Impact of Capital/ Investment, Technology and Other Factors on the Economic Development of Nigeria

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Introduction

Economic development and social well-being is the ultimate aim of all governance. It is in this respect that the Nigerian government gauges its performance on the ability to provide infrastructural facilities and social amenities for its citizens. It is in this sense therefore, that it is clear that a definition of overall national development as far as the agents of government and its critics are concerned, is the provision of tangible economic services as well as social amenities that enhance the value of life and ultimately encourage enhanced productivity of the people in the long run. In addition, economic development increases the financial capacity of the nation and the citizens through their active involvement in international trade as a result of industrialization of the society. Other aspects of economic development pertinent to the society include provision and maintenance of capital infrastructure and services, increased industrial capacity and employment. Due to the importance of these facilities to both government and the citizens, it is clear that economic development is a cooperative venture between the governed and the government. An important factor to note in development efforts is that not only is development beneficial to the nation and its citizens itself, development in addition also enhances the State's standing in the international system. Thus the search for economic development by a State is dual in the sense that it seeks to enhance the quality of life of its citizens as well as further its status among the comity of nations.

The main vehicles for economic development are capital[1] and technology.[2] The importance of these commodities for development cannot be underestimated. Technology as a resource is the backbone of all economic development through its link to industrialization of the society. Since the most distinctive feature of economic development is its technology intensive nature, it stands to reason therefore that any State wishing to become developed must have adequate access to technology. This could be either by local production of the resource or through purchase from the international market. The distinguishing characteristics of a developing State is however the lack of indigenous investment capital and locally produced technology. This situation is both a direct reason for the nation's under-developed status and is

[1] Capital otherwise called investment can be either financial in nature or it could be in the form of factors of production to be utilized in the production process.
[2] The *UNCTAD Draft Code of Conduct on the Transfer of Technology* (1985) UNCTAD Doc TD/Code/ TOT/47.

also the reason for the continuing underdevelopment of the nation and its people. Technology can therefore be rightly described as the source of economic development with a lack of it resulting in underdevelopment. It is not surprising then that the lag in economic development between the industrialized and non-industrialized nations is directly traceable to the technology factor. As for investment capital, this is what is used to purchase the technology for usage in the industries. This factor of production as it is known is also in short supply in the nation, and this means that investment capital needs to be sourced from outside the nation especially from the industrialized States.

The continued under-industrialization of Nigeria is clearly attributable to its deficiency in terms of capital and technology. It also has to be noted that when these factors of production such as technology and capital are imported, this impacts on the availability, type, and utility of such technology since the quality of technology depends on the cost of such technology. As the nation is limited with respect to foreign revenue, it is no surprise that like all other goods, cheaper technology means less industrialisation and therefore the less economic development it produces in the long term. This is in the sense that cheap technology is most often obsolete in nature; this kind of technology is what the nation can afford and/ or is offered by the owners of the resource that is the transnational operating within the country. Patently this is not at all capable of closing the technology gap between the Nigeria and the industrialized nations. The owners of technology, the transnational corporations (TNCs), are constantly improving on the known technology as well as developing new ones, it is usually the case that the technology which the affiliates and /or subsidiary companies of the transnational within the nation are given, is the technology which is no longer in use in the industrialized State. The implication is that the nation is always some steps away from the newly developed technology. The nation therefore continues to trail the industrialized nations in terms of technology and therefore economic development.

As a result of these issues relating to technology acquisition and access to capital, the economic development problems of Nigeria have consistently proved difficult to solve. The nation’s primary problem is its restricted access to the international system. As a peripheral nation, within the international system, its late entry into the international system and position as a supplier of raw materials to the industrialized States puts it on the edge of the original members of the system which are the industrialized States. The major challenge for Nigeria has been the task of becoming relevant within this system. Although the nation has succeeded in some way at accessing the political system of the world through its prominence in the United Nations, it has however found it difficult to gain full access to the economic system. This is due to the fact that the earlier entrants have resisted either actively or passively any attempts in this direction. The older entrants, had operated some policies such as restrictions in trade on the one hand as well as the formation of international organizations under the aegis of the United Nations purporting to assist new States gain access to the system.

