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MULTINATIONAL ENTERPRISES (MNEs) AND HOST COUNTRY'S ECONOMY IN AN OLIGOPOLY MARKET: PERSPECTIVES FROM NIGERIAN TELECOMMUNICATION INDUSTRY

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ABSTRACT

This study examined that contribution of multi-national enterprises to host country economy using Nigerian Telecommunication Industry as the study case. To achieve this objective a time series data were obtained from various government sources and annual financial statement of the selected corporation for the period 2006 to 2021. Both descriptive and econometric statistics of Vector Error Correction Mechanism were used to investigate the study objective.

Introduction

According to Organisation for Economic Co-operation and Development (OECD) (2018), Multinational enterprises (MNEs) are prominent economic actors in both developed and developing economies, and are estimated to account for about a third of global output. Multinational Enterprises (MNEs) play significant roles in improving the global and national economies especially, that of the developing host countries. Multinational enterprises refer to those powerful conglomerates that came into being in Nigeria after the abolition of slave trade (Aworom, 2013). Development and increased globalization has given momentum and modernization to multinational enterprises to operate more easily in other parts of world other than their home countries. The term globalization according to Onudugo (2013) means integration of the world economies into one in a phenomenon aptly called "global village. This has created opportunities for

The result of the study showed that multi-national enterprises had contributed significant to economic growth in Nigeria. The study concluded that multi-national enterprises and economic growth in Nigeria were positively related. It was recommended that government should continue to make policy that encourage the flow of FDI into Nigeria.

Keywords: *Multi-national Enterprises, Economic Growth, FDI, Employment*

European countries and other foreign countries that needed a market for surplus products/services including technology and place to access cheap raw materials and labour, Africa especially Nigeria became the obvious destination.

Nigeria as a developing economy has played host to many multinational enterprises (MNEs) long before independence and they as well dominated the Nigerian economy till date. The number and activities of these (MNEs) have grown over time as Nigeria struggles to develop socio-economically as a nation Onudugo (2012). The importance of MNEs in the current global business environment cannot be under estimated as there is usually huge capital investment in major economic activities especially to the host country. The country can enjoy varieties of products, services and facilities, brought to their doorsteps and there is opportunity for creation of more jobs for the resident inhabitants. The country's pool of expertise are best utilized and put to use effectively and efficiently and there is advancement in technology as these companies bring in state-of-the-art technology for their businesses.

In Nigeria today, most of the products we use and services we enjoy are supplied by multinational enterprises as their presence and significance in our lives are undisputable and immeasurable. The multinational enterprises (MNEs) have developed distinct advantages which can be put to the service of world development. According to Eluka, Ndubuisi-Okolo and Anekwe (2016), the ability of multinational enterprises to tap financial, physical and human resources around the world and to combine them in economically feasible and commercially profitable activities, their capacity to develop new technology and skills and their productive and managerial ability to translate resources into specific outputs have proven to be outstanding.

Today, many nations especially the developing and least developing countries (LDCs) depend heavily on foreign capital, especially FDI and it has been the driving force for economic development as most economies have become interdependent. Hill (2005) explains MNE as any enterprise that has multiple production activities or networks in multiple foreign countries. They move into host nations in various ways and use multiple strategies. Despite the huge advantages and benefits of multinational enterprises to the home countries in terms of MNCs' profit maximization at lowest cost, which was what brought about MNE, the idea is of great opportunities to many of the developing countries including Nigeria. It is obvious that the MNEs was never to better a host nation but to exploit it as much as possible in order to bring about more development to the home country according to Ozoigbo and Chukuezi (2011), but it is serving as development avenue for many host countries like Nigeria. This is especially in the sector where there is lack of adequate funding and technical knowhow which makes it difficult for the local investors to exploit despite the potential for revenue.

Telecommunication sector is one of the many sectors with late though rapid growth based on the intervention of the foreign investors as a result of *Maitland Commission Report* of the International Telecommunication Union (ITU) released in 1984 condemning the extreme irregularities of telephone access between rich and poor nations. In drawing attention to the fact that two-thirds of the world's population had no access to telephone services, the report offered a new recipe for modernization: an urgent reform of inefficient public monopolies and the transfer of technologies from advanced to developing nations (Chakravartty, 2004).

