review of several publications. For example, relevant journals, seminars and workshop papers, magazines, news-papers, unpublished materials (theses, dissertations, etc). Monographs, books and internet.

3.3 THE POPULATION OF THE STUDY

Population refers to the large aggregate a researcher is interested in studying. (Obasi, 1999:134). The Shell in Nigeria, SPDC Briefing Notes, (2001:3) defined this large aggregate as comprising eight major oil companies: Shell, Mobil, Chevron, Agip, Elf, Texaco, Esso And Conoco. The table of random numbers as then used to select the four oil firms to be studied from this large aggregate. The target population of the study involved the corporate entrepreneurs in the four selected Nigerian oil firms. The population is produced in table 3.1

<table>
<thead>
<tr>
<th>S/N</th>
<th>Organization</th>
<th>Number of Corporate Entrepreneurs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shell PDC Nigeria Plc</td>
<td>90</td>
</tr>
<tr>
<td>2</td>
<td>Chevron Oil Nigeria Plc</td>
<td>75</td>
</tr>
<tr>
<td>3</td>
<td>Texaco Oil Nigeria Plc</td>
<td>73</td>
</tr>
<tr>
<td>4</td>
<td>Agip Oil Nigeria</td>
<td>63</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
</tr>
</tbody>
</table>

*SOURCE: Field Survey, 2010*
3.4 SAMPLE SIZE DETERMINATION

Since the population focuses on a particular named section of the wider population and also seeks to represent a particular known group as corporate entrepreneurs, a non-probability sampling was used. Therefore the population of the study was considered to be small and manageable. The researcher decided that the entire population should be studied. The population of 300 became the sample size.

Table 3.2: Allocation of Sample Size

<table>
<thead>
<tr>
<th>S/N</th>
<th>Organization</th>
<th>Organizational Sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shell PDC of Nigeria Plc</td>
<td>90</td>
</tr>
<tr>
<td>2</td>
<td>Chevron Oil Nigeria Plc</td>
<td>75</td>
</tr>
<tr>
<td>3</td>
<td>Texaco Oil Nigeria Plc</td>
<td>72</td>
</tr>
<tr>
<td>4</td>
<td>Agip Oil Nigeria Plc</td>
<td>62</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>300</strong></td>
</tr>
</tbody>
</table>

Source: Field Survey, 2010

3.5 DESCRIPTION OF RESEARCH INSTRUMENT

The questionnaire was structured in line with the variables of the study already stated in the research questions and hypotheses. The questionnaire was divided into two parts; Section A was designed to collect demographic information of the respondents. Section B dealt with issues relating to the subject of inquiry. The instrument applied Likert type of questions. 300 copies of the said questionnaire were distributed. The design of the questionnaire was in two main parts.

Part I dealt with the personal data of the respondents and Part II focused on research questions.
3.6 METHOD OF DATA ANALYSIS
All the research questions were analyzed by using inferential statistics such as frequency, central tendencies, tables.

**Hypothesis 1:** This was tested using Chi-Square. The formula for Chi-Square is as follows:

\[ X^2 = \sum \frac{(O_i - E_i)^2}{E_i} \]

Where
Oi = observed cases of frequencies
Ei = expected cases of frequencies
\(\sum\) = Summation of all items to one (1) term.

**Hypothesis 2:** This was tested using Chi-Square being a test of relationship

**Hypothesis 3:** This was tested using Chi-square.

**Hypothesis 4:** This was tested using T-test.

**Hypothesis 5:** This was tested using T-test

3.7 RELIABILITY OF DATA
To test for the reliability of the instrument, a test re-test method was applied in which 28 copies of the questionnaire were distributed to the four firms under study. After some days, the instrument was collected and re-administered for the second time.

Pearson’s Product Moment Correlation Coefficient of reliability was used to test the result. It gave a reliability coefficient of r = 0.99 showing that there as consistency in the items of survey. The reliability was calculated as follows:
Table 3.3  Computation of Correlation Coefficient

<table>
<thead>
<tr>
<th>Firms</th>
<th>Av. Response Scale (i) X</th>
<th>Av. Response Scale (ii) Y</th>
<th>XY</th>
<th>X²</th>
<th>Y²</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>5</td>
<td>3</td>
<td>15</td>
<td>25</td>
<td>9</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>3</td>
<td>12</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>2</td>
<td>6</td>
<td>9</td>
<td>4</td>
</tr>
<tr>
<td>4</td>
<td>4</td>
<td>3</td>
<td>12</td>
<td>16</td>
<td>9</td>
</tr>
<tr>
<td>Total</td>
<td>16</td>
<td>11</td>
<td>45</td>
<td>66</td>
<td>31</td>
</tr>
</tbody>
</table>

\[ r = \frac{n\sum XiYi - \sum X\sum Yi}{\sqrt{(\sum Yi^2 - (\sum Y)^2) \sum Xi^2 - (\sum X)^2}} \]

\[ r = \frac{28(45) - 16\cdot11}{\sqrt{28(31) - (11)^2 \cdot 28(66) - (16)^2}} \]

\[ r = \frac{1260 - 176}{\sqrt{868 - 121 \cdot 1848 - 256}} \]

\[ r = \frac{1084}{\sqrt{747 \times 1592}} \]

\[ r = \frac{1084}{\sqrt{1189224}} \]

\[ r = \frac{1084}{1090.5} \]

\[ r = \frac{1084}{1091} \]

\[ r = 0.9935 \]

\[ r = 0.99 \]

3.8 VALIDITY OF MEASUREMENT AND TEST INSTRUMENT

Uzoagulu (1998) defines validity as the appropriateness of an instrument in measuring what it tends to measure. To validate the research instrument, the researcher ensured that the structured questionnaire was subjected to the combination of face and content validity. Face validity judges at the face value the appropriateness of the measuring instrument. Content validity is the extent
to which the items of an instrument are representative of the content and behavior specified by the theoretical content being measured. Also, a proper restructuring of the questionnaire and the conduct of a pre-test of every question contained in the questionnaire was carried out to ensure that they are valid. Furthermore, the design of the questionnaire was made easy for the respondents to tick their preferred choice from the options provided as it has been established that the longer the length of questionnaire the lower the response rate (Lovine 1987). Response validity was obtained by recontacting individual respondents whose responses appeared unclear, unusual or inconsistent.
REFERENCES


CHAPTER FOUR
PRESENTATION AND ANALYSIS OF DATA

4.0 INTRODUCTION
The data collected from respondents in the course of the study were presented using frequency tables to make them amenable for further analysis. The responses gathered from the questionnaire were presented as shown below:

4.1 DISTRIBUTION AND RETURN OF QUESTIONNAIRE

Table 4.1: Distribution and Return of Questionnaire

<table>
<thead>
<tr>
<th>S/N</th>
<th>FIRMS</th>
<th>DISTRIBUTION</th>
<th>RETURN</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Distributed</td>
<td>Percentage</td>
</tr>
<tr>
<td>1</td>
<td>Shell PDC Nigeria Plc</td>
<td>90</td>
<td>30%</td>
</tr>
<tr>
<td>2</td>
<td>Chevron Nigeria Plc</td>
<td>75</td>
<td>25%</td>
</tr>
<tr>
<td>3</td>
<td>Texaco Nigeria Plc</td>
<td>72</td>
<td>24%</td>
</tr>
<tr>
<td>4</td>
<td>Agip Nigeria Plc</td>
<td>63</td>
<td>21%</td>
</tr>
</tbody>
</table>

Source: Field Survey, 2010

Table 4.1 shows both Distribution and Return of questionnaire:

i. Distribution of Questionnaire: 300 copies (100%) of the questionnaire were distributed to the four firms as follows. 90(30%) copies to Shell PDC Nigeria Plc, 75(25%) to Chevron Nigeria Plc, 72(24%) to Texaco Nigeria Plc and 63(21%) to Agip Nigeria Plc.

ii. Return of Questionnaire: 270(90%) of the copies of the questionnaire were duly completed and returned for analysis and testing of hypotheses, 81(27%) copies of the questionnaire were returned by Shell PDC Nigeria Plc, 67(22.33%) by Chevron Nigeria Plc, 65(21.67%) by Texaco Nigeria Plc and 57(19%) by Agip Nigeria Plc.
Table 4.2: Educational Qualification of Respondents

<table>
<thead>
<tr>
<th>Respondents Highest Qualification</th>
<th>Number of Respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade Test</td>
<td>13</td>
<td>4.8</td>
</tr>
<tr>
<td>OND/HND/B.Sc</td>
<td>125</td>
<td>46.4</td>
</tr>
<tr>
<td>Masters/Ph.D</td>
<td>132</td>
<td>48.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>270</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2010*

Table 4.2 shows the educational qualifications of the respondents. Thirteen (4.8%) respondents had Trade Test Certificate, 125 of them (46.4%) had OND/HND/BSc., and 132 (48.8%) respondents had Masters/Ph.D. This implies a majority of the respondents had Masters/Ph.D.

Table 4.3: Working Experience of Respondents

<table>
<thead>
<tr>
<th>Number of Years Worked in the Firm</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below one year</td>
<td>20</td>
<td>7.2</td>
</tr>
<tr>
<td>1 – 5 years</td>
<td>125</td>
<td>46.4</td>
</tr>
<tr>
<td>6 – 10 years</td>
<td>70</td>
<td>25.9</td>
</tr>
<tr>
<td>10 years and above</td>
<td>55</td>
<td>20.5</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>270</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Field Survey, 201*

Table 4.3: Shows that Twenty (7.2%) respondents had served below one year. 125 (46.4%) served one to five years. Seventy (25.9%) served six to ten years. 55(20.5%) had given ten years or more in service. This implies majority of the respondents had work experience of 1 -5 years.
Table 4.4: Marital Status of the Respondents

<table>
<thead>
<tr>
<th>Marital Status</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>95</td>
<td>34.9</td>
</tr>
<tr>
<td>Married</td>
<td>140</td>
<td>51.9</td>
</tr>
<tr>
<td>Separated</td>
<td>11</td>
<td>4.2</td>
</tr>
<tr>
<td>Divorced</td>
<td>11</td>
<td>4.2</td>
</tr>
<tr>
<td>Widowed</td>
<td>13</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>270</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2010*

Table 4.4 shows the marital status of respondents. Ninety-five (34.9%) respondents were single. One hundred and forty (51.9%) were married. 11 (4.2%) were separated and divorced. 13 (4.8%) were widowed. This implies that majority of the respondents 140 (51.9%) were married.

Table 4.5: Age of Respondents

<table>
<thead>
<tr>
<th>Age</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>21 -30 years</td>
<td>94</td>
<td>34.9</td>
</tr>
<tr>
<td>31 – 40 years</td>
<td>80</td>
<td>29.5</td>
</tr>
<tr>
<td>41 – 50 years</td>
<td>72</td>
<td>26.5</td>
</tr>
<tr>
<td>51 – 60 years</td>
<td>24</td>
<td>9.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>270</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2010*

Table 4.5 shows the age- groups of respondents. Ninety-four (34.9%) respondents were within the age-group of 21-to-30 years. 80 (29.5%) within 31-to-40 years. Seventy-two (26.5%) came within the range of 41-to-50 years. Tenty-four (9.1%) were within the age-range of 51-to-60 years. This implies that most of the respondents fall within young people with 94 (34.9%) within the age-range of 21-to-30 years.
Table 4.6: Sex of Respondents

<table>
<thead>
<tr>
<th>Sex</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>195</td>
<td>72.2</td>
</tr>
<tr>
<td>Female</td>
<td>75</td>
<td>27.7</td>
</tr>
<tr>
<td>Total</td>
<td>270</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source: Field Survey, 2010**

Table 4.6 shows the sex of the respondents. One hundred and ninety-five (72.3%) respondents were males. Seventy-five (27.7%) were females. This confirms that most of the respondents were males.

