Nigeria's Economic Growth: Emphasizing the Role of Foreign Direct Investment in Transfer of Technology

A Y Dutse, School of Management Technology, Abubakar Tafawa- Balewa University, Bauchi,
adutse@yahoo.com, +2348023543186

Abstract

The growth and development of Africa and indeed Nigeria's economy depends largely on foreign direct investment (FDI), which has been described as the major carrier for transfer of new scientific knowledge and related technological innovations. The need to step up Nigeria's industrialization process and growth, calls for more technology spill-over through foreign investment. This article examines Nigeria's Economic situation, explores the link between FDI and technology transfer to foreign subsidiaries and spillover to Nigeria's domestic firms. In doing so it offers sustained analysis of available literature, policy documents, official reports and economic information on Nigeria. The article concludes that FDI can facilitate economic growth in Nigeria by generating both technological and efficiency spillovers to local firms, encouraging innovation, allowing technology adoption and developing human capital.

1.0 Introduction

Undoubtedly Africa and indeed Nigeria is facing an economic crisis situation featured by inadequate resources for long-term development, high poverty level, low capacity utilization, high level of unemployment, and other Millennium Development Goals (MDGs) increasingly becoming difficult to achieve by 2020. Promoting and facilitating technology transfer through foreign direct investment (FDI) has assumed a prominent place in the strategies of economic revival and growth being advocated by policy makers at the national, regional and international levels because it is considered to be the key to bridging the technology and resource gap of underdeveloped countries and avoiding further build-up of debt (UNCTAD, 2005).

Given this development, Ikiara (2002), UNIDO (2002), UNCTAD (1997) recognize and emphasize the significance of FDI in providing technological know-how, capital, management and marketing skills, facilitating access to foreign markets and generating both technological and efficiency spillovers to local firms provided the right policy and business conditions are available.

By facilitating access to the above, FDI is expected to improve the integration of the Nigeria's economy into the global economy, and further spurring economic growth through technological advancement.

In view of the above fact, Nigeria's investment policies and regulations have been improved to contain provisions aimed at encouraging foreign investors to invest in the country. Other measures include; the liberalization of the foreign investment regime to allow major foreign ownership, lifting foreign exchange controls and the privatization of Nigeria's public enterprises.

This article has the central objective of exploring issues relating to how FDI can influence Nigeria's economic performance by facilitating the transfer of technology. Through review of relevant literatures, and analysis of policy documents, official reports and economic information on Nigeria, it concludes that FDI, can facilitate economic growth by generating both technological and efficiency spillovers to Nigeria's local firms, encouraging innovation, allowing technology adoption and developing human capital.

2.0 Conceptual framework

Several experts have offered a variety of explanations on the meaning of FDI, technology transfer and the mechanism that exist between them which may result in a country's economic growth. To provide conceptual framework on the topic this article has identified some.

2.1 Foreign Direct Investment

Mwilima (2003) describes FDI as investment made to acquire a lasting management interest (usually at least 10% of voting stock) and acquiring at least 10% of equity share in an enterprise operating in a country other than the home country of the investor.

FDI has further been explained as the long-term investment reflecting a lasting interest and control, by a foreign direct investor (or parent enterprise), of an enterprise entity resident in an economy other than that of the foreign investor (IMF, 1999).

Equally, Mallampally and Sauvant (1999) describe FDI as investment by multinational corporations in

foreign countries in order to control assets and manage production activities in those countries.
Expanded explanation on the meaning of FDI has been offered by Ayanwale (2007) as ownership of at least 10% of the ordinary shares or voting stock is the criterion for the existence of a direct investment relationship. Ownership of less than 10% is recorded as portfolio investment.

FDI comprises not only merger and acquisition and new investment, but also reinvested earnings and loans and similar capital transfer between parent companies and their affiliates. Countries could be both host to FDI projects in their own country and a participant in investment projects in other counties. A country's inward FDI position is made up of the hosted FDI projects, while outward FDI comprises those investment projects owned abroad.
It is evident from the above that an agreed framework meaning of FDI exists in the literature.

2.2 Technology Transfer
Muchlinski (1997) describes technology transfer as the process by which commercial technology is disseminated. Hoppe (2005) simply describes technology transfer as the arrival or the transfer of a certain technology to a country, where it has not been used before.
A more detailed explanation on technology transfer has been offered by (Dantas, 2005) as the processes by which technological knowledge moves within or between organizations. International technology transfer refers to the way in which this occurs between countries. He further explains that the technological knowledge that is transferred can assume various forms. It can be embodied in goods (including physical goods, plant and animal organisms), services and people, and organizational arrangements, or codified in blueprints, designs, technical documents, and the content of innumerable types of training. It can equally be communicated through flows of tacit knowledge that has not been fully codified, and remains embodied in the skills of people.