Prior to 2001, NITEL (The Nigerian Telecommunication Limited) was the only service provider of telecommunication service enjoying the inefficient monopoly. The industry was then characterized with weak infrastructure base and poor quality of service characterised by: low call completion rates (all trunks are busy, please try again later); billing inaccuracy – usually overstated with two common alternatives, pay or forfeit the line according to (Ndukwe, 2003a).

The telecommunication industry was transformed into oligopoly market by licence more service providers to offer the services and this was made possible by the involvement of foreign direct investment and multinational enterprises due to the huge capital to fund the licencing and operational activities. From 2001, the telecommunication industry in Nigeria was suddenly catapulted from the position of a backbencher, to national and international limelight. Nigeria has become the largest and fastest growing telecoms market in Africa and among the ten fastest telecoms growth markets in the world, an indication of its robustness to return on investments. From a private sector investment of about $50million in 1999, when the reform process started, the telecoms industry in Nigeria had by the end of 2020 attracted more than $68billion in private sector investments and larger percentage of this was through Foreign Direct Investment (FDI).

For much of the 1960s and 1970s, careful examination of the effects of multinational corporations focused on the host countries with the implicit assumptions that the home countries were always the recipient of economic benefits. Most economists are of the believe that the MNCs are exploitative as natural resources found in developing countries like Nigeria that were supposed to be maximised for its developmental goals are not productively utilized due to de-capitalization of the economy in form of profit repatriation (Osuagwu & Ezie, 2013). Ozoigbo and Chukuezi (2011) also gave support to the claim by argued that the idea of investing in foreign land is not to better the lot of the host nation but to exploit as much as possible in order to develop the home country. These assumptions have come under fire as the host countries must not have the benefits of hosting the multinational corporations especially in some sectors or economies where the host countries lack capacities in terms of finance, technologies and manpower. It is against this backdrop that the study takes a cursory look into the contributions of multinational corporations to the economic growth in Nigeria through the oligopolistic market in the telecommunication

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industry. The study considered the impact of multinational enterprises to the GDP, employment rate, and Nigeria teledencity.

Literature Review

Conceptual Review

The Concept of Multinational Enterprises

Multinational Enterprises (MNE) has been receiving serious attentions from both the academia and authors of repute and the concept has been defined from various perceptions. Multinational enterprises (MNE) according to Isaac, Ibidunni, Kehinde, Ufua, Kehinde, Oyo-Ita and Chima (2020), are enterprises that are involved in foreign direct investment, which is simplified as investments in which an organization acquires a remarkable or reasonable controlling interest in a foreign Company or sets up a domestic subsidiary in a foreign nation. Multinational Enterprises was also defined by Dunning (2008), as those enterprises that engages in foreign direct investment (FDI) and owns or, in some way, controls value added holdings in more than one country.

MNC was also discussed by Eluka, Ndubuisi-Okolo and Anekwe (2016) as an organization owing or controlling enterprises or physical and financial assets in at least two countries of global economy and opting for a multi-domestic strategy founded on social-economic differences of these countries as a reply to specific local demand. The multinational corporation or enterprise generally consists of the parent company (the resident of one country) and at least one affiliate (resident of another country). The International Labour Organization (ILO) has however defined a MNC as a corporation that has its management headquarters in one country, known as the home country, and operates in several other countries, known as host countries. The operations outside the company's home country may be linked to the parent by merger, operated as subsidiaries, or have considerable autonomy.

Salih (1998), define multinational enterprise as a firm which has more than 10% of equity or contractual involvement like management contracts, franchising, and leasing agreements in more than one country. Hill (2005) in his own analysis explains MNE as any enterprise that has multiple production activities or networks in multiple foreign countries. They move into host nations in various ways and use multiple strategies. The first Multinational Enterprises (MNE) in the 17th century were directly motivated by territorial acquisition in places like Africa, Asia and United States of America thereby followed by trading activities while the MNE of today were direct result of industrial revolution followed by globalization. MNE activities experienced a tremendous growth and strongly as a result of increasing trade and investment liberalization and followed by information and communication technology (ICT). Multinational corporations (MNCs) have a global presence even in the developing countries as there are over 80,000 of multinationals that drives the 21st century economy (Bresnaham, 2020).