Table 4.7: Nationality of Respondents

<table>
<thead>
<tr>
<th>Nationality</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Nigerian</td>
<td>59</td>
<td>26.7</td>
</tr>
<tr>
<td>Nigerian</td>
<td>211</td>
<td>73.3</td>
</tr>
<tr>
<td>Total</td>
<td>270</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source: Field Survey, 2010**

Table 4.7 shows the nationality of respondents. Fifty-nine (26.7%) respondents were non-Nigerians. 211 (73.3%) were Nigerians. This confirms that most of the respondents 211 (73.3%) were Nigerians.

Table 4.8: Employment Status of Respondents

<table>
<thead>
<tr>
<th>Employment Status</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular</td>
<td>207</td>
<td>76.52.13</td>
</tr>
<tr>
<td>Contract</td>
<td>63</td>
<td>23.5</td>
</tr>
<tr>
<td>Total</td>
<td>270</td>
<td>100</td>
</tr>
</tbody>
</table>

**Source: Field Survey, 2010**
Table 4.8 shows the employment status of respondents. 207 (76.5%) respondents were regular staff of the oil firms understudy. 63 (23.5%) were contract staff. This implies a greater number 207 (76.5%) respondents were regular staff.

Table 4.9: Managerial Status of Respondents

<table>
<thead>
<tr>
<th>Managerial Status</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No response</td>
<td>81</td>
<td>30</td>
</tr>
<tr>
<td>Public Relations Officer</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td>Control Officer</td>
<td>10</td>
<td>3.6</td>
</tr>
<tr>
<td>I.T Officer</td>
<td>3</td>
<td>1.2</td>
</tr>
<tr>
<td>Accounts/Executive Analyst</td>
<td>34</td>
<td>12.7</td>
</tr>
<tr>
<td>Executive Officer</td>
<td>5</td>
<td>1.8</td>
</tr>
<tr>
<td>Corporate Communication Officer</td>
<td>3</td>
<td>1.2</td>
</tr>
<tr>
<td>Expatriate</td>
<td>6</td>
<td>2.4</td>
</tr>
<tr>
<td>Management/Trainee</td>
<td>20</td>
<td>7.2</td>
</tr>
<tr>
<td>Operations Officer</td>
<td>2</td>
<td>0.6</td>
</tr>
<tr>
<td>Assistant manager- Marketing</td>
<td>24</td>
<td>9.0</td>
</tr>
<tr>
<td>Security Officer</td>
<td>5</td>
<td>1.8</td>
</tr>
<tr>
<td>Engineer</td>
<td>16</td>
<td>6</td>
</tr>
<tr>
<td>Surveyor</td>
<td>5</td>
<td>1.8</td>
</tr>
<tr>
<td>Technician</td>
<td>20</td>
<td>7.2</td>
</tr>
<tr>
<td>Administrative Officer</td>
<td>10</td>
<td>3.6</td>
</tr>
<tr>
<td>Supervisor</td>
<td>10</td>
<td>2.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>270</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

*Source: Field Survey, 2010*

Table 4.9 shows the managerial status of respondents. 16 (6%) respondents were Public Relations Officer. 10 (3.6%) were Control Officers. 3 (2.2%) were I.T. Officers. 34 (12.7%) were Account/Executive Analysts. This implies majority of the respondents were Account/Executive Analyst.

**Statistical Tools of Analysis**

Two statistical tools of analysis were used to test the Hypotheses. They were CHI-SQUARE for Hypotheses 1, 2, and 3 and T-TEST for Hypotheses 4 and 5.
CHI-SQUARE is a statistical tool used to test for association between two or more variables. It is used between observed frequencies ($f_o$) and expected frequencies ($f_e$). The use of chi-square test is applicable only to data in the nominal scale.

**Procedure for calculation**

- Calculate frequency observed ($f_o$) from a contingency table from the observed data.
- Calculate expected frequency ($f_e$) using $$\frac{RT \times CT}{GT}$$ where $RT =$ Row Total, $CT =$ Column Total, and $GT =$ Grand Total
- Then get $$\sum \frac{(f_o - f_e)^2}{f_e}$$
- Degree of freedom (df) = $(c-1)(r-1)$ where $c =$ number of columns and $r =$ number of rows.
- Compare the obtained $\chi^2$ value with table $\chi^2$ value
- Interpret the result.
  a. If obtained $\chi^2 \geq$ table $\chi^2$ value for appropriate df at chosen level of significance we concluded that there was a significant association between the variables being investigated.
  b. If calculated $\chi^2$ value $< \chi^2$ value for the appropriate df at chosen level of significance we concluded that there was no significant association between the variables being investigated.
4.2 TESTING OF HYPOTHESES

HYPOTHESIS 1

H₀: Parent enterprises had not significantly changed their corporate entrepreneurship policy in response to the influence of globalization.

H₁: Parent enterprises had significantly changed their corporate entrepreneurship policy in response to the influence of globalization.

Since the Chi-square is one of the applicable test for association between two or more variables and the data are in the nominal scale, chi-square is only applicable in this circumstance (Ekeh 2003: 195). It is used between observed frequencies ($f_o$) and expected frequencies ($f_e$).

Table 4.10: Impact of Globalization on Corporate Entrepreneurship Policy

<table>
<thead>
<tr>
<th>S/N</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>160</td>
<td>59</td>
<td>36</td>
<td>6</td>
<td>-</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td>62.80%</td>
<td>21.70%</td>
<td>13.30%</td>
<td>2.20%</td>
<td>-</td>
<td>100</td>
</tr>
<tr>
<td>2.</td>
<td>97</td>
<td>62</td>
<td>75</td>
<td>26</td>
<td>10</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td>36.10%</td>
<td>22.90%</td>
<td>27.70%</td>
<td>9.60%</td>
<td>3.70%</td>
<td>100</td>
</tr>
<tr>
<td>3.</td>
<td>106</td>
<td>102</td>
<td>36</td>
<td>20</td>
<td>6</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td>39.2%</td>
<td>37.9%</td>
<td>13.3%</td>
<td>7.4%</td>
<td>2.2%</td>
<td>100</td>
</tr>
<tr>
<td>TOTAL</td>
<td>372</td>
<td>223</td>
<td>147</td>
<td>52</td>
<td>16</td>
<td>810</td>
</tr>
<tr>
<td>Cumulative</td>
<td>45.92%</td>
<td>27.53%</td>
<td>18.15%</td>
<td>6.42%</td>
<td>1.98%</td>
<td>100</td>
</tr>
<tr>
<td>Average</td>
<td>124</td>
<td>74.33</td>
<td>49</td>
<td>17.33</td>
<td>5.33</td>
<td></td>
</tr>
</tbody>
</table>
Table 4.10

Table 4.10 was derived from the response to section I which measured the impact of the policy changes on the corporate entrepreneurs of the multinational corporations based on three (3) different attributes of corporate policy. The total frequency of responses was eight hundred and ten (810). 372 (45.92%) of this strongly agreed that globalization impacted on policy changes on corporate entrepreneurs; 160 (62.8%) exposed corporate entrepreneurs to hyper-competitive; 97 (36.10%) protected them by influencing their autonomy, freedom and independence and 106 (39.20%) induced them to perform conflicting roles. 223 (27.53%) agreed that globalization impacted on corporate entrepreneurs in multinational corporations while 215(26.55%) were undecided, disagreed and strongly disagreed that globalization actually impacted on corporate entrepreneurs in multinational corporation in Nigerian oil and gas industry.

The average frequencies for the responses were strongly agreed (124), agree (74.33), undecided (49), disagreed (17.33) and strongly disagreed (5.33). These average responses were used in testing hypothesis one.

\[
\text{Mean Criterion level} = \frac{5+4+3+2+1}{5} = \frac{15}{5} = 3
\]

Table 4.11: Descriptive: Y items means-Policy Changes On Corporate Entrepreneurs Descriptive Statistics

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Globalization exposes corporate entrepreneurs to hypercompetitive</td>
<td>270</td>
<td>2</td>
<td>5</td>
<td>4.45</td>
<td>.813</td>
</tr>
<tr>
<td>Globalization protects corporate entrepreneurs by influencing their autonomy, freedom and independence in operation</td>
<td>270</td>
<td>1</td>
<td>5</td>
<td>3.78</td>
<td>1.145</td>
</tr>
<tr>
<td>Corporate entrepreneurs encompass the conflicting roles/notions of individual initiative and corporate development</td>
<td>270</td>
<td>1</td>
<td>5</td>
<td>4.04</td>
<td>1.017</td>
</tr>
</tbody>
</table>

Valid Number (list wise) 270

Source: Field Survey 2010
Descriptive: Overall mean for Section I Questionnaire Numbers 10, 11, 12 in Tables 4.10

<table>
<thead>
<tr>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>270</td>
<td>6</td>
<td>15</td>
<td>12.27</td>
<td>2.189</td>
</tr>
</tbody>
</table>

Degree of freedom = (c-1)x(r-1)
Degree of freedom = df = (3-1)(5-1)

\[ df = 2 \times 4 = 8 \]

Chi-square \( \chi^2_c = 12.27 \) – calculated for expected value
\[ \chi^2_t = 15.07 \text{ at 0.05 level – contingency table value} \]

Formulating the null and alternate hypothesis

H\(_0\): U ≤ 3.00 (respondents agreed with the claim)
H\(_A\): U > 3.00 (respondents disagree with the claim).

**Decision rule:** The null hypothesis was accepted if the calculated value of \( \chi^2_c \) was less than or equal to the critical value in the \( \chi^2_t \) distribution table, otherwise it was rejected and the alternative hypothesis accepted.

Critical Calculated value of Chi-square \( \chi^2_{(166)} = 12.27 \)
Critical Table value of \( \chi^2_{(0.05)} = 15.07 \)

**Conclusion:** since the critical calculated value of \( \chi^2_c = 12.27 < \chi^2_t = \text{critical table value} \) 15.07, we accepted the null hypothesis. The conclusion was that Parent enterprises had not significantly changed their corporate entrepreneurship policy in response to the influence of globalization.
HYPOTHESIS 2

H₀: Multinational corporations had not significantly complied with the Nigerian pertinent laws and regulations in her oil and gas industry.

H₁: Multinational corporations had significantly complied with the Nigerian pertinent laws and regulations in her oil and gas industry.