Ikiara (2003) further explains that technology transfer can occur directly to local firms involved in joint venture with the MNC or indirectly, as a spillover benefit to unaffiliated local firms. He identified four interrelated channels through which spillovers occur: vertical linkages between affiliates and their suppliers and customers in the host country, horizontal linkages between the affiliates and domestic firms in the same industry, labour turnover from the affiliates to domestic firms, and internationalization of Research & Development (R&D).

2.3 Can FDI Facilitate Growth through Transfer of Technology?
Consensus in the literature supported by some empirical evidences seems to be that foreign firms through FDI do transfer technology to their affiliates; a process which can equally allow spillovers to unaffiliated firms in the host economy which in turn increases growth through productivity and efficiency gains by local firms.
Blomstrom and Sjöholm (1999) and UNCTAD (2000) maintained that FDI contributes to economic growth via technology transfer through multinational firms transferring technology either directly (internally) to their foreign owned enterprises or indirectly (externally) to domestically owned and controlled firms in the host country.

Romer (1986) and Lucas (1988) argue that FDI spurs long-run growth through such variables as R&D and human capital. They suggest that, through technology transfer /to their affiliates and technological spillovers to unaffiliated firms in the host economy, foreign companies can speed up the development of new intermediate product varieties, raise product quality, facilitate international collaboration on R&D, and introduce new forms of human capital.

Other empirical studies conclude that FDI contributes to total factor productivity and income growth in host economies, over and above what domestic investment would trigger (Balasubramanyam et al., 1996; Keller, 1996; and Ayanwale, 2007). The studies found, further, that policies that promote indigenous technological capability, such as education, technical training, and R&D, increase the aggregate rate of technology transfer from FDI and that export promoting trade regimes are also important prerequisites for positive FDI impact which would reduce the technology gap existing between developed wealthy and undeveloped poor nations.

Additionally, there are other similar empirical evidences on positive direct technology transfer from a foreign firm to its local affiliates in terms of higher productivity levels and growth in developed as well as developing countries (Haddad and Harrison, 1993; Girma, et. al, 2001; Aitken and Harrison, 1999; Borensztein, et. al,1998; Blomström and Sjöholm, 1999; Saggi, 2003).

Temple (1999) demonstrates that technical change and technological learning are important determinants of economic growth.
Ikiara(2003) suggests that foreign firm may allow local firms to appropriate its technology if this guarantees it access into some of the benefits available in the host country such as access to

valuable local technology and possibility of receiving commercial advantages.
By implication Nigeria requires such technical change and technological learning to achieve any meaningful growth.

3.0 History, Structure and Performance of the Nigerian Economy

Nigeria's economy has been described as a dual economy with a modern segment dependent on oil earnings, overlaid by a traditional agricultural and trading economy (Thomas and Canagarajah, 2002).

At independence in 1960 agriculture accounted for well over half of GDP, and was the main source of export earnings and public revenue. The oil sector, which emerged in the 1960's and was firmly established during the 1970's, is now of overwhelming importance to the point of over-dependence: it provides 20% of GDP, 95% of foreign exchange earnings, and about 65% of budgetary revenues. Table 1 below provides a picture of Nigeria's economic performance from 19919-2001.

The largely subsistence agricultural sector has not kept up with rapid population growth, and Nigeria, once a large net exporter, now imports food. Based on GNP per capita, Nigeria is among the world's 20 poorest countries.

Economic growth since the early 1970's has been erratic, driven primarily by the fluctuations of the global oil market. During the 1980's and 1990's Nigeria faced growing economic decline and falling living standards, a reflection also of political instability, corruption, and poor macroeconomic management exhibit by failure to diversify the economy.

Table 1: Nigeria-Performance of the Economy, (1991 - 2001)