The issue here as concerns Nigeria is that so long as the nation's economic development depends on the industrialized nations; it will find it difficult to actually develop. This is because this intention is in contradiction to that of the industrial nations to monopolize the process or at least stay ahead in the development race. This opposition of viewpoints must necessarily be reconciled if there is to be any remedy to the economic situation in Nigeria. In addition, the internal aspects of the nation's economic development problems should also be focused on. These include non-economic issues such as the nation's lack of political stability, low human capacity utilization, low level of education and problems of internal administration and governance such as corruption.

Capital Investment and Economic Development

Investment also called capital is an important aspect of economic development for States whether developed or underdeveloped. This is because economic development is a capital-intensive venture, which requires extensive funding over a long period of time. Due to the fact that it ties up capital for an unduly lengthy period, it is in the interest of the government to seek sources of revenue that can help to defray the expense of development capital. [3] This is especially important, as most of the time development funds need to be sourced externally due to the poor revenue profile of Nigeria after the crash of oil prices in the late seventies coupled with the negative balance of payment situation of the nation, which led it to the International Finance Institutions (IFI's). At the initial stage of the economic development of nations, the cost of development was borne largely by government financed through taxation. However, as development became more sophisticated, it was realized that the cost of development could be shared with non-government bodies. This is also justified by the fact that long term funding is required for some heavy development projects. This has necessitated alternative means of sourcing development projects. Thus, development funding could be also through long-term funds in bonds, direct or capital market placements and other such arrangements. In addition, capital that can be utilized in development efforts is in two forms: as internally generated (taxation / privately raised capital)[4] or imported capital.

Capital, or investment, can also be imported; this could be of two genres- direct and indirect foreign investments. Direct foreign investment is that which is directly involved in the production of goods and services[5] while indirect investment is that which is in the form of stocks and shares. Another aspect of foreign capital / investment for development is that which comes through development finance

[3] The Nigerian Investment Promotion Commission Act 1995, and the Foreign Exchange (Monitoring and Miscellaneous) Act 1995 are relatively new laws meant to encourage inflow of foreign investment.
[4] Local investment capital could be raised from the capital market/ pension or other funds.
[5] Foreign investment capital could be direct finance or in the form of infrastructure for the production of goods and services or are ends in themselves.

organizations, such as the International Finance Institutions (IFIs). [6] This is also a very important aspect of the economy of some developing nations,[7] although luckily Nigeria is not in this particular situation. For many developing nations including Nigeria, the preferred option is that of direct capital investment /transfer because it provides visible development benefits for the State.[8]

Imported Capital can however present problems due to the difficulty in utilization. The internal infrastructural and technical problems of the nation, plus the low level of education, combined with the external aspect like high interest rates attached to borrowing from the international financial markets restrict the nation's ability to actually maximize the investment inflow.[9] Despite this, it must be noted that development would be virtually impossible without the inflow of investment / development capital from abroad. As noted earlier Capital in the form of machines and materials especially, is an important aspect of development. Nigeria must therefore import this from abroad since these are not produced locally. Importation of capital is therefore seen as a shortcut in the economic development process. Capital importation however presents certain problems as this is connected to the inability of the State to utilize the incoming technology and capital effectively due to lack of technical expertise and limited markets.

A pertinent factor in economic development which needs to be mentioned is that when Nigeria approached the International Finance Institutions (IFIs); vis the World Bank IBRD) and the International Monetary Fund (IMF) when it had Balance of Payment (BOP) problems; it was advised to abide by some conditions which were intended to help in its development efforts and get it out of the economic quagmire it had descended into. The most important of this was the withdrawal of government from business. This was in consequence of the fact that its regulated development policies had failed to provide economic development for the nation and its citizens. The regulated economic policies were intended to control the type and volume of foreign inflow of resources into the national economy. In fact, Nigeria, post independence had utilized different foreign investment/technology importation policies, mostly based on regulation[10] with the objective being to reserve some sectors for Nigerians with the government taking charge of what was known as the 'commanding heights' of the economy.

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[6] The IFI's are to assist the Third world States with their development issues and where possible address their development problems. These problems, which could be either financial or technical in nature, are addressed by these IFI's as a complement of the overall development of the international system under which they were established. The objective is the development of the Third world to a level at which they can participate properly in the international economy.