The statistical tool of Chi-square was still used to test for association in this second hypothesis.
Table 4.12: Multinational Corporations and Pertinent Nigerian Laws and Regulations

<table>
<thead>
<tr>
<th>S/N</th>
<th>Description</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Multinational Corporations utilize Nigerian material resources for provision of and services to the petroleum industry</td>
<td>119</td>
<td>75</td>
<td>46</td>
<td>24</td>
<td>6</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td><strong>PERCENTAGE</strong></td>
<td>44%</td>
<td>27.70%</td>
<td>16.90%</td>
<td>9.0%</td>
<td>2.4%</td>
<td>100</td>
</tr>
<tr>
<td>2.</td>
<td>Multinational Corporations shall meet the host country target of 70% utilization of Nigerian Content by 2010</td>
<td>36</td>
<td>31</td>
<td>161</td>
<td>28</td>
<td>14</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td><strong>PERCENTAGE</strong></td>
<td>13.3%</td>
<td>11.4%</td>
<td>59.9%</td>
<td>10.3%</td>
<td>5.1%</td>
<td>100</td>
</tr>
<tr>
<td>3.</td>
<td>Multinational Corporations met the host country target of 45% utilization of Nigerian Content by 2006</td>
<td>76</td>
<td>41</td>
<td>93</td>
<td>33</td>
<td>27</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td><strong>PERCENTAGE</strong></td>
<td>28.3%</td>
<td>15.1%</td>
<td>34.4%</td>
<td>12.2%</td>
<td>2.4%</td>
<td>100</td>
</tr>
<tr>
<td>4.</td>
<td>Participation of Nigerians in oil and gas activities has stimulated growth in indigenous capacity</td>
<td>119</td>
<td>109</td>
<td>23</td>
<td>14</td>
<td>5</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td><strong>PERCENTAGE</strong></td>
<td>43.3%</td>
<td>40.3%</td>
<td>8.5%</td>
<td>5.1%</td>
<td>1.8%</td>
<td>100</td>
</tr>
<tr>
<td>5.</td>
<td>Utilization of local raw materials for manufacturing by oil and gas industry goods and provision of services promotes value adding in Nigeria</td>
<td>125</td>
<td>127</td>
<td>3</td>
<td>12</td>
<td>3</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td><strong>PERCENTAGE</strong></td>
<td>46.2%</td>
<td>47.20%</td>
<td>1.1%</td>
<td>4.4%</td>
<td>1.1%</td>
<td>100</td>
</tr>
<tr>
<td>6.</td>
<td>Multinational Corporations have transformed the oil and gas industry into an economic engine for job creation and national growth</td>
<td>140</td>
<td>101</td>
<td>11</td>
<td>15</td>
<td>3</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td><strong>PERCENTAGE</strong></td>
<td>51.9%</td>
<td>37.4%</td>
<td>4.1%</td>
<td>5.5%</td>
<td>1.1%</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
<td>615</td>
<td>484</td>
<td>337</td>
<td>126</td>
<td>58</td>
<td>1620</td>
</tr>
<tr>
<td></td>
<td><strong>Cumulative %</strong></td>
<td>37.96%</td>
<td>29.87%</td>
<td>20.8%</td>
<td>7.78%</td>
<td>1.98%</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td><strong>Average</strong></td>
<td>102.5</td>
<td>80.67</td>
<td>56.17</td>
<td>21</td>
<td>9.67</td>
<td></td>
</tr>
</tbody>
</table>
Table 4.12
Table 4.12 was designed to determine how multinational corporations in Nigerian oil and gas industry complied with the pertinent Nigerian laws and regulations in her oil and gas industry. The total frequency of responses was one thousand, six hundred and twenty (1620). Out of this number 615 (37.96%) strongly agreed that multinational corporations in Nigerian oil and gas industry substantially and significantly implemented the pertinent Nigerian laws and regulations; 119 (44%) utilized Nigerian material resources, 36 (13.3%) met target of 45% by 2006, 76 (28.3%) affirmed the prospect of realizing the target of 70% by 2010, 119 (43.3%) confirmed that participation of Nigerians stimulated growth and indigenous capacity, 125 (46.2%) also promoted value adding in Nigeria and 140 (51.9 %) served as an economic engine for job creation and national growth. 484(29.87%) agreed, 337 (20.8%) undecided, 126 (7.78%) disagreed, and 58 (1.98%) strongly disagreed.

The average frequencies were strongly agreed (102.5), agreed (80.67), undecided (56.17), disagreed (21) and strongly disagreed (9.67). These average responses were used in testing hypothesis two.

\[
\text{Mean Criterion level} = \frac{5 + 4 + 3 + 2 + 1}{5} = \frac{15}{5} = 3
\]

Descriptive overall mean for Section: Questionnaire Nos. 15, 16, 17, 18, 19 and 20 in Tables 4.12.

In all the tables, each mean score was greater than the mean criterion level of 3.
Table 4.13

Descriptive: Item means – Implementation of Pertinent laws and regulations of host countries by Multinational Corporation: Descriptive Statistics.

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multinational corporations utilize Nigerian material resources for provision of goods and services to petroleum industry</td>
<td>270</td>
<td>1</td>
<td>5</td>
<td>4.02</td>
<td>1.093</td>
</tr>
<tr>
<td>Multinational corporations met the host country’s target of 4.5% utilization …</td>
<td>270</td>
<td>1</td>
<td>5</td>
<td>3.39</td>
<td>1.292</td>
</tr>
<tr>
<td>Multinational corporations shall meet the host country’s target of 70% utilization…</td>
<td>270</td>
<td>1</td>
<td>5</td>
<td>4.17</td>
<td>.970</td>
</tr>
<tr>
<td>Participation of Nigerians oil and gas activities has stimulated growth of indigenous capacity …</td>
<td>270</td>
<td>1</td>
<td>5</td>
<td>4.19</td>
<td>.934</td>
</tr>
<tr>
<td>Utilization of local raw material for manufacturing of goods and services by oil and gas industry…</td>
<td>270</td>
<td>1</td>
<td>5</td>
<td>4.33</td>
<td>.804</td>
</tr>
<tr>
<td>Multinational corporations have transformed the oil and gas industry into economic engine for job creation and national growth.</td>
<td>270</td>
<td>1</td>
<td>5</td>
<td>4.33</td>
<td>.883</td>
</tr>
</tbody>
</table>

Valid Number (list wise) 270

Source: Field Survey 2010

Descriptive: Overall mean for Section II, Pertinent laws.

<table>
<thead>
<tr>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>270</td>
<td>9</td>
<td>35</td>
<td>26.60</td>
<td>4.753</td>
</tr>
</tbody>
</table>

Degree of freedom = (c-1) x (r-1)
Degree of freedom = df = (6-1)(5-1)
  df = 5 x 4
  df = 20

Formulating the null and alternate hypotheses
H₀: U ≤ 3.00 (respondents agreed with the claim)
Hₐ: U > 3.00 (respondents disagree with the claim).

**Decision rule:** The null hypothesis was accepted if the calculated value of \( \chi^2_c \) was less than or equal to the critical value in the \( \chi^2 \) distribution table, otherwise it was rejected and the alternative hypothesis accepted.

Critical Calculated value of Chi-square \( \chi^2_c = 26.60 \)
Critical Table value of \( \chi^2_{1,.05} = 31.410 \)

**Conclusion:** since the critical calculated value of \( \chi^2_c = 26.60 \) < critical table value of \( \chi^2_{1,}=31.410 \), we accepted the null hypothesis and rejected the alternate hypothesis. Therefore, multinational corporations had not significantly complied with the Nigerian pertinent laws and regulations in her oil and gas industry.

**HYPOTHESIS 3**

H₀: Globalization had not significantly impacted on the international trade in Nigerian oil and gas industry.

H₁: Globalization had significantly impacted on the international trade in Nigerian oil and gas industry.
Table 4.14: Impact of Globalization on National Economy.

<table>
<thead>
<tr>
<th>S/N</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>114</td>
<td>88</td>
<td>44</td>
<td>18</td>
<td>6</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td>39.5%</td>
<td>35.5%</td>
<td>16.2%</td>
<td>6.6%</td>
<td>2.2%</td>
<td>100</td>
</tr>
<tr>
<td>2.</td>
<td>130</td>
<td>70</td>
<td>23</td>
<td>39</td>
<td>8</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td>48.2%</td>
<td>25.9%</td>
<td>8.4%</td>
<td>14.5%</td>
<td>3%</td>
<td>100</td>
</tr>
<tr>
<td>3.</td>
<td>101</td>
<td>57</td>
<td>91</td>
<td>18</td>
<td>3</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td>37.5%</td>
<td>21.1%</td>
<td>33.7%</td>
<td>6.6%</td>
<td>1.1%</td>
<td>100</td>
</tr>
<tr>
<td>TOTAL</td>
<td>345</td>
<td>215</td>
<td>158</td>
<td>75</td>
<td>17</td>
<td>810</td>
</tr>
<tr>
<td>Cumulative %</td>
<td>42.59%</td>
<td>26.54%</td>
<td>19.51%</td>
<td>9.26%</td>
<td>1.98%</td>
<td>100</td>
</tr>
<tr>
<td>Average</td>
<td>115</td>
<td>71.67</td>
<td>52.67</td>
<td>25</td>
<td>5.67</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.14

Table 4.14 was designed to assess the impact of globalization on the Nigerian oil and gas industry in her national economy based on three (3) different attributes of globalization or global market. The total frequency of responses was eight hundred and ten (810). Out of this number, 345 (39.5%) strongly agreed that globalization had significant impact: 114 (62.8%) on national economic development and prosperity; but 130 (48.2%) stimulated and supported her manufacturing and service base; but 101 (37.5%) undermined Nigeria’s export potentials. Also 158 (61.4%) out of 215 agreed but 57 (21.1%) objected claiming that failure to refine her crude oil in Nigeria undermined Nigeria export potentials. But 250 (30.75) were undecided, disagreed and strongly disagreed.

The average frequencies for the responses were strongly agreed (115), agreed (71.67), undecided (52.67), disagreed (25) and strongly disagreed (5.67). These average responses were used in testing hypothesis three.
Mean Criterion level $= \frac{5+4+3+2+1}{5} = \frac{15}{5} = 3$

Table 4.15

Descriptive: Item means – Globalization and international trade in Nigeria oil and gas industry.

<table>
<thead>
<tr>
<th>Description</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Export of Nigeria crude oil and gas has direct consequences for national economic development and prosperity</td>
<td>270</td>
<td>1</td>
<td>5</td>
<td>4.05</td>
<td>1.034</td>
</tr>
<tr>
<td>Export of crude oil stimulates the economy of Nigeria and supports her manufacturing and service base</td>
<td>270</td>
<td>1</td>
<td>5</td>
<td>4.02</td>
<td>1.193</td>
</tr>
<tr>
<td>Nigeria’s failure to refine her crude oil in Nigeria undermines Nigeria’s export potentials</td>
<td>270</td>
<td>1</td>
<td>5</td>
<td>3.87</td>
<td>1.036</td>
</tr>
<tr>
<td>Valid Number (list wise)</td>
<td>270</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Field Survey 2010

Descriptive: Overall mean for Section III, Questionnaire Globalization and national economy in oil and gas industry.

<table>
<thead>
<tr>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>270</td>
<td>5</td>
<td>15</td>
<td>11.94</td>
<td>2.378</td>
</tr>
</tbody>
</table>

Degree of freedom $= (c-1) \times (r-1)$

Degree of freedom $= df = (3-1)(5-1)$

df $= 2 \times 4$; \hspace{1cm} df $= 8$

Formulating the null and alternate hypotheses

$H_0: U \leq 3.00$ (respondents agreed with the claim)

$H_A: U > 3.00$ (respondents disagree with the claim).
Decision rule: The null hypothesis is accepted if the calculated value of chi-square ($\chi^2_c$) is less than or equal to the critical value or chi-square ($\chi^2_t$) distribution table at df of 8 and .05% level of significance in the distribution table, otherwise it was rejected and the alternative hypothesis is accepted.

Critical calculated value of Chi-square $\chi^2_c = 11.94$
Critical table value of Chi-square table, $\chi^2_t(.05) = 15.507$

Conclusion: since the critical calculated value of $\chi^2_c = 11.94 <$ critical table value of $\chi^2_t = 15.507$, we accepted the null hypothesis. Therefore, globalization significantly impacted on the national economy in Nigerian oil and gas industry.

The statistical tool for testing Hypothesis 4 for this study is t-test.