Multinational Enterprises and Host Countries' Economy

The major objective of MNCs is profit maximization at lowest cost this in actual sense was what brought about MNCs (Isaac et. al., 2020). So the business ideology of investing in foreign territory was never to better a host nation but to exploit it as much as possible in order to bring about more development to the home country (Ozoigbo & Chukuezi, 2011). The effects of Multinational Corporations from careful examination for much of the 1960s and 1970s, has been focused on the host countries with the implicit assumptions that the home countries were always the recipient of economic benefits. Previously, multinational enterprises (MNE) were regarded with considerable suspicion by developing country governments, many of whom regarded MNEs as tools of imperialism and one of the causes of persistent underdevelopment. Unsurprisingly, foreign direct investment (FDI) policies were, in general, overly restrictive (Narula & Pineli, 2016).

Most economists are of the believe that the MNCs are exploitative as natural resources found in developing countries like Nigeria that were supposed to be maximised for its developmental goals are not productively utilized due to de-capitalization of the economy in form of profit repatriation (Osuagwu & Ezie, 2013). Ozoigbo and Chukuezi (2011), also gave support to the claim by argued that the idea of investing in foreign land is not to better the lot of the host nation but to exploit as much as possible in order to develop the home country. According to Narula and Pineli (2016), the MNE has been rehabilitated as at 1990s, governments in developing countries removed barriers and began to aggressively woo FDI through a variety of incentives such as fiscal and financial incentives. Amongst the role of MNCs is basically to channel financial and physical wealth or capital to Nations with declining capital and infrastructural shortages, wealth is then created which produces employment (Isaac et. al., 2020). In addition to this, newer streams of tax revenues emerge from MNCs, enabling developing nations to invest in their infrastructures, provide better security to life and property, strengthen human capital etc.

With active support of international agencies, FDI is increasingly perceived as a key component of development policy (Narula, 2014). Governments in most countries view inward FDI as a source of employment, and not only those created by the MNE's local affiliate, but also those generated along the value chain, and through income multiplier effects, in addition to other impacts on fiscal revenues, exports and so on (Narula & Pineli, 2016). MNEs are also expected to bring new technologies and management practices to the host country. As if those were not enough, FDI is also expected to have a positive impact on gross domestic product (GDP), through an improved allocation of production factors. Chukwuemeka, Anazodo and Nnewi (2011) maintain that MNCs contribute huge resources and capital that are normally not available in host country or its availability is insufficient. The resources according to Chukwuemeka, et. al,. (2011), are; technology, capital, marketing and managerial skills, job creation, reduce poverty levels, fix balance of payment, and improve living standards.

Oligopoly and Nigeria Telecommunication Industry

Oligopolies are markets where profit maximising competitors set their strategies by paying close attention to how their rivals are likely to react (OECD, 1999). In these conditions, firms might differentiate their products, which can benefit some consumers, but at a price. An industry is oligopolistic when so large a share of its total output is in the hands of so few relatively large firms that a change in the output of anyone of these firms will discernably affect the market price (Sullivan, 1977).

The telecommunication industry was transformed into Oligopoly market by licence more service providers to offer the services and this was made possible by the involvement of Foreign Direct Investment and Multinational Enterprises due to the huge capital to fund the licencing and operational activities. From 2001, the telecommunication industry in Nigeria was suddenly catapulted from the position of a backbencher, to national and international limelight. Nigeria has become the largest and fastest growing telecoms market in Africa and among the ten fastest telecoms growth markets in the world, an indication of its robustness to return on investments. From a private sector investment of about $50million in 1999, when the reform process started, the telecoms industry in Nigeria had by the end of 2020 attracted more than $68billion in private sector investments and larger percentage of this was through Foreign Direct Investment (FDI).

Theoretical Review

Internalisation (Transaction Cost) Theory of MNEs

Based on the profit maximization and growth principles of firms, Buckley and Casson (1976) propounded that because of market imperfections in intermediate products, notable knowledge, firms will create an internal market (internalize external market) in order to increase profits and avoid certain costs. This theory differed from that of Hymer in that firms do not need monopolistic or oligopolistic power at the beginning, though it is acknowledged later that monopolistic or oligopolistic advantages could also be internalized (Casson, 1986) (Teece, 1981) or internalisation of intermediate products could lead to monopolistic or oligopolistic advantages (Casson, 1987). An internal market could be created in two ways: "First, internalisation of a market refers to the replacement of an arm's length contractual relationship (i.e. external market), second, internalisation of an externality refers to the creation of a market of any kind where non-existent before" (Casson, 1986:46).

The relevance of this theory is that it corroborates with Chukwuemeka et. al. (2011) which maintain that MNCs contribute huge resources and capital that are normally not available in host country or its availability is insufficient. The resources according to Chukwuemeka et. al. (2011), are; technology, capital, marketing and managerial skills, job creation, reduce poverty levels, fix balance of payment, improve living standards e.t.c.