[7] The importance of development capital from these IFI's is illustrated by the fact that some developing States rely almost exclusively on this source of finance for their development needs.

[8] The present Head of the Nigerian Government has since the beginning of his administration, embarked on a series of trips around the world to solicit the inflow of foreign investment into Nigeria.

[9] See further, OA Odiase-Alegimenlen; An Appraisal of Foreign Investment Promotion and Protection Measures Operating in Nigeria, In Journal of World Investment; Vol 3, No 2 of April 2002.

[10] The Indigenisation Acts were used to reserve the local market for Nigerians. In addition, there were various laws like those on exchange control regulations and expatriate quota.

The IFI's by encouraging the government to focus primarily on governance alone as opposed to being involved in business ventures is reducing public sector participation in business.[11] Additionally, under the nation's Structural Adjustment Policy (SAP) agreement with the IFIs, the latter give counsel on any new investment or capital importation made. The SAP program is based on the fiscal discipline of the State, deregulation of the economy through involvement of the private sector in development, realistic currency exchange rate, as well as the liberalization of external trade, through a liberal customs regime. The emphasis on trade liberalization is meant to take advantage of the dynamics of international trade by allowing imported products easy entry into the adjusting nation. These measures are coupled with the importation of foreign investment and capital, intended to encourage the reorientation of the developing State from a public sector economy to a private one.

These objectives of SAP have however been queried, as the advise of the IFIs seems not to have resulted in much of economic development leading to differences of opinions between the government and the IFI. This has resulted in a lot of criticism of the IFI's operations in recent times. This can be attributed to the fact that although SAP as operated by the IFIs had initially been seen as a remedy to the difficulties of financing economic development, it has been perceived as perpetuating the under development of the nation by some of its policies. This perception is enhanced by the focus of the IFI's on the nation's payments of its foreign debts even at the expense of its development. Thus the IFI's seem to be an anomaly in the sense that they have abandoned their role as development finance institutions preferring instead to be debt collectors to the industrialized nations in the London and Paris clubs.[12]

TECHNOLOGY AND ECONOMIC DEVELOPMENT

The vehicle used for the economic development of any nation, and Nigeria is no exception, is technology. Technology can be defined in various ways; one of the definitions is that, which focuses on its ability to confer value added to other products with resultant increase in utility. Another is the ability of the resource to elevate the possessor of the technology to a higher development level. In addition, apart from its usefulness in converting products or increasing their value, technology is an end in of itself. Due to the history of technology, it has been the prerogative of private entrepreneurs to be in control of the development of that technology which is used as the basis of production i.e. commercial technology. The

[11] Third World States have mostly operated regulated development policies whereby the State controlled the economy, financed development and monopolized the management of public utilities. The withdrawal of the government from business in this case, encourages the private sector to invest in the sector. This most times results in better services coupled with viable enterprises, with attendant benefits for the economy.
[12] The IFIs have recently readdressed their focus towards the comprehensive well being of their client States, with emphasis on the human capital not the repayment of debts to international debtors alone.

development of these resources are seen by the private enterprises[13] as an avenue to make profits since they have invested a lot financially in the discovery and improvement of these technologies. The intense rivalry between these technology development organizations can in part be credited with the development of superior and more complex technologies, which have served as the basis for human development.

These private business enterprises are determined to recoup as much of their expenses as is feasible.[14] This is the basis of the protection of technological products through patents. When a patent is taken out on a technology, it cannot be freely utilized by a user without payment of a fee or some other consideration / requirement so specified within the patent license. Patents regimes are international as they are controlled by internationally originating laws, which are internalized in the individual State laws. [15] In Nigeria, the patent laws definitely follow this pattern; in fact a key policy of deregulation is the tightening of the intellectual property rules especially the patent regimen as the technology owners insist on protection of their intellectual property before entrance into a country as investors.[16] It is true that the underdeveloped countries have tried some strategies[17] to facilitate the transfer of the resource to their States as a solution to their underdevelopment problem/ technology deficit. These “technology transfers” involves the Third World State acquiring technology either through sale or through foreign investment.[18]

Since the Transnational /Multinational organizations dominate international trade, technology transfer and capital importation must be paid for. The problem however is that the technology sold this way mostly consists of obsolete technology, which cannot solve the long-term technology problem of the importing State. Be that as it may, the developing States have no choice but to make do with what they get, as they do not have the capacity to develop technology or finance development on their own. In recent times there have been attempts by these States to develop their own technology; however the gap is so wide that it has not been possible for them to catch up. With reference to Nigeria specifically, a number of government agencies have been established to assist the State in the development and/or acquisition of

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[13] These enterprises are termed transnational corporations due to the fact that they are spread across many countries. Their objective is to increase their scope of business and profit margin as much as is possible.