Procedure
1. Construct a frequency distribution table showing two sets of data
2. Compute the mean for each set to give $M_1$ and $M_2$
3. Compute the standard deviation for each group ($SD_1$ and $SD_2$)
4. Note the sample size for group to give $N_1$ and $N_2$
5. Substitute the figures into the following formular

$$t = \frac{M_1 - M_2}{\sqrt{\frac{(N_1d_1^2 + N_2d_2^2)}{N_1 + N_2}} \times \frac{N_1 + N_2}{N_1 + N_2 - 2}}$$

6. Find the degree of freedom df = $N_1 + N_2 - 2$
7. Compare the obtained t-value with table t value for the appropriate df at the chosen level of significance.
**Interpretation of result**

a. If the obtained t-value is greater than the table t-value for the appropriate df at the chosen level of significance, we conclude that the difference between the means is significant.

b. If obtained t-value is equal to the table t-value for appropriate df at the chosen level of significance, we also conclude that the difference between the means is significant.

c. However if the obtained t-value is less than the table t-value for the appropriate df at the chosen level of significance, we conclude that the difference between the means is not significant. In other words, any difference observed is due to chance or sampling error.
Table 4.16
Impact of Multinational Corporations on employment of Nigerians in managerial positions in Nigerian oil and gas industry

<table>
<thead>
<tr>
<th>S/N</th>
<th>Description</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Most Nigerian Managers who work in oil and gas industry are given jobs due to external influence</td>
<td>73</td>
<td>78</td>
<td>60</td>
<td>57</td>
<td>2</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td></td>
<td>27.1%</td>
<td>28.9%</td>
<td>22.3%</td>
<td>21.1%</td>
<td>0.6%</td>
<td>100</td>
</tr>
<tr>
<td>2.</td>
<td>The standard of Nigerian labour is far below standard in the mining industry and blurs employment opportunity for Nigerians in managerial positions in oil and gas industry</td>
<td>102</td>
<td>75</td>
<td>36</td>
<td>39</td>
<td>18</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td></td>
<td>38%</td>
<td>27.7%</td>
<td>13.3%</td>
<td>14.4%</td>
<td>6.6%</td>
<td>100</td>
</tr>
<tr>
<td>3.</td>
<td>Nigerian graduates and professionals serve under expatriate technicians even though they are more qualified than them academically</td>
<td>115</td>
<td>96</td>
<td>15</td>
<td>37</td>
<td>7</td>
<td>270</td>
</tr>
<tr>
<td></td>
<td></td>
<td>42.8%</td>
<td>35.5%</td>
<td>5.4%</td>
<td>13.9%</td>
<td>2.4%</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td>290</td>
<td>249</td>
<td>111</td>
<td>133</td>
<td>27</td>
<td>810</td>
</tr>
<tr>
<td></td>
<td>Cummulative %</td>
<td>35.8%</td>
<td>30.74%</td>
<td>13.70%</td>
<td>16.42%</td>
<td>3.33%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Average</td>
<td>96.67</td>
<td>83</td>
<td>37</td>
<td>44.33</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.16 assessed the impact of multinational corporations on the employment of Nigerians in managerial positions in Nigerian oil and gas industry based on three different attributes of employment services. The total frequency of respondents was one thousand and ninety-eight (810). Out of this
number, 290 (35.8%) strongly agreed that multinational corporations employed Nigerians in managerial position due to external influence; (73, (27.1%). 102 (38%) strongly agreed even though Nigerian labour was technologically below standard. Consequently, 115 (42.8%) strongly affirmed that Nigerian graduates and professional served under expatriate technicians). The 249 (30.74%) that agreed, (78 (28.9%), 75 (27.7%) and 96 (35.5%) followed the respective attributes in the order presented). 111 (13.70%) were undecided, 133 (16.42%), disagreed and 27 (3.33%) strongly disagreed.

The average frequencies were strongly agreed (131.67) agreed (83), undecided (37), disagreed (44.33) and strongly disagreed (9). These average responses were used in testing hypothesis four.

**TESTING HYPOTHESIS 4**

H₀: Multinational corporations had not significantly employed Nigerians in managerial positions in Nigerian oil and gas industry.

H₁: Multinational corporations had significantly employed Nigerians in managerial positions in Nigerian oil and gas industry.

**Table 4.17: Testing Hypothesis 4**

<table>
<thead>
<tr>
<th>Scores</th>
<th>Frequency F</th>
<th>FX</th>
<th>F(X₁ - X₀)²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree.</td>
<td>5</td>
<td>96.67</td>
<td>488.35</td>
</tr>
<tr>
<td>Agree.</td>
<td>4</td>
<td>83</td>
<td>332</td>
</tr>
<tr>
<td>Undecided</td>
<td>3</td>
<td>37</td>
<td>111</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>44.33</td>
<td>88.66</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15</strong></td>
<td><strong>270</strong></td>
<td><strong>1024.01</strong></td>
</tr>
</tbody>
</table>

Mean Criterion level = \(\frac{5 + 4 + 3 + 2 + 1}{5} = \frac{15}{5} = 3\)

Sample mean = \(X = \frac{\sum FX}{\sum F} = \frac{1024.01}{270} = 3.79\)
Sample variance $S^2 = \frac{\sum (X_1 - \bar{X})^2}{n-1} = \frac{379.65}{270-1} = 1.41$

Sample standard deviation $S = \sqrt{1.41} = 1.187 \approx 1.19$

Formulating the null and alternate hypotheses:
Ho: $U \leq 3$ respondents agreed with claim
H$_A$: $U > 3$ respondents disagreed with claim
df = $N_1 + N_2 - 2 \cdot (5 + 3) - 2 = 8 - 2 = 6$
df = 6
Calculating the value of $t$:

$$t(n-1) = \frac{\bar{X} - \mu}{S \sqrt{\frac{1}{n}}} = \frac{3.79 - 3}{1.19 \sqrt{\frac{1}{270}}} = \frac{0.79 \times \sqrt{270}}{1.19} = \frac{0.79 \times 16.43}{1.19} = 10.91$$

Calculated $t$-value $= 10.91$
Critical table value of $t = 2.447$

**Decision rule:**
The null hypothesis was accepted if the calculated value of $t$ is less than or equal to critical table value, otherwise the null is rejected and the alternate hypothesis accepted.

**Conclusion:** Since the calculated value of $t$ (10.91) is greater than the critical table value of $t$ (2.447) at df = 6 at 0.05 level of significance, we rejected the null hypothesis and accepted the alternate hypothesis.
Table 4.18

**Multinational Corporations and Corporate Social Responsibility**

<table>
<thead>
<tr>
<th>S/N</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Undecided</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Multinational corporations as a result of globalization provide social amenities to their host communities</td>
<td>81</td>
<td>120</td>
<td>26</td>
<td>28</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td><strong>PERCENTAGE</strong></td>
<td>30%</td>
<td>44.6%</td>
<td>96%</td>
<td>10.3%</td>
<td>5.5%</td>
</tr>
<tr>
<td>2.</td>
<td>Multinational corporations have been employing Nigerians in managerial positions since the impact of globalization</td>
<td>86</td>
<td>104</td>
<td>37</td>
<td>30</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td><strong>PERCENTAGE</strong></td>
<td>31.9%</td>
<td>38.6%</td>
<td>13.9%</td>
<td>10.8%</td>
<td>4.8%</td>
</tr>
<tr>
<td>3.</td>
<td>Multinational corporations as a result of globalization endeavour to protect their environment of operation in the host communities</td>
<td>111</td>
<td>81</td>
<td>62</td>
<td>13</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td><strong>PERCENTAGE</strong></td>
<td>41%</td>
<td>30.1%</td>
<td>22.9%</td>
<td>4.8%</td>
<td>1.2%</td>
</tr>
<tr>
<td>4.</td>
<td>Multinational corporations in the spirit of globalizations are corporate personalities of Nigeria and should and treat Nigeria as one of its shareholders</td>
<td>176</td>
<td>62</td>
<td>26</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td><strong>PERCENTAGE</strong></td>
<td>65.1%</td>
<td>22.9%</td>
<td>9.6%</td>
<td>1.8%</td>
<td>0.6%</td>
</tr>
</tbody>
</table>

**TOTAL**

<table>
<thead>
<tr>
<th></th>
<th>454</th>
<th>367</th>
<th>151</th>
<th>76</th>
<th>32</th>
<th>1080</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cumulative %</strong></td>
<td>42.03%</td>
<td>33.98%</td>
<td>13.98%</td>
<td>7.04%</td>
<td>2.96%</td>
<td></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td>113.5</td>
<td>91.75</td>
<td>37.75</td>
<td>19</td>
<td>8</td>
<td></td>
</tr>
</tbody>
</table>

Table 4.18 determined the impact of Multinational Corporations on Corporate Social Responsibility in host communities/host countries based on four different attributes of impacting positively on the environment of operator. The total frequency of respondents was one thousand and eighty (1080). Out of this number, 454 (42.03%) strongly agreed that multinational corporations are
socially responsible, 81 (30%) of this number strongly agreed that multinational corporations provided social amenities, 86 (31.9%) strongly agreed that multinational corporations employed Nigerians in managerial positions since the impact of globalization, 111 (41.1%) strongly agreed that multinational corporations as a result of globalization endeavoured to protect their environment of operation in the host communities, 176 (65.1%) strongly agreed that multinational corporations in the spirit of globalization are corporate personalities of Nigeria and should regard and treat Nigeria as one of its shareholders. The 367 (33.98%) that agreed, 120 (44.6%), 104 (38.6%) 81 (30.1%) and 62 (22.9%) followed the respective attributes in the order presented. 151 (13.98%) were undecided, 76 (7.04%) disagreed and 32 (2.96%) strongly disagreed in the same order presented.

The average frequencies confirmed that 113.5 (strongly agreed), 91.75 (agreed), 37.75 (undecided), 19 (disagreed) and 8 (strongly disagreed). The average responses were used in testing hypothesis five.

**TESTING OF HYPOTHESIS 5**

\[ H_0: \] Multinational corporations in Nigeria had not significantly been socially responsible for their host communities.

\[ H_1: \] Multinational corporations in Nigeria had significantly been socially responsible for their host communities.
Formulating the null and alternate hypotheses:

Ho: U ≤ 3 respondents agreed with claim

Hₐ: U > 3 respondents disagreed with claim

df = N₁+N₂-2 (5+4) – 2 = 9 – 2 = 7

df = 7

Calculating the value of t:

\[ t(n-1) = \frac{\bar{X} - \mu}{\frac{S}{\sqrt{n}}} = \frac{4.1 - 3}{\frac{1.05}{\sqrt{270}}} = \frac{1.1 \times \sqrt{270}}{1.05} = \frac{1.1 \times 16.43}{1.05} = 17.21 \]

Calculated t-value = 17.21

Critical table value of t = 2.447

**Decision rule:**

The null hypothesis was accepted if the calculated value of t is less than or equal to critical table value, otherwise the null is rejected and the alternate hypothesis accepted.