New Trade Theory

The theory was propounded by Tejvannne and Pettinger (2013). It proposed that a critical factor in determining international patterns of trade are the very substantial economies of scale and network effects that can occur in key industries. These economies of scale and network of effects can be so significant that they outweigh the more traditional theory of comparative advantage. Economies of scale are factors that cause the average cost of production of goods and services to fall as the volume of its output increases. Economies of scale were the main drivers of corporate

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gigantism in the 20th century. They were fundamental to Henry Ford's assembly line and they will continue to be the spur to many mergers and acquisitions today.

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

The relevance of New Trade Theory is that it afford the poor and developing host country the opportunity to exploit and develop certain industries because they lag too far behind the economies of scale enjoyed in the developed world The theory is a reflection of the scenario in the telecommunication industry as the eventual emergence of mobile telecommunication technology from the multinational corporations with sufficient resources such as capital, technology and skilled manpower have assisted countries like Nigeria to enjoy economies of scale which was lacking before the introduction of mobile telecommunication in 2001.

Empirical Review

The undernoted empirical studies were reviewed as found relevant to this study, though all the empirical studies were on the effect of MNEs on host countries macro economies while this study was MNEs and host country's economy in an oligopoly market and focused mainly on Telecommunication industry. In the same vein, Alguacil, Cuadros & Orts (2011) found that the effect of FDI on growth is much more robust in a sample of 13 low and lower-middle income (5 Latin American and 8 Asian) than in a sample of 13 upper-middle income countries (all but one from Latin America), in the period 1976-2005. They suggest that this may be an indication that FDI is less likely to crowd out domestic investment in less developed countries. This empirical study was on the effect of FDI on growth in a macroeconomic of some countries, the study under review was on MNEs and oligopoly industry.

Herzer and Nowak-Lehmann (2008) examined the relationship between FDI and growth using co-integration techniques on a country-by-country basis. They analysed 28 developing countries, but found a long-run relationship only in 4 (Sri Lanka, Nigeria, Tunisia and Egypt), and in all these cases, there was a reinforcing relationship between FDI and growth. In sum, the evidence to date seems to validate the hypothesis of the existence of a relationship between FDI and GDP growth, possibly flowing in the both directions. Nevertheless, the relationship only seems to hold for a subset of developing countries with some specific attributes, although there is no consensus about what these attributes are. At the very least, we can say that there are doubts whether the estimation of macroeconomic models is an adequate way to assess the effects of FDI in host economies. One problem of cross-country studies is that they assume an identical production function across countries. The empirical result for this study only explained the effect of MNEs of FDI on host countries' economies at macro-economic level though relevant but differs to this study in that it conducted its findings on the effect of MNEs on host countries economy in an oligopoly market, specifically on Nigerian telecommunication industry.

In addition, Li and Liu (2005) found evidence of a mutual causality between FDI and GDP growth in a sample of developing countries in the period 1970-1999. The positive effect of FDI on growth is larger the higher the level of human capital and the lower the technological gap (measured as the difference of per capita income of the country and the U.S.'s). Allowing for heterogeneous effects among countries, Nair-Reichert and Weinhold (2001) found a causal relationship between FDI and GDP growth, in a panel comprised of 24 developing countries in the period 1971-1995, with some evidence that this relationship is higher in more open economies. Employing an unusual test for causality, Chowdhury and Mavrotas (2006) found that GDP causes FDI in Chile, while there is a feedback between these variables in Malaysia and Thailand, in the 1969-2000 period.

Methodology

The research design adopted for the study is quantitative design which is ex-post in approach otherwise termed desk-based research. The study population comprises the Four (4) major players in Mobile Telecommunication market and the secondary data covering fifteen (15) years performance of the players in the industry between 2006 and 2021 were extracted on the variables specified in the objectives of the study. The relevant data were extracted from the Nigeria Telecommunications Industry Report and National Communication Commission Annual Report. The study assessed Multinational Enterprises and host countries' economy in an oligopoly market and focused on telecommunication industry. From the available data, different variables were obtained as described in the conceptual review. To achieve the study objectives however, the variables obtained were analyzed using Vector Error Correction Mechanism (VECM) method with the help of descriptive statistics through statistical package for social sciences (SPSS).