[14] These business enterprises either utilize their technology themselves or sell them off. Whenever they use the technology, they ensure that it is maximized in terms of sales of the product and eventually when the technology becomes obsolete it is sold off. It is clear then that any Third world State requiring technology will be obliged to purchase it from the owners i.e. the private enterprises.

[15] The international agreements include, those by the World Intellectual Property Organization (WIPO), while an example of a local one is the National Office of Technology Acquisition and Promotion (NOTAP).

[16] It is in consequence of this that the Nigerian government has commenced a review of the patents and other intellectual property laws.

[17] See generally, OA Alegimenlen; An Appraisal of Foreign Investment Promotion and Protection Measures Operating in Nigeria. Op cit.

[18] Technology transfer could be through licensing of patents and trademarks, establishment of an industry with complementary infrastructure and requisite training etc. These are generally the subject of contractual agreements raising obligations for both parties. However it is recognized that technology is a difficult commodity to transfer by agreement, due to its nebulous nature.

technology, [19]it has however become clear that these interventions while they have their uses, are not the solution to the technology or development problems of the State. As has been discovered in other nations, soft technology is better left in the hands of the private entrepreneur, while the hard-core technology such as that for military and scientific use are usually the preserve of the government and military institutions.[20]

Transnational Corporations, Technology and Globalisation

Third World States advocated the theory of compulsory technology transfer from the developed industrialized States to their technology deficient States. This was complemented by the New International Economic Order (NIEO); [21]however, the industrialized States resisted the idea and replaced it with the New World Order and the Globalization creed which have become the new mantra of the international community. In any case, a nation such as Nigeria has had to toe the line of the IFIs since 1986 as a result of her financial problems. The implementation of the liberal investment advice of these bodies involves utilizing external capital for development. This also means the importation of technology from the TNC's, which are in control of the technology market.

The Third World development trap is worsened by the high cost of development technology. The debt-ridden State therefore finds it very expensive to purchase technology. Furthermore its nationals are not sufficiently endowed educationally to utilize the inadequate technology that is being imported. When the foregoing is regarded in adjunct to the issues surrounding globalization for the developing States, it becomes clear that a State like Nigeria will find it difficult to participate fully in the process of globalization, much less fully utilize it as a springboard to development. Globalization is based on free international trade; it focuses on trade, finance, and capital liberalization. The globalization creed emphasizes the production of goods for exportation and competition in the international markets. The cheaper the goods, the better the prospects.

This policy encourages the use of cheap labor, and conversely the exclusion of labor protection for employees under this kind of dispensation.[22] Globalization is clearly a deviation from the usual mode of government control of development practiced by many developing States including Nigeria before the advent of deregulatory policies. This is due to the fact that it focuses on the private sector. The operation

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[19] The National Office of Technology Acquisition and Promotion, which name encapsulates the hopes of the nation in this respect is one of such agencies.
[20] It has to be noted however that the development of these other types of technology could result in spin-off technology for ordinary use.
[21] Under the moribund New International Economic Order, an attempt by the numerically superior Third world States at the United Nations to enforce new terms for the international system, the developing States had attached a high priority to technology transfer from the industrialized nations to remedy their underdeveloped status.
[22] This is one of the reasons why the concept is opposed by developing States with a traditionally strong labor base and labor unions due to their erstwhile affiliation with socialist ideologies.

of the globalization concept in the international arena is under the aegis of the TNC's who are the owners of technology and capital. These TNCs in turn owe their allegiance to their home States --the industrialized States: hence the process is indirectly under the control of the industrialized States. This link between the transnational, industrialized States and globalization can be said to be the genesis of the suspicions of the developing States in relation to globalization.