PERFORMANCE OF NIGERIA ECONOMY 1991 TO 2001

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Real GDP Growth (%)	4.8	3.0	2.7	1.3	2.2	3.4	3.2	2.4	2.8	3.8	
Crude Oil (%)	9.2	2.7	-2.6	-6	0.8	6.9	1.4	-4.9	-4.2	0.6	
Non Oil Sector (%)	4	3.0	3.1	2.4	2.5	2.9	3.4	3.8	3.6	3.1	
Population Growth (%)	2.1	2.1	3.2	2.1	2.1	2.8	2.8	2.8	2.8	2.9	
Unemployment Rates (%)	3.1	3.4	2.7	2	1.8	3.4	3.2	3.9	3	3.6	
Adult Literacy Rates (%)	54	54.0	55	55	55	57	57	57	57	57	
Life Expectancy (Years)	54	51.0	52	52	52	53	53	54	54	54	
Manufacturing Capacity Utilisation (%)	42	38.1	35	30.4	29.1	36.8	34	34.9	39	34.5	35
Inflation Rate	13	44.6	57.2	57	72.8	29.3	8.5	10	6.6	6.9	16.6
Crude Oil Production (Million Barrel per day)	1,890	1944	1,960			2	2.2	2.11	2	2.2	
International Oil Price Bonny Light (US & per barrel)	20.14	19.8	17.5	16.17	16.6	21.21	19.4	12.9	18	28.6	
External reserves (US & Million)	4,487	713	133	1,659	1,441	4,075	7,581	7,100	5,450	9,910	10,500
Balance of Payment (Nb) Overall	(15.50)	(101.40)	(41.70)	(42.60)	(195.20)	(53.20)	1.10	(220.70)	(326.60)	314.00	

*Source: The Central Bank of Nigeria -**Annual Report and Statement of Accounts - Various issues*** (Reviewed, 1st Nov 2005)

Thomas and Canagarajah, (2002) further explain that the formal, capital intensive sector has a few multinational firms, a multitude of small local industries, and a myriad of government parastatals operating in most areas of economic activity.

The formal, urban, capital-intensive sector jobs are better paying and more secure, but scarce. The duality of the economy arose in large measure from domestic policies that steered most investment—physical, human, and technological—into a few already capital-intensive sectors of the economy. World Bank, (1997) maintains this position by indicating that the benefits of government and foreign investment have only reached relatively narrow strata of the population, while the majority of the people have not benefited from higher productivity or increased real wages (Adenikinju, 2005).

3.1 Nigeria's FDI trend, Economic and Investments Potential

Nigeria, consequent upon recognizing the critical role that FDI can play in its economic growth process, competes aggressively with other countries in attracting FDI. This development is clearly evidenced in Table 2 which exhibits the pattern of FDI flow to top 25 African countries with Nigeria ranking fourth after Angola, South-Africa and Egypt in 1998-1999.

Table 2: The Top 25 Recipients of FDI Inflows into Africa, 1998-99

Country	1998	1999
Angola	1114	1814
South Africa	561	1376
Egypt	1076	1065
Nigeria	1051	1005
Morocco	329	847
Mozambique	213	385
Sudan	371	371
Tunisia	670	329
Cote d'ivore	314	279
Uganda	210	222
Gabon	211	200
United Republic of Tanzania	172	183
Zambia	198	163
Lesotho	262	136
Equatorial Guinea	24	120
Ghana	56	115
Namibia	77	114
Botswana	90	112
Ethiopia	178	90
Guinea	18	63
Malawi	70	60
Senegal	71	60
Seychelles	55	60
Zimbabwe	444	59
Madagascar	16	58

Note: Ranked on the basis of the magnitude of 1999 FDI inflows

Source: UNCTAD, FDI/TNC data base

In this regard, the government of Nigeria has taken a number of steps towards reorienting economic policy, and fostering private-sector-led growth and encouraging foreign direct investment. These efforts include Liberalisation of the foreign investment regime, lifting foreign exchange controls and the privatisation program.

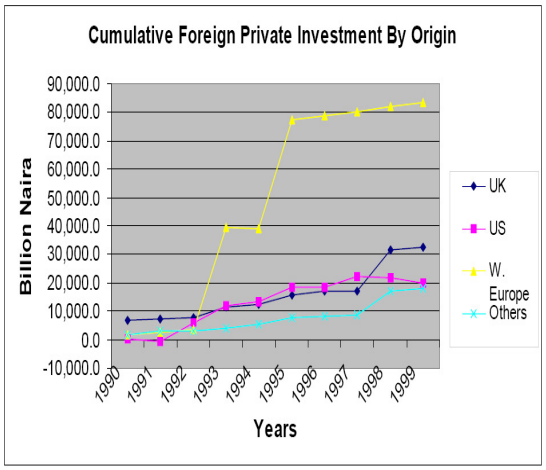
Overshadowing this derive, the country's infrastructure is down, power supply is epileptic, the roads are chaotic and queues at petrol stations are long-winding, though the country is among the largest producers of crude oil in the world. This situation calls for proper strategies to sustain and further attract more FDI in order to facilitate sustainable economic growth and development.