**Table 4.19: Testing Hypothesis 5**

<table>
<thead>
<tr>
<th></th>
<th>Scores X</th>
<th>Frequency F</th>
<th>FX</th>
<th>F(X₁ – X̄)²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strongly Agree.</td>
<td>5</td>
<td>113.5</td>
<td>567.5</td>
<td>113.5(5 – 4.1)² = 91.94</td>
</tr>
<tr>
<td>Agree.</td>
<td>4</td>
<td>91.75</td>
<td>367.0</td>
<td>91.75(4 – 4.1)² = 0.92</td>
</tr>
<tr>
<td>Undecided</td>
<td>3</td>
<td>37.75</td>
<td>113.25</td>
<td>37.75(3 – 3.79)² = 45.68</td>
</tr>
<tr>
<td>Disagree</td>
<td>2</td>
<td>19</td>
<td>38</td>
<td>19(2 – 379)² = 83.79</td>
</tr>
<tr>
<td>Strongly Disagree</td>
<td>1</td>
<td>8</td>
<td>8</td>
<td>8(1 – 3.79)² = 76.88</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>15</strong></td>
<td><strong>270</strong></td>
<td><strong>1093.75</strong></td>
<td><strong>299.21</strong></td>
</tr>
</tbody>
</table>

Mean Criterion level = \( \frac{5 + 4 + 3 + 2 + 1}{5} = \frac{15}{5} = 3 \)

Sample mean \( \bar{X} = \frac{\sum FX}{\sum F} = \frac{1093.75}{270} = 4.05 \approx 4.1 \)

Sample variance \( S² = \frac{\sum(X₁ – \bar{X})²}{n-1} = \frac{299.21}{270-1} = 1.11 \)

Sample standard deviation \( S = \sqrt{1.11} = 1.05 \)

Formulating the null and alternate hypotheses:

Ho: U ≤ 3 respondents agreed with claim

Hₐ: U > 3 respondents disagreed with claim

df = N₁+N₂-2 (5+4) – 2 = 9 – 2 = 7

df = 7

Calculating the value of t:

\[ t(n-1) = \frac{\bar{X} - \mu}{\frac{S}{\sqrt{n}}} = \frac{4.1 - 3}{\frac{1.05}{\sqrt{270}}} = \frac{1.1 \times \sqrt{270}}{1.05} = \frac{1.1 \times 16.43}{1.05} = 17.21 \]

Calculated t-value = 17.21

Critical table value of t = 2.447

**Decision rule:**

The null hypothesis was accepted if the calculated value of t is less than or equal to critical table value, otherwise the null is rejected and the alternate hypothesis accepted.
**Conclusion:** Since the calculated value of t (17.21) is greater than the critical table value of t (2.447) at df = 7 at 0.05 level of significance, we rejected the null hypothesis and accepted the alternate hypothesis.

**4.3 DISCUSSION OF FINDINGS**

In this Section we discussed the findings made from analysis of data in chapter four. The discussion revolved around the objectives of study as presented in chapter one.

The findings made in this work were compared with findings made in other related studies. They were linked with the theoretical framework to empower the discussion on findings. For ease of reference the relevant objectives were presented below:

1. To what extent has parent enterprises changed their corporate entrepreneurship policy in response to overwhelming influence of globalization?
2. To what extent have multinational corporations complied with Nigerian pertinent laws and regulations in Nigerian oil and gas industry?
3. To what extent does globalization impact on international trade in Nigerian oil and gas industry?
4. To what extent has the Nigerian oil and gas industry employed Nigerians in managerial positions in multinational corporations in her oil and gas industry?
5. To what extent have multinational corporations in Nigerian oil and gas industry been socially responsible to their host communities?

The theoretical analysis with data on the responses to the research questions as done as follows:
**Research Question One**

To what extent have parent enterprises changed their corporate entrepreneurship policy in response to overwhelming influence of globalization?

The chi-square statistical tool was used to achieve this and indeed two other research objectives (Research Questions two and three) of this study. Analysis was based on the responses to the five Likert scale questions with an expected mean criterion level of 3. The question was designed to determine to what extent the parent enterprises changed their corporate entrepreneurship policy in the face of intense global hypercompetitive business environment within which corporate entrepreneurs made things happen particularly in corporate development and their requiring protection by way of autonomy, freedom and independence in operation. 84.4% responses agreed that globalization exposed corporate entrepreneurs to hypercompetitive business environment. Its mean score was 4.4 more than the mean criterion level of 3. This showed that they faced suffocating hypercompetitive business environment. Also 77% responses confirmed that corporate entrepreneurs in making things happen inevitably faced conflicting roles of applying individual initiative on one hand and contributing to corporate development on the other. This had a mean score of 4.0 greater than the mean criterion level of 3. This still emphasized that they operated under abnormal heat. Only 59% responses presumed that corporate entrepreneurs were protected by globalization by influencing their autonomy, freedom and independence in operation. It had a mean score of 3.78. This showed their personal desire because the analysis-outcome in Section I – Questionnaire: showed that parent enterprises have not significantly changed their corporate entrepreneurship policy in response to the overwhelming influence of globalization.
The theoretical framework resonated very well with this finding of the study. The analysis of the World-System Theory defined it as a capitalist world-economy because of the accumulation of private profit in a market which was its driving force. Also, it was a system that operated on the primacy of the endless accumulation of capital via the eventual commodification of everything. It had flourished because it had within its bounds not one but a multiplicity of political systems which had given capitalists a freedom of maneuver that was structurally based and had made possible the constant expansion of the world-system in the form of multinational corporations in host communities in developing countries, its structural system consisted of a single division of labour within one world market but contained many states and cultures. Labour was divided among functionally defined and geographically distinct parts arranged in a hierarchy of occupational tasks. Core states who owned these multinational corporations concentrated on higher-skill, capital intensive production; they were militarily strong; they appropriated much of the surplus of the whole world-economy without regard to the suffering of others or environmental pollution in host communities. The World-System theory was all about exploitation for profit or maximization of profit.

This conclusion was consistent also with other related studies. For example, Eugenia Bieto, Director of Entrepreneurship Center of ESADE, Pedro Paarda, Professor of Business Policy, Department of ESADE and Marcel Planellas, Professor of Business Policy, Department of ESADE in their study of Strategic Harmony (2004:13) concluded that there shall be a fit between corporate entrepreneurship and parenting. The parenting framework suggested that corporate strategy involved corporate parenting. That is, that the corporate centre added value to strategic business units by exerting its influence on them. According to them, in the original corporate entrepreneurship model, the
organizational processes were key to modifying the scope of the corporation and facilitated growth (2002:13) (and not external factor such as globalization).

Viswanathan and Nagarajan (2004:25) emphasize that corporate entrepreneurship tried to encompass the conflicting notions of individual initiative on the one hand and corporate development on the other. In effect businesses could foster the entrepreneurial spirit in employees without providing a sufficient incentive to the employees to take the associated risk. This would also require the business to increase the autonomy of individuals, thereby exposing the organization to the risk that their personal projects might diverge significantly from key strategic alignments. They warned parent enterprises that by doing so, corporations were effectively helping in nurturing the development of certain employees into highly valuable and marketable entrepreneurs, exposing themselves to the risk of their most valuable human resources leaving the organization to quit and to start their own ventures. It might not be easy to quit and start a multinational corporation in oil and gas industry, technological-driven and capital intensive in nature plus the complex politicking behind it.

The traditional orientation of chaining corporate entrepreneurs to the parent enterprise framework must submit to change. The Generational Divide with respect to Relationship with Authority and other factors were shown below, The Generational Divide on Relationship with Authority and others (see table 2.7).

**Research Question Two (2)**

To what extent have the multinational corporations complied with the Nigerian pertinent laws and regulations in the oil and gas industry?

Analysis was based on the responses to the five Likert scale questions with an expected mean criterion level of 3. The question was designed to determine to
what extent multinational corporations complied with the Nigerian pertinent laws and regulations in the Nigerian oil and gas industry. The core of this design was to obtain responses on their utilization of Nigerian material resources for provision of goods and services in the petroleum industry; with respect to the target of 45% utilization of Nigerian Content by 2006 and target of 70% by 2010; the stimulated growth of indigenous capacity by participation of Nigerians in oil and gas activities; the value-adding in Nigeria arising from the utilization of local raw materials for manufacturing by multinational corporations in oil and gas industry and, their transformation of Nigerian oil and gas industry into an economic engine for job creation and national growth.

71.7% responses agreed that multinational corporations utilized Nigerian material resources for provision of goods and services to the industry with a mean score of 4.0 greater than the mean criterion level of 3. This emphasized that the utilization was discretionary not in strict compliance with any Nigeria pertinent laws and regulations. The multinational corporations did not meet the target of 45% utilization of Nigerian content by 2006 because 56.5% responses affirmed that the target of 45% set for them by Nigeria was not met. The mean score of 3.4 was greater than the mean criterion level of 3. It showed clearly that they did not meet the target and there was no penalty for this clear violation. The situation worsened with respect to meeting the target of 70% utilization of Nigerian content by 2010. 72% responses were certain that this target of 70% utilization by 2010 would not be met. The mean score was 3.16 which were greater than the mean criterion level of 3.

84.4% responses agreed that participation of Nigerians in oil and gas activities has stimulated growth of indigenous capacity with a mean score of 4.19 which was greater than the mean criterion level of 3. This was reinforced by 93.4% responses that agreed that the utilization of local raw materials for manufacturing of goods and services by oil and gas industry promoted value-adding in Nigeria. The mean score was 4.3 which were greater than the mean
criterion level of 3. Furthermore, 81.1% responses agreed that multinational corporations have transformed the oil and gas industry into an economic engine for job creation and national growth. The mean score was 4.3 and it was greater than the mean criterion level of 3.

The theoretical framework also resonated with this finding by perfecting and maintaining the structure of dependence. Such significant compliance would upturn the fortunes of the developing countries. The World-System theory in its synopsis stated that the modern world-system originated around 1500. Since then, Europeans thus established an occupational and geographic division of labour in which capital-intensive production was reserved for core countries while peripheral areas (like Nigeria) that had her independence in 1960 provided low-skilled labour and raw-materials. Consequently, the unequal relationship between European core and non-European periphery inevitably generated unequal development. The crisis of feudalism created strong motivation to seek new markets and resources; while the ensuing technology gave Europeans a solid base for exploitation. Parts of Western Europe exploited initially small differences via specialization in activities central to world commerce, to ultimately large advantage. This created alternating shifts in dominance from one power to another due to advances in technology, the fragility of monopoly and success in war. The most notable anti-systemic resistance or force-of in the last to centuries was socialism which forced core states to redistribute wealth and supported the formation of new states challenging the capitalist world-economy. Socialism has collapsed and new states, still enjoying rudimentary technology are militarily weak. More intense crises arising from the (historical configuration of the) capitalist world-economy in a new fully global system that was less able to meet those crises with traditional means led to transformation or crisis of the system.
The conclusion in Section II – Questionnaire analysis was that multinational corporations have not significantly complied with the Nigerian content/pertinent laws and regulations in Nigerian oil and gas industry.

This conclusion was also consistent with other related studies. Naomi Chazan et al (1999:307) opine that multinational corporations/firms had a prominent and often contentious role in African economies. As a result of the low levels of economic development in the region and the legacy of colonial investments they had established monopolistic or oligopolistic positions in many sectors (including the oil and gas industry in Nigeria).

Secondly, multinational corporations often appear to possess disproportionate bargaining power with respect to host country governments including Nigeria. In many instances these firms controlled assets much larger than the gross national product of most African countries, and the enormous resources at their disposal permitted them to eclipse the governments with which they did business with. These firms’ mobility or foot losing strategy allowed them to search out the most hospitable markets and their superior bargaining acumen afforded them greater leverage in negotiating with African states. As a result they were able to wring concessions from host countries such as protected markets, tax breaks and relaxed labour and environmental regulations.

Thirdly, African states had also sought unsuccessfully to control them through four general approaches: exclusion, nationalization, indigenization (Nigeria) and regulation (Biersteker 1987: and Wilson 1990:22). They had resisted or evaded the stipulations of host country governments: through transfer pricing to avoid taxation or circumvent limits on the repatriation of profits or often employ ‘fronting’ tactics – the use of token personnel or passive shareholders – to skirt indigenization laws and to retain control of their operations.
Extent of Compliance in 2006
35% (instead of 45%) compliance in 2006 as confirmed by the Group Managing Director of the NNPC: under NNPC’s Supervision substantial progress was recorded with local content levels rising from a paltry seven per cent (7%) in 2005 to over 35 per cent.
It was important that the difficulties experienced in enforcing compliance reinforced the need to underpin the implementation strategy with a comprehensive ACT – NIGERIAN CONTENT ACT 2010.