The World Trade Organization (WTO) is the operative organization controlling the globalization agenda. It has as its legal basis the WTO Agreement, which has been signed by many nations including Nigeria.[23] The Agreement has many provisions regulating technology transfer an example is Annex 1.C of the Agreement. The Agreement in addition covers intellectual rights in the' Trade-Related Aspects of Intellectual Property Rights' (TRIPS). Other aspects of intellectual property such as copyrights, trademarks, geographical indicators, industrial designs, patents, designs of integrated circuits, know-how, and anti-competitive provisions are also part of its ambit. These provisions are meant as a way by which the developing States increase their access to technology. An anachronism is however created by Articles 3 and 4 of the Agreement, with the result that these States end up providing local protection through their patent laws to the incoming technology at the cost of having access to its use.

For Nigeria in particular, the deregulation of the economy apart from the obvious connection with the IFI's is also in compliance with the nations obligations to the World Trade Organization (WTO) Agreement to which she has signed. The 'Globalization' of world economies is a fait accompli although developing nations who do not produce competitive goods have been complaining that the regime is not favorable to them. The major reason is that developing States as raw materials producers are at the mercy of the major buyers of these goods who happen to be the developed States. Be that as it may, the fact is that globalization is here to stay for the time being at least. The challenge is for the developing States to hasten up their industrialization and produce goods that will be competitive in terms of the global economy. These States, in addition, need to stop the excessive control of their economies[24] and move towards a relatively free economy with the private sector as the pivot of the economy, a much-stated policy outlook of the incumbent Nigerian government.

Developmental Issues for Nigeria and Other Developing States

Although this paper has addressed the issue of development earlier on, it is at this point pertinent to have a definition of development. But the question would be, can development really be defined? This question becomes necessary due to the various attributes of the concept. What then is our definition of development for the purpose of this paper? Although it is generally acknowledged that the Third World is

[23] There have however been complaints by Third world States including Nigeria on the Euro centric nature of the Agreement which is detrimental to the developing States.

[24] It should be noted also that protectionist policies are contrary to the provisions of the WTO Agreement.

less developed than the industrialized States of the World, the indices to determine development are varied. However, a general assessment of development could be related to the State's independence in terms of its ability to finance capital and develop technology within its borders. Such a State will therefore source its own investment capital and technology to build up its infrastructural capacity.[25] It is however true to note that development as a concept is connected to the presence within a State of infrastructural facilities, such as the provision of energy, transport systems among others which enhance the lives of the inhabitants of that State and therefore enable them to contribute positively to the society.

Development is therefore a commodity, which once established is self-generating, as it signifies the ability of the nation and its citizens to be actively involved in the growth of the State. The fate of the Third World as suppliers of unprocessed raw materials to the industrialized States is a corollary of the underdeveloped nature of these States. Development also implies that a State has the requisite human capacity to harness these materials and has the economic capacity for its citizens to use these goods to improve their life styles. This assessment of development thus encompasses both infrastructural as well as the human dimension of development.

The developing nations lack both aspects of development. It was the case that the initial focus of developing these States was the infrastructural aspect of development. The industrialized nations felt that capital/ technology infusion could address the imbalance.[26] The truth is that mere grafting of these resources cannot be the solution. There has to be in addition a building up of human capacity within the system for these things to effectively take root. In recent times, therefore, it has become the practice for international agencies and even local development agencies and non governmental organizations (NGO's) that are involved in development to emphasis the human capacity development aspect. This is due to the fact that other modes of development that have focused on infrastructural development have failed to solve the development problem. In addition, it is an obvious truth is that it is virtually impossible for development to occur solely through external intervention, and the sooner a nation like Nigeria comes to this realization, the better. A suggestion is that the nation attempts a look at the problem from within and put in place policies that will encourage the full utilization of incoming technology, development and capital by the citizens of Nigeria.