However, due to global oil prices surge, Nigeria has been realizing increased revenue from oil. Significantly, besides increased spending on infrastructure and other capital projects, a portion of oil revenues is being injected into a stabilization fund to smooth out future oil price volatility. Deregulation of the telecoms sector triggered rapid and profitable growth of mobile telecommunications; indicative of the vast latent potential of Nigeria's approximated 140 million-strong consumer market.

Indeed, the most immediate investment opportunities exist in rehabilitating Nigeria's decrepit infrastructure. A sizeable proportion of Nigeria workforce are well-educated and resourceful and a wealth of unexploited natural resources. Moreover there exist a good trade links with the rest of West Africa which gives it access to a market force of 250 million, thereby making it a good target for foreign investment.

Nigeria has of recent witnessed a reasonable level of macroeconomic stability and GDP growth is estimated to have surpassed 5% in 2004 (Financial Times, 2005). Coupled with investment promotion policies of the successive governments, the economy has witnessed a surge in the level of FDI inflow. Figure 1 depicts a pattern of constant growth in the level of FDI flow to Nigeria from 1990 - 1999. It can be observed that from 1993 – 1999 Western Europe had the highest level of investment in Nigeria amounting to approximately N90b, followed by UK and USA with approximately N30b and N20b investments respectively.

Figure 1: Cumulative Foreign Private Investment by Origin to Nigeria



Source: Central Bank of Nigeria – Statistical Bulletin Dec. 2001

Furthermore, despite the negative image of the country, poor infrastructure, corruption and foreign exchange shortages, etc, Nigeria consistently benefited from the FDI inflow to Africa (Ayanwale 2007).

Table 3 shows Nigeria's share of FDI inflow to Africa averaged around 10%, from 24.19% in 1990 to a low level of 5.88% in 2001 up to 11.65% in 2002. UNCTAD (2003) showed Nigeria as the continent's second top FDI recipient after Angola in 2001 and 2002.

Table 3: Nigeria: Net foreign direct investment inflow (US$ million)

Year	Africa	Nigeria	% of Africa
1980	392	-188.52	
1990	2430	588	24.19
1995	5119	1079	21.07
1997	10667	1539	14.43
1998	8928	1051	11.77
1999	12231	1005	8.22
2000	8489	930	10.96
2001	18769	1104	5.88
2002	10998	1281	11.65
2003	15033	1200	7.98

Source: UNCTAD FDI database online

Interestingly, the levels of FDI to Nigeria continue to increase dramatically as from 2003 to 2006 as shown in Table 4. As can be seen, the amount of FDI surged from $2.33B in 2003 to $9.92B in 2005 with 29 and 38 projects respectively. Moreover, it is evident that almost all the key businesses in the economy have been affected by the development.

Table 4: Current trends of FDI in the Nigerian Economy

Annual FDI data for Nigeria by Year		
Year	FDI Projects	Capital Investment US$
2003	27	$2.23 Bn
2004	20	$5.31 Bn
2005	38	$9.92 Bn
2006	26	$9.44 Bn
FDI by Key Business Function		**Projects**
Manufacturing		53
Business Services		18
Extraction		18
Sales, Marketing and Support		10
Retail		5
Maintenance/Service		5
Logistics and Distribution		5
Construction		4
Research and Development		4
Electricity		3
Internet or ICT Infrastructure		2
Training		1

Source: LOCOmonitor.com

Table 5: Current Macroeconomic Indicators for Nigeria

		2007	2008 (Projected)
GDP	Estimated in US$ min	132,200	
	Real Annual % Growth	4.3	8.0
Consumer Prices Annual % Change		5.3	7.4
Gross fixed capital formation % of GDP		23.1	
Fiscal Balance % of GDP		2.3	
Official Grants % of GDP		-0.1	
Exports Estimated in US$ min		59,625	
Import Estimated in US$ min		34,626	
Terms of Trade Ratio of export-to-import prices		2.7	
Current Account % of GDP		1.8	
External Debt in US$ min		6,000	
Official Debt % of GDP		2.6	
Credit Rating Standard and Poor's		BB-stable	

Sources: IMF, World Bank, Economist Intelligence Unit and World Investment Report, in African Review of Business & Technology, Feb. 2008

Assuming the global economy and regional political situation remain stable in 2008, it is reckoned that Nigeria's will expand

tremendously by oil production to meet the expanding demand in the global market.

Table 5 depicts Nigeria's recent macroeconomic indicators. Real GDP annual growth is projected to double from 4.3% in 2007 to 8.0% in 2008 with Credit rating standard of the economy as somewhat favourable. This situation represents high level of potentials for FDI in the country as investment opportunities are available in virtually all the sectors of the economy.