Dominance:
Shell, Chevron, Texaco, Agip had dominated the business of commercial extraction of crude oil, refining and sales of both crude and finished products and the general operations of the oil and gas industry for many decades to the detriment of local firms. This was a result of the complex technological-driven and capital intensive nature of the industry trends which tended to inhibit the effective participation of Nigerian establishments – its human and financial capital.
Many analysts and stakeholders believed that it would be impossible to increase local capacity in the industry except through a state legislation which deliberately promoted the use of local resources and personnel. For instance, an estimated $20 billion is said to be invested annually to the industry by the Federal Government as cash calls in various joint venture deals with the International Oil Companies (IOCs) but about 90 per cent of the amount, according to analysts, moved out of the country as capital flights, especially in the upstream sector where foreign firms handled the bulk of the contracts for supplies to key equipment, emergency, fabrication, shipping, maintenance, services and insurance work. The Nigerian Content Act 2010 therefore must seek to reverse this imbalance in the interest of Nigerian local capacity building. This new Act required that a high proportion of these activities be performed in
Nigeria with increased participation of local companies and indigenes. However, it was clear that such capacity was and is not currently available, but these gaps present significant business opportunities to grow required capabilities to support these requirements.

Nigeria did not and does not know the exact revenues accruing from oil because it did not and does not know how much oil was and is being lifted. It still relied on the primitive method of dipping instead of the modern technology like metering to determine the amount of crude oil being lifted (NEWSWATCH 2010:15) Vol. 51 No 19 May 10, Turkur RMAFC (Revenue Mobilization, Allocation and Fiscal Commission Chairman).

The extent of compatibility of multinational corporations’ compliance with pertinent Nigerian laws and regulations in her oil and gas industry is 35% as confirmed by the Group Managing Director NNPC. The difficulties experienced in enforcing compliance of 70% in 2010 reinforced the need to underpin the implementation strategy with a comprehensive ACT – NIGERIAN CONTENT ACT 2010.

**Research Question Three (3)**

To what extent does globalization impact on international trade in Nigeria oil and gas industry?

Analysis was based on the responses to the five Likert scale questions with the mean criterion level of 3. The question was designed to determine the extent globalization impacted on the international trade in her oil and gas industry. It was to find specifically the direct consequences of export of crude oil and gas on national economic development and prosperity; on their stimulation effect on her economy including supporting Nigeria’s manufacturing and service base;
and how Nigeria’s failure to refine her crude oil in Nigeria undermined Nigeria’s export potentials. 74.7% responses agreed that the export of crude oil and gas had direct consequences for her national economic development. It had a mean score of 4.05 which was greater than the mean criterion level of 3. Also 74.1% responses agreed that the same export of crude oil and gas supported her manufacturing and service base. Its mean score was 4.018 which were greater than the mean criterion level of 3.

Furthermore 58.4% responses agreed that Nigeria’s failure to refine her crude oil (and gas) in Nigeria undermined Nigeria’s export potentials. Its mean score was 3.867 which were greater than the mean criterion level of 3. The conclusion accepted the null hypothesis – that globalization had not significantly impacted on the international trade in Nigeria oil and gas industry.

The theoretical framework was also consistent with this finding. According to the World-System theory international trade had its driving force in exploitation in production and sale for profit in a market. It enjoyed the endless accumulation of capital via the eventual commodification of everything that had value in line with global standard. Advantage arose through superior edge in production. In oil and gas industry the Nigerian refineries were not performing. Nigeria belonged to the poor, recently independent colonies that mainly constituted the periphery of the global economy that was picking minerals instead of technologically and industrially processing them into goods and services.

The conclusion was also consistent with other related studies.

Wikipedia the free encyclopaedia (from navigation search 2004:1) defines an entrepreneur as a person (or group) who undertakes and operates a new enterprise or venture and assumes some accountability for the inherent risks. In the context of creation for – profit enterprises, Entrepreneur is often synonymous with FOUNDER. The implication was (and is) that the home countries of the parent enterprises that own the multinational corporations
founded Nigeria by taking risks and innovation or creative response that applied to situation that had at least three essentials:

1. It (Nigeria) can practically never be understood “ex ante”
2. Their creative response shaped the whole course of subsequent isolated marginal tribal units and their long-run outcome called Nigeria….

Subsequently and fortunately within Nigeria there were some resources within “the context of creation for profit enterprises such as petroleum and gas reserves. Through Colonial inheritance they founded Nigeria and consequently owned such resources for-profit enterprises therein. Nigeria was an enterprise undertaken and operated by the British entrepreneur. Nigeria…. was welded together in the interest and for the benefit of European Power (Forsyth 1975:1).

Secondly, the oil and gas industry was complex technological driven and capital intensive nature of the industry. These were trends which tended to exclude both Nigerians and Nigerian governments from effective participation or any level of productive relations with the industry.

Thirdly, multinational corporations were the sole marketers of Nigerian crude oil and gas globally. NNPC was corruptly enriching itself and was technologically deficient and incapable of making any productive impact export-wise in the industry NEWSWATCH (2010:10, Vol. 51 No. 16). The plundering of NNPC: four former group management directors of the Nigerian National Petroleum Corporation (NNPC) are in trouble over allegations of fraud.

NNPC (2000) reports that Nigeria quickly sold back the bulk of its participating interest to the same multinational oil operating firms through a buy-back arrangement.

The mining and quarrying sub-sector of the industrial sector in Nigeria produced (and produces) crude oil and gas. It accounted by far for the largest
share of the industrial sector output. The CBN Annual Report and Statement of Accounts, 1981 and 2003 showed that the mining and quarrying sub-sector alone was responsible to slightly over 23 and 43 per cent respectively of the GDP. However, the total contribution of these minerals to GDP was less than 0.5 per cent.

The bulk of the products of the mining sub-sector are exported. For example, in 2003 about 99.1 per cent of crude oil output was exported and much of the output of gas and others was also for export. Almost all the firms engaged in mineral prospecting and productions are subsidiaries of multinational corporations. Their activities especially on the petroleum industry were guided and influenced by external forces such as their parent enterprises and international agreements on prices and output (Onah 2007: 6-7).

These firms enjoy economies of scale and engage in product differentiation such that in certain cases there may be simultaneous export and import of the same product category in response to demand and supply conditions (Onah 2000:13-14).

**Implications of Different Forms of Globalization for the industrial sector:**

On the export-side trade liberalization is expected to lead to increased exports in lines of production where a country has comparative advantage. However for a developing country like Nigeria which exports essentially natural products and raw materials based manufactures; trade liberalization is unlikely to benefit the export sector. This is due partly to the high tariff walls imposed by both developed and developing countries against imports from developing countries and partly to increased competition that results from trade liberalization (Onah, 2000).

Steers and Nardon (2006:5) bemoans the economic fate of developing nations in the global economy: Indeed only seven countries account for nearly 60 per cent of today’s global exports: Japan, Canada, Germany, France, Italy, the United
Kingdom and the United States. In other words, this success had direct consequences for national economic development and prosperity. Exports stimulated the economies of producer nations and support their manufacturing and service base. At the same time, failure to export (or to be allowed to export) to foreign countries led to close factories, unemployment and economic stagnation.

Similarly, tariff rates imposed on both primary and manufactured products by developing countries are too high to encourage increased exports in response to increased trade liberalization (Onah 2007: 6-7).

Wallenstein (1974a:390) states that the modern world-system is a world-economy and the basic linkage between its parts is economic (1974b: 15). It is a capitalist world-economy because the accumulation of private capital, through the exploitation in production and sale for profit in a market, is its driving force; it is a system that operates on the primacy of the endless accumulation of capital via the eventual commodification of everything (1998:10). Core states concentrate on higher-skill, capital-intensive production; they are militarily strong; they appropriate much of the surplus of the whole world economy (1974a:401). Peripheral areas focus on low-skill, labour-intensive production and extraction of raw materials; they have weak states. These poor, recently independent colonies mainly constituted the periphery (for example Nigeria).

**Oil Refineries**

Tim Okon-group general manager planning, transformation and strategy, NNPC at the Nigeria Oil and Gas Conference disclosed that the four refineries – located in Kaduna, Warri and Port Harcourt only managed to achieve 13 per cent capacity utilization in 2009 while actual PMS yield stood just at an average of 18 per cent compared to a target of 30 per cent for the same year.
Impaired Repairs
In August 2008 NNPC gave a contract of $57.9m (or ₦8.8 billion) turnaround maintenance (TAM) for the Kaduna refinery. Also in December 2009 the NNPC spent $25million (₦3.80billion) to repair the Chanon Creeks Pipeline which had been blown up by militants in the Niger Delta. This had cut off crude oil supply to Warri and Kaduna refineries.

New Refineries to be built
The NNPC had in May 2010 signed a deal with China State Construction Engineering Corporation for the Chinese firm to build three oil refineries that would cost $23billion. The three refineries in the deal are to have a capacity to process 750,000 bpd of crude oil.

Huge Loss
The extent of compatibility between globalization and international trade is not impressive as Nigerian refineries are not functional during the period of this research 2006 to 2010. Also the multinational corporations refuse to build their own refineries in Nigeria to facilitate refining Nigeria crude petroleum locally. They market Nigerian petroleum oil as principal or title owners globally and take all the profit. Worse still the developed countries that on the multinational corporations trade among themselves. Also, the developing ones rely on narrow range of primary commodity exports whose prices are often unstable. They lack the capital and sophisticated technology to diversify their economies.

Research Question Four (4)
To what extent has the Nigerian oil and gas industry employed Nigerians in managerial positions in multinational corporations in her oil and gas industry?

The t-test statistical tool was used to achieve this fourth research objective.
Analysis was based on the responses on Bio-data in keeping with the requirements of t-test statistical tool. The question was designed to determine the extent to which Nigerian oil and gas industry employed Nigerians in managerial positions in multinational corporations in her oil and gas industry as a result of the impact of globalization. For example being given jobs due to external influence, Nigerians having a standard of labour far below global standard in the mining industry conditioning Nigerian graduates and professionals in oil and gas industry serving under expatriate technicians but receiving adequate remuneration.

The conclusion was that multinational corporations had significantly employed Nigerians in managerial positions in Nigerian oil and gas industry.

The World-System theory considered Nigerian labour as being of low index. Consequently, she focused on low-skill, labour intensive production and extraction of raw materials. She had a weak state. Oil and gas industry required higher-skill and capital-intensive production because it was technologically driven. The finding confirmed that Nigerians were employed in managerial positions in Nigerian oil and gas industry based not on merit but on subjective factors. That is why a Nigerian (theoretical) graduate is assigned to work under an expatriate technician.

The conclusion was consistent with other related studies. Discussion flowed along the line of the questionnaire.

- Most Nigerian managers who work in the oil and gas industry were given jobs due to external influence.

Okoli (1999:17-22) emphasizes strongly that the theory of “Ima mmadu” (whom you know) is saying that hardly can any Nigerian get a job without knowing somebody who “knows” somebody. The wide acceptance of this
theory by Nigerians transforms it into a ‘law’. The theory is alive and short changes the selection criteria (Drucker 1974). Today, it is news when a Nigerian applicant gets a job in any public organizations without knowing somebody, the theory of “Ima mmadu” (or whom you know) in practice overwhelms the merit selection criteria which attract and retain mediocre and result in dwindling productivity. For example, Barkindo a former Group Managing Director NNPC…. employed about 100 people from the North without due process. (NEWSWAHC 2010, Vol. 5, No 16, April 19: page 13).