In this wise it is pertinent to note that there is a cultural aspect to development. There is a need for the societal focus to shift from materialism and immediate gratification to one in which technology will be appreciated even when it does not present instant results. There should also be an emphasis on scientific education and endeavor, which will allow the people to reorient their thoughts from superstitions and such

[25] See generally, Guy Arnold; Aid and the Third World The North/South Divide, Publishers, Robert Royce Ltd, 1985
[26] ibid.

other ideas. In Nigeria for example, the societal outlook does not encourage scientific/technological endeavor. This is due to the fact that it does not offer any immediate financial benefits neither does it present tangible results that can be understood by the people. In addition it is a very expensive commodity to develop. It is therefore the case that the society discourages the young from scientific and technological bias except it leads to a medical or other socially acceptable qualification. It is however an irony that when out of the country, without such societal inhibitions, Nigerians excel in technological feats.

The Nigerian Development Forecast

Nigeria's development needs like in all Third World States are investment capital, technology, infra-structural development and increased quality of social factors. For the Nigerian Government, the focus has been to increase the quality of infrastructure, social amenities and the ability of the populace to utilize the same in a productive manner. This has involved the State directly as the provider of these amenities. The increase in oil wealth in the early seventies enabled the government get involved in development issues single handedly. The present troubles of the State, developmentally, can be attributed to its over dependence on oil revenue. This dependence has resulted in wasteful expenditure and extensive corruption in the nation's economy as the oil sector of the economy had not been subject to prudent management. Naturally, the reduction in oil revenue in the late seventies/early eighties as a sequel of the fall in the international price of oil lead to less availability of monies to pursue the developmental policies of the State. In fact the immense profit in the sector has encouraged un- audited expenses by all arms of government and the perception that governance in Nigeria was for feathering of private nests of government officials and their friends and relatives. Apart from the previously noted problems, Nigeria as a mono-product economy dependent on oil revenue is disadvantaged with respect to international trade, which is a commodity that is dominated by the developed industrialized nations who are the users of the oil and owners of the TNCs. In addition, the inability of the nations other products to assess the external market definitely limits her ability to diversify from dependence on oil.

The economy is also seriously import-dependent, with agriculture, the initial revenue source of the nation relegated to the background with the resultant impoverishment of the rural community. Since the economy can only grow through industrialization and trade, the government in realization of this fact has put in place some policies to encourage the growth of the other sectors of the economy. This is focused on the revival of the various sectors of the economy that had suffered under the preceding regimes. These include the solid minerals sector, industries and small-scale industries focusing on exports. However the production costs of the Nigerian entrepreneur is immense. The infrastructural facilities inadequacy adds to the production cost. It is therefore clear that attention must be given to the collapsing infrastructure and services. Without this, it is doubtful if any attempt at development and industrialization will be successful. In addition, the revival of the economy must also include an attempt to alleviate the persistent poverty in the land to enable all Nigerians to eventually participate in the development of the nation.

The reference to poverty brings up the issue of large-scale corruption prevalent in the nation. This is acknowledged as the basic factor that has consistently reduced the availability of resources that could have been used for development of the nation and its people. Those in authority embezzled a number of foreign loans taken for development of the nation's infrastructure. The balance of payment deficit[27]which resulted from these unpaid loans led the nation to resort to the IFIs with the subsequent institution of the Structural Adjustment Program (SAP). These measures had the side effect of unmitigated poverty, with an increased volume of crimes and social conflict on the society. It is, however, the case that development is closely connected to peaceful conditions within the polity, so the situation of conflict prevalent in the nation is inimical to development. It is in this way that attempts to address the issue of poverty in the nation are crucial.

The Nigerian nation has had both political and economic problems since independence. The restoration of democratic rule has increased expectations that there would be a change in the economy from a depressed one to that which is buoyant.[28] This is based on the fact that development and democratization have become somewhat synonymous or synchronistic in meaning. This is due to the fact that democracy encourages enterprise, which in turn increases the collective wealth of the people. The fact of democratization i.e. government by popular suffrage in addition is a means by which conflict is avoided in change of government and therefore peace, which is so essential to development, is encouraged. The long years of military rulership in which change of government was effected through coups affected the psyche of the people and needs to be erased from the collective memory. In any case, this period marked the darkest days as far as development of the nation is concerned. The advent of democracy has encouraged the inflow of investment, concurrent employment and resultant moderate prosperity for sections of the populace. This is not to say that democracy does not present any problem. The basic problems of democracy in Nigeria are linked to the struggle for supremacy by the different ethnic and political forces in the nation. These problems need to be addressed as quickly as possible so that the people can prosper and national development guaranteed.