Result and Discussion of Findings

Table One (1) Descriptive Statistics

Statistics	GDP	FDI_{sm}	EMP	TXR_{sm}	INFL	FOREX	PBT_{SM}
Mean	132.9529	90.85412	1.558824	55.68000	20.24324	6322.677	9.639441
Median	138.3500	85.12500	5.150000	57.25000	12.95000	1729.440	8.342000
Maximum	178.1000	347.3400	25.30000	88.20000	72.80000	23125.80	19.62600
Minimum	83.40000	2.960000	-43.60000	3.800000	5.400000	23.81000	4.958000
Std. Dev.	22.67286	92.60958	17.59986	15.27649	17.96494	7963.758	3.589381
Skewness	-0.404217	1.619564	-1.055626	-1.147644	1.595549	0.953308	1.067378
Kurtosis	2.509740	5.034342	3.580727	5.940103	4.265198	2.345559	3.761190

Jarque-Bera	1.266385	20.72654	1.792391	0.70945	0.69377	0.756590	1.276839
Probability	0.330894	0.000032	0.433500	0.876852	0.892237	0.766231	0.26294
Sum	4520.400	3089.040	53.00000	1893.120	688.2700	214971.0	327.7410
Sum Sq Dev	16963.93	283025.6	10221.92	7701.243	10650.39	2.09E+09	425.1605
Observations	15	15	15	15	15	15	15

Source: Researcher's computation, 2022

Diagnostic Test

Economics analysis involves the use of secondary data for the prediction of past economic scenario in order to understand the present and then predict the future. The data was subjected to fluctuation due to presence of automatic serial correlation and hence, the data needed to be filtered in order to make it useable for economic interpretation. Thus, this section of the research focuses on the diagnostic test of unit root and co-integration test.

Unit Root Test

It is necessary for econometric data to be freed of unit root problem in order to make them useable for economic prediction. This indicates that the data must be stationary before it can be used for economic scenario. Therefore, the study adopts the Augmented Dickey Fuller (ADF) to determine at which level of co-integration the data utilizes for the variables of the study will be fitted for use. Thus, table 2 presented the result of the Unit root test obtained for the study variables.

Table Two (2) Unit Root Test

Variables	ADF Level	P-value	ADF 1st Diff	P-value	Order Co-integration
GDP	-2.266432	0.1883	-4.780377	0.000	I(1)
FDI_{sm}	-0.053860	0.9587	-3.752067	0.0078	I(1)
EMP	-2.262441	0.2134	-5.410342	0.0001	I(1)
TXR_{sm}	-2.247680	0.2335	-12.09484	0.0000	I(1)
INF	-1.840943	0.3442	-9.474145	0.0000	I(1)
EXR	-1.065118	0.4893	-8.409891	0.0000	I(1)
PBT_{sm}	-2.374463	0.1566	-5.284347	0.0002	I(1)
Test critical values:	1% level		-3.670170		

5% level	-2.963972
10% level	-2.621007

*MacKinnon (1996) one-sided p-values.

Table 2 presented the result of the unit root test obtained for the variables of the regression model specified for the study. Looking at the result from the table, it was found that all the variables of the study were free from the unit root problem at their 1st difference. This indicated that economic growth, foreign direct investment share of Multinational Telecommunication companies, employment, tax revenue share of Multinational companies, inflation, exchange rate and Profit Before Tax of the selected companies were not free from the unit root problem at level. This inferred was premised on the fact that the p-value of the ADF statistics computed for these variables at level were greater than the critical value of 5%. In addition, it was discovered that the p-values of the ADF- statistics calculated for these variables at their 1st difference were less than the critical value of 5% and hence, it was evidenced that these variables were stationary at their 1st difference. This indicated that they were co-integration of order one (I (1)). The stationary status of these variables at their 1st difference confirmed that Vector Error Correction Model (VECM) would be required to achieve the third objective of the study on the relationship between exchange rate and manufacturing output. Thus, there was need to determine the number of co-integration equation among the study variables.

Johansen Co-integration Test

The Johansen Co-integration was obtained for the parameters of the study in order to verify the number of co-integrating equations among them. Table 4.4 presented the results of the co-integration test.