- Federal Character Principle: Okoli (1190:29) describes the Federal Character Principle as a principle of representation which is contained in Chapter 11 Section 14 Sub-sections 3 and 4 of the Constitution of the Federal Republic of Nigeria 1979. This democratization principle involves the subordination of the concept of technical qualification (the merit system) to the concept of representation. But this violation has been justified on the ground that it is a necessary and perhaps, sufficient condition for the promotion of political stability, defined in terms of the promotion of a sense of belonging and loyalty among all the people of the Federation.

- “The standard of Nigerian labour was far below global standard in the mining industry…..”

The analysis was based on a survey of 2,387 firms conducted by World Bank through its 2007 investment climate project in Nigeria. In international comparison of value-added per worker, Benchmarking Nigerian firms against international comparators, provided an insight into the nature and extent of the international competitiveness of Nigerian firms in table 4.3 below:
Table 4.20  Productivity – International Comparison

<table>
<thead>
<tr>
<th>Mean Value Added Per Worker</th>
</tr>
</thead>
<tbody>
<tr>
<td>(US$'000)</td>
</tr>
<tr>
<td>Brazil, 2003</td>
</tr>
<tr>
<td>China, 2002</td>
</tr>
<tr>
<td>India, 2005</td>
</tr>
<tr>
<td>Indonesia, 2003</td>
</tr>
<tr>
<td>Kenya, 2007</td>
</tr>
<tr>
<td>Nigeria, 2007</td>
</tr>
<tr>
<td>South Africa, 2003</td>
</tr>
</tbody>
</table>

The table revealed that Nigeria with an average value added per worker, has the lowest productivity (after Indonesia and India), South African firms in 2003 recorded the highest value added per employee of $24,938, Brazil ranked second with $13,504 followed by China ($11,607) and Kenya ($13,078).

- Nigerian graduates and professionals in oil and gas industry served under expatriate technicians even though they are more qualified than them academically.

In oil and gas industry that is technically-driven and capital intensive, technical efficiency and effectiveness defined capacity to perform on the part of employees.

The extent of compatibility between multinational corporations and employment of Nigerians in managerial positions in her oil and gas industry is apparently high. This is because multinational corporations as domestic corporations in Nigeria oil and gas industry deliberately fail to contribute substantially in developing the skills of Nigerian workers in modern technologies thus fostering low critical human infrastructure.
Research Question Five (5)

To what extent have multinational corporations in Nigerian oil and gas industry been socially responsible to their host communities?

The t-test statistical tool was used to achieve this fourth research objective.

Analysis was based on the responses on Bio-data in keeping with the requirements of t-test statistical tool. The question was designed to determine to what extent the multinational corporations in Nigerian oil and gas industry had been socially responsible to their host communities as a result of globalization. For example providing them social amenities, protect the environment of operation and treat Nigeria as a stakeholder because it was the CAMA 1990 a Nigerian Law that gave them corporate personality respectively and legitimacy to operate in Nigeria.

The World-System theory resonated with the view that Africans remained indifferent in the face of acute deprivation and are highly accustomed to sufferance. Also they accommodate poverty as a way of life and enjoy mere existence of life as a special gift. It maintained or asserted that different forms of labour and labour control suit different types of production, distributed across the three main zones; historically, they included age labour, tenant farming, servitude and slavery. Status and rewards match the hierarchy of task: “crudely, those who breed manpower sustain those who grow food who sustain those who grow other raw materials who sustain those involved in industrial production”. It justified the view as follows: the system consists of a single division of labour within one world market but contains many states and cultures. Labour is divided among functionally defined and geographically distinct parts arranged in a hierarchy of occupational tasks. They are the core states who concentrate on higher-skill, capital intensive production; they are militarily strong.
Consequently, they appropriate much of the surplus of the whole world-economy while the peripheral areas, including Africans, focus on low-skill labour-intensive production and extraction of raw materials; they have weak states and they appropriate extremely very little of the whole world-economy. The implication is obvious: Africans or Nigerians who are familiar with sufferance can still exist in an oil polluted environment in their usual indifference.

The conclusion was that multinational corporations in Nigerian oil and gas industry had not significantly been socially responsible to their host communities.

The conclusion was consistent with other related studies: World Bank Report (1995) shows that the GNP percent in the host communities (or in the region or Niger Delta) is below the national average of US$280 despite the high population growth rate combined with the high habitable land constraints. Similarly, health indicators are low and they lag far behind the country average. There are disproportionately high fatality rates from water borne disease, malnutrition and poor sanitation among others. Only about 20 per cent to 24 percent of rural communities and less than 60 per cent of urban communities in the region have access to safe drinking water. Transportation is often difficult and expensive. Less than 20 per cent of Niger Delta is accessible by good roads even in the dry season.

The report of the Ledum Miteeled Technical Committee on the Niger Delta estimated that the country lost about N8.84 trillion or $61.6 billion theft and sabotage in the volatile region between 2006 and 2008. For nearly four years the Niger Delta militants held the nation to ransom, destroying vital oil installations and kidnapping expatriate oil workers most of whom had to flee the region. The frequent attacks on oil installations resulted in shut downs and the unwholesome
activities of oil bunkering cartels (NEWSWATCH Man of the Year 2009; 2010: 11 Vol. 51 No 1 January 4).

Not less than 1000 lives were lost. Businesses had collapsed in the region and thousands of people became jobless as a result of militancy. The deployment of Joint Military Task Force (JFT) to restore order and create a conducive atmosphere to do business could not tame the militants. The inability of Nigeria to meet the quota in the Organization of Petroleum Exporting Countries OPEC further battered Nigeria’s image in the international community (NEWSWATCH 2010:11, January 4 Vol. 51 No 1).

But on June 25, 2009, President Umaru Musa Yar’Adua (deceased) tried a new approach, he granted amnesty to the militants with effect from August 5 and gave them 60 days within which to surrender their arms and renounce militancy. The approach turned out to be the magic wand that would put an end to militancy and create the enabling environment for the emergence of a new Niger Delta (NEWSWATCH 2010:11-12).

Steers and Nardon (2006:4) in their book; Managing in the Global Economy: stress that in global business the future has shifted unequivocally as have the opportunities, proactive companies and their corporate entrepreneurs/managers respond accordingly. The responsibility of corporate entrepreneurs/managers in all of this complex, challenging and constantly changing global business world is to make things happen-to maximize consumer benefit and the company’s bottom line. At the same time, society asks-and often demands- that corporate entrepreneurs/managers pay fair wages, provide safe and equitable working conditions for their employees, follow all pertinent laws and regulations in the countries where they do business, protect the environment, act in socially
responsible ways and abide by conventional ethical norms and professional standards.

The compatibility is very low and is overwhelmed by the pursuit of maximization for profit. The multinational corporations deliberately refuse to forge any better ways of deepening the engagements between them and their host communities in the face of continuing outcry of host communities over the adverse effect of their day-to-day business activities especially with their negative operations on the environment, economy and the lives of the inhabitants of their host communities.
REFERENCE


CHAPTER FIVE
SUMMARY OF MAJOR FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.0 INTRODUCTION
This chapter presents the summary of major findings, conclusion and recommendations as stated below:

5.1 SUMMARY OF MAJOR FINDINGS
The following were the research outcomes of the analysis of data

1. Parent enterprises had not significantly changed their corporate entrepreneurship policy in response to overwhelming influence of globalization.
   Test of hypothesis one approved this outcome as: \( \chi^2_c = 12.27 < \chi^2_t = 15.07 \)

2. There is no significant relationship between impact of globalization and multinational corporations’ compliance with the Nigerian (host government) content laws and regulations in Nigerian oil and gas industry: Multinational corporations had not significantly complied with the Nigerian oil and gas industry by failing to meet the target of 45 percent in 2006 and 70 percent in 2010.
   Test of hypothesis two approved this outcome as: \( \chi^2_c = 26.60 < \chi^2_t = 31.41 \)

3. There was no significant relationship between impact of globalization on national economy in Nigerian oil and gas industry: Globalization had not significantly impacted on the national economy in Nigerian oil and gas industry.
   Test of hypothesis three approved this outcome as: \( \chi^2_c = 11.94 < \chi^2_t = 15.51 \)
4. There was a significant relationship between impact of globalization and multinational corporations’ employment of Nigerians in managerial positions in Nigerian oil and gas industry: Multinational corporations had significantly employed Nigerians in managerial positions in Nigerian oil and gas industry.

Test of hypothesis four approved this outcome \( t_c = 10.91 < t_t = 2.45 \)
df = 6 at 0.05 level of significance

5. There was significant relationship between impact of globalization and multinational corporations’ being socially responsible to their host communities. Multinational corporations have significantly been socially responsible to their host communities.

Test of hypothesis five approved this outcome \( t_c = 17.21 < t_t = 2.45 \)
df = 7 at 0.05 level of significance

5.2: CONCLUSION

The study investigated impact of globalization on corporate entrepreneurship/intrapreneurship or senior management of multinational corporations on Nigerian oil and gas industry. Based on the results of the study, it hereby concluded as follows:

No Corporate entrepreneurs of multinational corporations in Nigerian oil and gas industry were hired managers by their respective parent enterprises with contract terms and conditions of service with parenting corporate policy which defined their valid operational actions in the host communities where they did business. Unfortunately, and undermining the global pursuit of common humanity and global prosperity, corporate entrepreneurs could not take major decisions that impacted positively on their host communities who suffer low
critical human development infrastructure and lacked basic social amenities arising from long-neglect of oil pollution etc.

Multinational corporations were owned by the core states in the global setting and through the legacy of colonial investments they had established monopolistic/oligopolistic positions in Nigerian oil and gas industry. They were complex technological-driven and capital intensive nature of the industry which tended to inhibit effective participation of Nigeria and her establishments-its human and financial capital.

5.3: RECOMMENDATIONS

Based on the findings of this study, the following recommendations are made:

1. That parent enterprises provide corporate entrepreneurs a supportive organizational structure/culture to operate with some level of autonomy and independence for innovation, enjoy equal and equitable compensation scheme to enable them take the right risks while ensuring that failure should not be punished this is because in any corporate venture particularly in oil and gas industry in host country of operation, the probability of failure was (and is) always higher than normal.

Furthermore, ensure that the best talent in the Nigerian market are attracted and retained.

2. Nigerians should acquire the technological sophistication and bridge the required capacity gaps to benefit maximally from the economic opportunities that Nigerian Content Law 2010 set aside solely to Nigerians. Also, to stop the primitive and unreliable method of dipping and instantly apply the modern technology like metering to determine the amount of crude oil being lifted. This would provide the Department of Petroleum Resource the scientific device for monitoring with respect to
timely and accurate data for oil produced, lifted and exported as well as the exact amount involved. This surely would reduce the scale of corruption and close the issue of belated information on the oil produced, lifted and exported months after from the multinational corporations. Furthermore, not minding that MNCs were corporate personalities of Nigeria they were (and are) economically and militarily stronger than Nigeria. That was Nigeria had no power to impose sanctions on them in case of violation as happened during indigenization Decree 1970 amended in 1972 and also in their failure to meet the targets of 45% in 2006 and 70% in 2010.

3. Multinational corporations build their own refineries in Nigeria for refining Nigeria crude oil in Nigeria to impact positively on international trade in her oil and gas industry as well as improve her manufacturing and service. Also develop critical petroleum related infrastructure to provide ready opportunities to these trained technical personnel in University of Petroleum Warri. This would facilitate productive association between Nigerians with sophisticated technical skill and MNCs in her oil and gas industry.

4. Multinational corporations should engage technically proficient Nigerians on merit in managerial positions in the oil and gas industry. Furthermore, the national interest should be jointly formulated by the governments through their economic policy, the academics who would fashion the national interest in line with the national economic policy of the government and the private sector who would put the policy of national interest into Economic performance. Also the Employment procedure particularly in oil and gas industry should be based on merit or technical qualification through the
recruitment process, selection process and proper placement to enable them to play their roles as Nigerians rather than empire building scenario that put them in positions of employments.