Conclusion

This paper has examined the related issues of foreign investment, technology and national development. An examination of the role of foreign investment and technology in Nigerian development as in any Third

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[27] ibid.

[28] In fact the last but one Human Development Report released by the United Nations Development Programme (UNDP) placed Nigeria 136th out of a total of 162 nations, and lower than 22 other African nations. The recent report of 2002 is not much different.

World State is per se an attempt to study the problem of underdevelopment. Any discussion of these problems will feature concepts like, foreign investment, technology, structural adjustment and transnational corporations. A recent addition is the globalization concept in relation to international trade. The discovery is that much more measures than have been undertaken still need to be embarked on if any developing State, Nigeria included, wishes to make a headway in utilizing foreign investment as a means of technological and therefore national development. The fact that foreign investment is tied to the TNC as the vehicle of development is a basic problem. This means that the profit motive of these enterprises is usually at variance with the development objective of the developing State. Thus the financial handicap of the State restricts the type of technology that can be brought into the country.

Underdevelopment is manifested by poverty, poor infrastructural capacity, low industrial operation, with consequent low employment, and depletion in all sectors of the economy. All these are concurrent with widespread illiteracy of the populace compounded by poor social services. Remedial programs involving measures to upgrade infrastructure and services as well as open up the economy to competition have been embarked on in the expectation that this will enhance economic and developmental objectives. The shortage of facilities that the populace can utilize is a primary problem as this limits the ability of the people to contribute effectively to the development of society. This also affects the investment climate in the nation. The lack of infrastructure and other facilities increases the cost of doing business in Nigeria, with the consequent effect that the prices of goods and services in the country are higher than what obtains in other nations. The overall effect is the uncompetitive nature of goods produced in the country, even when compared to imported goods. A new investment code with liberal investor friendly procedure is set to expose the hitherto closed business environment of the Nigerian business enterprise to new technology. This should ultimately improve the development base of the nation.

Trade in Services and Intellectual Property Rights, are problems for a developing nation like Nigeria, since it allows access to the local market to operators from the developed nations. This can kill local enterprise especially as foreign enterprises have access to the latest technology giving them an edge over local enterprise. If the issue is perceived in the overall interest of the State, it is however clear that although in the short term there are negative consequences for the local economy as the old ways pass away, but long-term benefits, technologically speaking, far outweigh these. In this respect, it is pertinent to note that the deregulation of the economy, although much criticized, may ultimately serve as the catalyst to the indigenous development of technology. This is due to the fact as noted earlier on in the paper that private entrepreneurs have always been in the vanguard of developing and owning commercial technology due to the financial gains derived thereof.

Generally, apart from private sector enterprise, development is usually through imported investment and technology in tandem with government policies acting on the operation of the process. Legislation although an important aspect of this process cannot be the only aspect, it must be in association with the repair of infrastructure and development of the people. It is, however, clear that although foreign investment can be useful in developing a State, it cannot be the only means of development. The issue of the TNC as a competitor in the local market is important to note here. Clearly if the local producer is left totally to its own devices, it will most likely bow to the superior technology of the foreign investor. It may be that apart from protectionist policies favoring the local investor, which are in any case contrary to the WTO agreement, the government may require the local and foreign investor to enter into some kind of partnership that will enable the indigenous enterprise to benefit technologically.

Finally, although it is true that foreign investors need some incentive to enter a developing State to help in its development, Nigeria has some advantages that may balance if not outweigh the observed disadvantage of capital inflow into the nation. Contrary to the majority of other developing States in Africa at least, the Nigerian State is blessed with a large population and an elite class created from oil wealth that is able to afford the trappings of technological development. Thus, foreign investors coming into the nation usually find favorable investment conditions and profitable markets for their goods despite the constraints of operating in the country. The real problem of the foreign operators however, is the unstable economic and political climate, which serves as a threat to their operations and their capital. This factor more than infrastructural problems has proved to be the stumbling block in the way of investment inflow for development in Nigeria. The challenge for the government and people of Nigeria is therefore to create a peaceful and stable environment for the entrance and retention of foreign investors, development of technology and development of both human and infrastructural capacity.