Table Three (3) Result of Co-integration Test

Hypothesized	Trace Statistics	Critical 5%	P-value	Max-Eigen Statistics	critical 5%	P-value
At None*	189.1038	125.6154	0.0000	77.54208	40.23142	0.0000
At most 1*	111.5617	95.75366	0.0026	43.32961	40.07757	0.0208
At most 2	68.23214	69.81889	0.0665	27.31181	33.87687	0.2470
At most 3	40.92033	47.85613	0.1912	15.85260	27.58434	0.6783
At most 4	25.06773	29.79707	0.1590	13.39105	21.13162	0.4169

At most 5	11.67668	15.4941	0.1731	10.69591	14.26460	0.1701
At most 6	0.980774	3.841466	0.3220	0.980774	3.841466	0.3220

Source: Researcher's computation, 2022

The result in the table was the co-integration test obtained for the parameters of the study to determine the existence of a long run dynamic relationship between the study exogenous and endogenous variables. From the table, it was found that there were two co-integration equations among the variables of the study when the trace test statistics was considered. This statement was based on the fact that the p-values of the trace test statistics at R=0 and R=1 of 0.0000 and 0.0026 were less than the critical value of 5%. Similarly, it was discovered that there were two co-integration equations among the study parameter when the Max-Eigen Statistics was used. This inferred was premised on the fact that the p-values of the Max-Eigen Statistics at none and at most 1 of 0.0000 and 0.0208 were less than the critical value of 5% with significant statistics of 77.54 and 43.33 respectively, which were greater than their corresponding critical values of 46.23 and 40.08 respectively. The implication of this was that there were two co-integration equations among the study parameters and hence, it was evidence to ascertain that there was a long run dynamic relationship running from exchange rate, interest rate, openness, money supply, inflation, credit to manufacturing sector to manufacturing output in Nigeria.

Table Four (4) Results of the VECM
Dependent variable = Economic Growth (Proxy as GDP)

Variable	Coefficient	Standard Error	T-calculated	P-value
C	1.738574	2.99252	0.58097	0.5625
D(GDP(-1))	0.264621	0.18502	1.43025	0.1556
D(GDP(-2))	0.566750	0.19172	2.95618	0.0038
D(FDI_{MS}(-1))	0.195493	0.09736	2.00785	0.0472
D(FDI_{MS}(-2))	2.050296	0.10403	19.70870	0.0000
D(EMP(-1))	2.492860	0.17462	14.27591	0.0000
D(EMP(-2))	0.144884	0.13977	1.03658	0.3023
D(TXR_{SM}(-1))	1.077867	0.29763	3.62145	0.0005
D(TXR_{SM}(-2))	0.582492	0.22411	2.59909	0.0107
D(INF(-1))	-2.214744	0.16429	-13.48070	0.0000

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D(INF(-2))	-1.140325	0.15088	-7.55783	0.0000
D(EXR(-1))	0.031658	0.00531	-5.96196	0.0000
D(EXR(-2))	0.009778	0.00479	-2.03941	0.0439
D(PBT_{SM}(-1))	1.660707	0.48304	3.43700	0.0006
D(PBT_{SM}(-2))	1.257351	1.24871	1.00692	0.3103
ECM (-1))	**-0.303076**	**0.07621**	**-3.97690**	**0.0001**
	OTHER	**TEST**	**STATISTICS**	
R-squared	0.802912		Hannan-Quinn HIC	9.778890
Adj. R-squared	0.795825		Durbin-Watson Stat.	1.934607
Sum sq. resids	1818.393		Prob.(F-Stat)	0.000000023
S.E. equation	11.01028			
F-statistic	89.366011			
Log likelihood	-107.0988			
Akaike AIC	7.941856			
Schwarz SC	8.681979			
Mean dependent	-0.676452			
S.D. dependent	14.28371			

Source: Researcher's computation, 2022 (E-VIEW 10)

Table 4 presented the result of the Vector Error Correction Mechanism used to assess the effect of Multinational Telecommunication on Nigeria economy. Looking at the result in the table, it was observed that the p-value of economic growth obtained in the previous one and two years were 0.1556 and 0.0038 but significant in the previous two year since the p-value of t-statistics calculated in this year was less than the critical value of 5%. This showed that in the previous one year economic growth in Nigeria had improved. This might be traced to the activities of multi-national telecommunication companies that had helped in accelerating economic activities through increasing investment in Nigeria. this had enhanced employment generation and contributed to reduction in poverty level due to multi- economic opportunities the activities of multi-national