5. In pursuit of global injunction, Niger Delta should ask and even demand that the multinational corporations … follow all pertinent laws and regulations in Nigeria (or Niger Delta) business, protect the environment, act in socially responsible way and abide by conventional ethical norms and professional standards.
5.4: CONTRIBUTION TO KNOWLEDGE

Table 5.1

<table>
<thead>
<tr>
<th>EQUITABLE IMPERATIVE ON GLOBAL SURPLUS</th>
</tr>
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<tbody>
<tr>
<td>GLOBALIZATION</td>
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<td>---------------------------------------</td>
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<tr>
<td>ECONOMIC GLOBALIZATION</td>
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<td>---------------------------------------</td>
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<tr>
<td>GLOBAL FIRMS</td>
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<td>---------------------------------------</td>
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<tr>
<td>SOURCING AND HARNESSING GLOBAL RESOURCES</td>
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<tr>
<td>QUALITY PRODUCTION AT MINIMUM COST</td>
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<td>---------------------------------------</td>
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<tr>
<td>SALE AT MAXIMUM PROFIT IN GLOBAL MARKET</td>
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<td>---------------------------------------</td>
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<tr>
<td>EQUITABLE IMPERATIVES IN MANAGING GLOBAL ECONOMY</td>
</tr>
<tr>
<td>• Pay fair wages to employees</td>
</tr>
<tr>
<td>• Provide safe and equitable working conditions</td>
</tr>
<tr>
<td>• Follow all pertinent laws and regulations in host countries of operation</td>
</tr>
<tr>
<td>• Protect the environment</td>
</tr>
<tr>
<td>• Act in socially responsible ways</td>
</tr>
<tr>
<td>• Abide by conventional, ethical norms and professional standards</td>
</tr>
<tr>
<td>---------------------------------------</td>
</tr>
<tr>
<td>GLOBAL SURPLUS EQUITABILITY SHARED TO COMMON HUMANITY FOR PROSPERITY &amp; HIGHER STANDARD OF LIVING</td>
</tr>
</tbody>
</table>

Table 5.1 shows the equitable imperative model for sharing global surplus to common humanity. This economic globalization has spawned a highly
integrated global economy. This promises vast potential to produce grater wealth and higher living standard. The global firm’s source and harness cheap and quality global resource. They enjoy “foot-losing” by shifting production facilities anywhere and engaging in global division of labour. This leads to lower consumer prices and higher corporate profits. The resulting global surplus in the spirit of globalization has to be equitably shared to all concerned where the action happens. Global firms therefore have to strictly observe and implement the economic global imperatives for managing in global economy. They are:

1. Pay fair wages to employees
2. Provide safe and equitable working conditions
3. Follow all pertinent laws and regulations in host countries of operation
4. Protect the environment
5. Act in socially responsible ways
6. Abide by conventional, ethical norms and professional standards.

Their compliance, will ensure that global surplus be equitably shared to common humanity for prosperity and higher living standard including the host community/country.

5.5: AREA FOR FURTHER RESEARCH

The researcher believes that further study on the area below could assist to global status of the Oil and gas Industry in Nigeria:
Refining of Nigerian Crude Oil in Foreign Countries and its effect on the production and sale of petroleum products on the national economy of Nigeria.
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Onah, F.E et al. (2000) “Empirical study of Intra-industry and Inter-industry specialization and Trade within ECOWAS” (Work in Progress presented at the Biennial research Workshop of AERC at Nairobi Kenya).


Rigg, F.W (2000) *Globalization is a FUZZY term but it may convey Special*


UNCTAD (2000)


Appendix A

QUESTIONNAIRE

Department of Management
University of Nigeria
Enugu Campus

Sir/ Madam,

Questionnaire on the Impact of Globalization on Corporate Entrepreneurship in Nigeria Oil and Gas Industry

I am an academic staff of the University of Nigeria and I am currently working on a Ph.D thesis that has the major objective of assessing the impact of globalization on corporate entrepreneurship in Nigeria oil and gas industry. Your firm/organization is selected for the study and your co-operation in providing responses to the questions in this instrument is crucial to the success of the study. I am therefore humbly asking or requesting your corporation. I am assuring you that your responses will be treated with utmost confidentiality.

Thanks for your anticipated co-operation.

Yours faithfully

Nnadi Chukwuemeka

PART A

SECTION 1: BIO-DATA OF THE RESPONDENTS please tick (✓) inside one of the boxes provided for each question to indicate your response.

1. Sex: Male □ Female □

2. Marital statuses: (a) Single □
   (b) Married □
(c) Separated □
(d) Divorced □
(e) Widowed □

3. Nationality: (a) Non-Nigerian □
   (b) Nigerian □

4. Age: (a) 21 – 30 □
   (b) 31 – 40 □
   (c) 41 – 50 □
   (d) 51 – 60 □

5. The Oil firm where you work is (a) Shell Petroleum Development Corporation Plc □
   (b) Chevron Oil Nigerian Plc □
   (c) Texaco Oil Nigeria Plc □
   (d) Agip Oil Nigeria Plc. □

6. Managerial Status:
   (Please indicate)----------------------------------------

7. Staff Status: (a) Regular Staff □
   (b) Contract Staff □

8. Years of working experience:
   (a) Below one year □
   (b) 1-5 years □
   (c) 6-10 years □
   (d) 10 years and above □
   (Please indicate year of employment if a Nigerian) ----------------------
9. Highest Educational Qualifications:
   (a) School certificate
   (b) Trade certificate
   (c) OND/HND/BSc
   (d) Masters Degree/PhD

PART B
Please Tick (✓) against the most appropriate response to indicate the extent to which you agree with the statements below.
Note that SA = Strongly agree
   A  = Agree
   U  = Undecided
   D  = Disagree
   SD = Strongly Disagree

SECTION I Policy changes on Corporate Entrepreneurs

10 Globalization exposes corporate entrepreneurs to Hypercompetitive
11 Globalization protects corporate entrepreneurs by influencing their autonomy, freedom and independence in operation
12 Corporation entrepreneurs encompass the conflicting nations of individual initiative on one hand and corporate development on the other
SECTION II Implementation of pertinent laws and regulations of host countries by multinational corporations

15 Multinational corporations utilize Nigerian material resources for provision of goods and services to the petroleum industry

16 Multinational corporations met the host country target of 45% utilization of Nigerian content by 2006

17 Multinational corporations shall meet the host country target of 70% utilization of Nigerian content by 2010

18 Participation of Nigerians in oil and gas activities has stimulated growth of indigenous capacity

19 Utilization of local raw materials for manufacturing by oil and gas industry of goods and provision of services, promotes value-adding in Nigeria

20 Multinational corporations have transformed the oil and gas industry into an economic engine for job creation and national growth

SECTION III: Globalization and international trade in Nigerian oil and gas industry

20 Export of Nigerian crude oil and gas has direct consequences for national economic development and prosperity

21 Export of crude oil stimulates the economy of Nigeria and supports her manufacturing and service base

22 Nigeria’s failure to refine her crude oil in Nigeria undermines Nigeria’s export potentials
SECTION IV Multinational corporations and employment of Nigerians in managerial positions in Nigerian oil and gas industry

23 Most Nigerian managers who work in oil and gas industry are given jobs due to external influence.

24 The standard of Nigerian labour is far below global standard in the mining industry and this blurs employment opportunity for Nigerians in managerial positions in oil and gas industry.

25 Nigerian graduates and professionals serve under expatriate technicians even though they are more qualified than them academically.

SECTION V Multinational Corporations and corporate social responsibility in host communities /countries where they do business

26 Multinational Corporations as a result of globalization provide social amenities to their host communities.

27 Multinational Corporations have been employing Nigerians in Managerial positions since the impact of globalization.

28 Multinational Corporations as a result of globalization endeavour to protect their environment of operation in the host communities.

29 Multinational Corporations in the spirit of globalization are cooperate personalities of Nigeria and should regard and treat Nigeria as one of its stakeholders.
Appendix B

INTERVIEW SCHEDULE

RESEARCH QUESTIONS

No 1
To what extent have parent enterprises changed their corporate entrepreneurship policy in response to influence of globalization?

No 2
How have the multinational corporations complied with pertinent Nigerian laws and regulations in her oil and gas industry?

No 3
To what extent does globalization impact on national economy in Nigerian oil and gas industry?

No 4
To what extent has the Nigerian oil and gas industry employed Nigerians in managerial positions in multinational corporations in her oil and gas industry?

No 5
How have multinational corporations in Nigerian oil and gas industry been socially responsible to their host communities?
## Appendix B_1

### ORAL INTERVIEW RESPONSES

<table>
<thead>
<tr>
<th>S/N</th>
<th>MULTINATIONAL CORPORATIONS</th>
<th>CORPORATE ENTREPRENEURS</th>
<th>PERCENTAGES %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shell PDC Nigeria Plc</td>
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</tr>
<tr>
<td>2</td>
<td>Chevron Oil Nigeria Plc</td>
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<td>25.00</td>
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<td>Texaco Oil Nigeria Plc</td>
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<td>22.00</td>
</tr>
<tr>
<td>4</td>
<td>Agip Oil Nigeria</td>
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<td>16.00</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>120</strong></td>
<td><strong>100</strong></td>
</tr>
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</table>
## Appendix B2

### DATA ANALYSIS OF THE INTERVIEW RESPONSE

<table>
<thead>
<tr>
<th>S/N</th>
<th>QUESTIONS</th>
<th>RESPONSES</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
</table>
| 1   | To what extent have parent enterprises changed their corporate entrepreneurship policy in response to influence of globalization? | 1. Parent Enterprises insist that the centre envisions and organizations follow.  
2. Increasing the autonomy of corporate entrepreneurs exposes the organization to the risk of their personal projects diverging significantly from key strategic alignments  
3. Nurturing the development of certain employees into highly valuable and marketable entrepreneurs exposes themselves to the risk of their most valuable human resources leaving the organization to quit and start their own ventures | 102       | 85         |
| 2   | How have the multinational corporations complied with pertinent Nigerian laws and regulations in her oil and gas industry?               | 1. By stimulating the development indigenous capabilities through utilization of Nigerian human and material resources in her oil and gas industry  
2. This will create a qualitative change in the internal structures and external relations and alter the structure of dependence | 95        | 79.16      |
| 3   | To what extent does globalization impact on national economy in Nigerian oil and gas industry?                                           | 1. By demanding that Multinational Corporations build their own refineries in Nigeria  
2. By insisting on refining Nigerian crude oil outside and worsening her unemployment position locally | 86        | 71.66      |
<p>| 4   | To what extent has the Nigerian oil and gas industry employed                                                                                 | 1. By exposing Nigerians to international best practice in global competition                                                                                                                                   | 83        | 69.16      |</p>
<table>
<thead>
<tr>
<th>Question</th>
<th>1. In response to globalization influence to endeavour to protect their environment of operations in host communities</th>
<th>2. By preserving the principle of maximization of profit which considers social responsibility as a diversion of scarce economic resources</th>
<th>95</th>
<th>79.16</th>
<th>98</th>
<th>81.66</th>
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</thead>
<tbody>
<tr>
<td>How have multinational corporations in Nigerian oil and gas industry been socially responsible to their host communities?</td>
<td></td>
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<td>Nigerians in managerial positions in multinational corporations in her oil and gas industry?</td>
<td>2. By bowing to the political pressure of Federal Character principle</td>
<td></td>
<td>96</td>
<td>80</td>
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</tbody>
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