telecommunication opened up for the teeming small businesses, local investors and young entrepreneurs in Nigeria. The regression coefficient obtained for economic growth in the previous one and two years were 0.26 and 0.57 respectively with significant t-statistics value of 2,96 in the previous two year and insignificant statistics value of 1.43 in the lagged period (-1). This indicated that an a unit increase in economic growth in the previous years due to activity of multi-0national companies might lead to 0.26% and 0.57% increase in the current year economic growth. Thus, the previous year's economic growth in Nigeria might be a determinant of the current year economic growth. The sign of the variable of economic growth was in tandem with a priori expectation
More so, it was discovered that the p-values of the t-statistics calculated for Foreign Direct Investment in the previous one and two years of 0.0472 and 0.0000 were less than the critical value of 5%. This indicated that the null hypothesis which stated that the share of Multinational companies in FDI was not significant on economic growth in Nigeria was rejected. It was saved to assert that the shared of Multinational companies in FDI was significant on economic growth in Nigeria. Through adequate investment of Multinational investors in telecommunication economic growth could be improved. This was because with the right FDI opportunities that enhanced and might boost economic initiative could be created. FDI had been known to enhance the activities of SMEs in a country since their products needed foreign technology and knowledge combined with local creativity in order to be enhanced. With increasing Multinational initiative and investment leverages job opportunity that improved local resources exploitation and refining might be created. This according to Omoniyi (2020) added meaningfully to economic stability and growth. The regression coefficient computed for the test variable in the lagged (-1) and (-2) were 0.20 and 2.05 respectively with significant t-statistics values 2.01 and 19.71 respectively in the previous one and two years. This implied that there was a significant positive relationship between shared of Multinational Telecommunication companies in FDI and economic growth in Nigeria. the import of this was that a 1% increase in the shared of Multinational companies in FDI in the previous years could lead to 0.20% and 2.05% improvement in economic growth in the current year. The sign of the variable of FDI was in tandem with a priori expectation. As a result of this FDI could be a determinant of economic growth in Nigeria.
The result in the table further revealed that employment was significant on economic growth in Nigeria in the lagged period (-1) but not significant in the previous two year. This inferred was based on the fact that the p-values of the t-statistics obtained for the test variable in the lagged (-1) and (-2) of 0.0000 and 0.3023 was less than the critical value of 5% in the previous one year only. Thus, the intervention of Multinational companies in Nigeria had helped in adding better to employment generation. Through Multinational telecommunication companies job opportunities had been opened up for small entrepreneurs, subsidiary entrepreneurs and even competitive entrepreneurs. Increasing technology transfer had been ensued. This according to Alawode (2018) had helped the capacity of Nigeria entrepreneurs to be able to exploit meaningfully the local resources for their benefit. This translated to increasing economic activities that could sustain not only economic growth but also economic development. The regression coefficients obtained for the test variable in the lagged period (-1) and (-2) were 2.49 and 0.14 respectively with significant t-statistics value

of 14.28 in the previous one year and insignificant t-statistics of 1.04 in the previous two year. This showed that there was a positive relationship between employment and economic growth in Nigeria. The implication of this was that a 1% increase in employment as a result of the activities of Multinational companies might lead to 2.49% and 0.14% increase in economic growth in Nigeria. A sign of this variable was in conformity with a priori expectation and hence, employment might be a determinant of economic growth in Nigeria.

Furthermore, observing again the result in the table, it was found that the p-values of the t-statistics computed for tax revenue which was the contribution of multi-national companies to overall tax revenue generated in Nigeria in the previous one and two years of 0.0006 and 0.0107 were less than the critical value of 5%. This showed that the null hypothesis which stated that tax revenue was not significant on economic growth in Nigeria was rejected. It was saved to assert that tax revenue was significant on economic growth in Nigeria. The presence of Multinational corporations in Nigeria had enhanced the tax revenue generated in the country. This revenue had been used by the government to affect the economic positively. Increasing infrastructural facilities, enhanced government spending, better health care facilities and fairly improve human capital resources could all been traced to the contribution of Multinational companies towards increasing tax revenue in the country. The regression coefficients computed for the test item in the lagged period (-1) and (-2) were 1.08 and 0.58 respectively with significant t-statistics values of 3.62 and 2.60 in the previous one and two years. This revealed that there was a significant and positive relationship between tax revenue contributed by Multinational companies and economic growth in Nigeria. The resultant effect of this was that a 1% increase in tax revenue from MNC might lead to 1.08% and 0.58% increase in economic growth in the current year. The sign of this variable was in tandem with a priori expectation and hence, tax revenue contributed by MNC might be a serious determinant of economic growth in Nigeria.

The result in the table further indicated that inflation was significant on economic growth in Nigeria. This inferred was based on the fact that the p-values of the t-statistics computed for inflation in the previous one and two years of 0.0000 and 0.00000 respectively were less than the critical value of 5%. The implication of this was that a sustained and persistent increase in the general prices of goods and other intermediate products used by industry might discourage the capacity of the MNC to leverage on further existing opportunities in Nigeria. This might reduce foreign direct investment in this regard. Aliyu (2020) stated that inflation discouraged investors. This was because investors were risk averse and whatever economic situation that might pull their costs up and trend to wipe out profit was always avoided. The regression coefficient computed for the test variable of inflation in the lagged (-1) and (-2) were -2.21 and -1.14 with significant t-statistics value of -13.48 and -7.56 respectively in the lagged period (-1) and (-2). This implied that there was a significant negative relationship between inflation and economic growth in Nigeria and hence, a 1% increase in inflation in the previous year could lead to 2.21% and 1.14% reduction in economic growth in the current year. The sign of the variable was that inflation was in conformity with a priori expectation and hence, inflation might be one of the factors that influenced economic growth in Nigeria.

The result showed that exchange rate was significant on economic growth in Nigeria. This assertion was based on the fact that the p-values computed for the test item in the lagged (-1) and (-2) of 0.0000 and 0.0439 were less than the critical value of 5%. This consequence of this was that exchange might exert a great influence on economic growth. The unstable exchange rate in Nigeria had been found as one of the reasons the country lost many of her FDI opportunities to South-Africa and other African countries that had reasonable exchange stability. Adenigbagbe (2018) opined that the insufficient and drastically fall in FDI in Nigeria might be traced to multiple exchange rate window. This according to the author affected investors return and further investments. Exchange rate instability was one of the reason alluded to by Akintayo (2017) as one of the major factor that determine the performance of economic outlook. Therefore, the instability in exchange rate had a spiral effect on investors' returned, hence, this might be one of the reason why there the country continued to experience serious capital flight. The regression coefficient computed for the test item in the previous one and two year were 0.03 and 0.010 respectively with significant statistics values of -5.96 and -2.04 respectively in the lagged period (-1) and (-2). This indicated that there was a significant negative relationship between exchange rate and economic growth in Nigeria. Thus, a 1% increase in exchange rate in the previous year might cause 0.03% and0.010% decrease in economic growth in the current year. The sign of the variable of exchange rate was in tandem with a priori expectation. Hence, exchange might be a determinant of economic growth in Nigeria.

The result in the table further revealed that profit before tax of the Multinational telecommunication was significant on economic growth in Nigeria. this inferred was based on the fact that the p-value of the t-statistics computed for PBT in the previous one year of 0.0006 was less than the critical value of 5% with insignificant p-value of 0.3103 in the previous two year. The implication of this was that PBT of the selected companies had contributed significantly to further investment in Nigeria. This investment had translated to better economic transformation, improved employment rate, reduction in poverty and better standard of living for all those that birthed into the subsidiaries business of these Multinational Telecommunication companies. The regression coefficients obtained for the test item in the previous one and two years were 1.66 and 1.26 respectively with significant t-statistics value of 3.47 in the lagged period (-1) and insignificant t-statistics value of 1.01 in the previous two year. This indicated that there was a significant positive relationship between PBT and economic growth in Nigeria. The sign of this variable was in conformity with a priori expectation and hence, PBT of the selected multi-national companies might be a determinant of economic growth in Nigeria.

The results of other test statistics revealed that Multinational enterprises had contributed substantially to economic growth in Nigeria.

Conclusion and Recommendations

On the basis of the finding of the study, it might be concluded that Multinational companies had contributed significantly to economic growth in Nigeria. moreover, it might be stated that foreign direct investment, employment, tax revenue paid by the multi-national corporation, inflation, exchange rate and profit before tax of the Multinational cooperation were the determinants of economic growth in Nigeria. The study recommended that there is need for the government to continue to create enabling environment for Multinational cooperation to thrive in Nigeria. This may enhance job creation and improve revenue generation by the government from taxes.

Government should continue to implement policy and programme that encourages foreign Direct Investment inflow in Nigeria. Exchange rate, inflation and any other economic variable that discourage investment inflow into Nigeria must be reassessed by the government in order to make them profitable for investors.

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