Apart from investing directly in the up-stream sector of the oil industry in Nigeria as it is commonly done, companies can invest in such lucrative down-stream industries such as Crude oil refining, transportation and storage, Production of liquefied natural gas, Manufacture of gas cylinders, valves and burners, Processing plant for refined mineral oil, petroleum jelly and grease, Chemical industries, Fertilizer plants, Petrochemical plants, rubber and plastics plants; and so on.

Other sectors of the agro-allied sector in Nigeria with investment potential include, Food preservation, Animal feeds production, Fruits processing, Livestock and abattoir development, Trawling fish and shrimps, Large scale integration farming, Fabrication of small agricultural tools, Production of agricultural chemicals and other inputs, etc.

Numerous minerals exist including Limestone, Coal, Tantalite, Gypsum, Gold, Barite, Marble, Manganese, Lead/zinc, Bitumen, Tin and columbite, Iron ore, Kaolin, etc.

Another sector that presents investment opportunities includes such service sectors as the generation, transmission and distribution of electricity. This includes the local manufacture of cables, transformers and porcelain and other electricity equipments, appliances and component parts. The telecommunication industry is another service sector that can attract investment. Here, investment could be made in the provision of private network links, sales and installation of terminal equipments, manufacture of telecommunication equipments and accessories, etc

4.0 Role of FDI in transfer of technology and growth

Nigeria needs to strive more in order to attract FDI because of its acknowledged advantages of transferring technology and as a tool of economic development. The obvious benefits the country stands to gain as a result are summarized as follows:

Facilitating Technology Spillover

Evidently FDI spillovers may occur may occur in Nigeria through a variety of activities, including labour and management training, demonstration, technological copying, direct licensing of technology, and vertical linkages in the production and distribution value chains.

Empirical Evidences show that the generated spillovers and therefore economic growth may be influenced by direct domestic competition, host country labour market standards, technological capability or absorptive capacity of local firms, limited technological gap between foreign and host country firms, (OECD, 2002) and complementarity of foreign and host country technologies, the nature of FDI, the motives and attributes of the foreign investors (Ikara, 2003); high education levels, wealth, fully developed financial markets, and trade openness (Borensztein et al., 1998; Balasubramanyam et al., 1996).

Encouraging Innovation

Ikiara (2003) maintained that innovation is one of the direct benefits of FDI. It forces local firms to innovate to remain competitive by increasing competition in the host country market.

Moreover, Nigerian firms could appropriate productivity benefits from R&D performed by foreign owned firms regardless of where it is performed through imports of intermediate goods produced by the foreign firm and through other channels as evidenced by the work of (Bernstein and Mohnen, 1998). It can further be argued from the result of their work that the R&D performed by foreign firms could raise the rate of return to R&D and other innovation generating activities of Nigerian domestically owned firms.

Allowing Technology Adoption

Ikiara (2003) and OECD (2002) further suggest that FDI may further lead to technology adoption by Nigerian firms through establishing linkages with domestic firms via subcontracting and other mechanisms. By implication Nigerian firms may adopt technologies introduced by foreign firms through imitation, reverse engineering, or vertical linkages.

Developing Local Human Capital

There exist some empirical evidence that affiliates of foreign firms tend to provide training and learning than do domestic enterprises, (OECD 2002). Foreign firms operating in Nigeria can enhance internal human capital

through training and on-the-job learning. Ikiara(2003) further suggested that with physical movement of workers, the human capital (knowledge embodied in workers) could be transferred to other sectors of the host economy.

5.0 Conclusions

It became evident that Nigeria has witnessed a surge in the level of FDI flow in to its economy. Consequent upon this the GDP level has also increased considerably, arguable potentials for growth exists within the economy. The study further explores the crucial role of FDI in technology transfer and how it can further promote Nigeria's economic development. For the country to effectively reap the benefits, its economic planners should create a healthy and enabling business environment that encourages both foreign and local investors, provides incentives for innovation and skills improvement, and contributes to competitive corporate climate.

It should also improve the general macroeconomic and institutional frameworks, including stable and high economic growth rate, liberal exchange rates, convertible currency, low inflation, minimal current account deficit and external indebtedness, low interest rates and access to capital, efficient banking system and capital markets, and competitive corporate tax rates.

Government of Nigeria should provide infrastructure, technology, and human and other competencies to levels that facilitate full realization of FDI benefits by establishing focused programmes of reducing the cost of doing business, with such elements as improving the quality and reducing the cost of infrastructure (transportation, roads, electricity, and telecommunications, among others).

Finally, Nigeria's policy makers should formulate and implement effective investment promotion policies, including national marketing initiatives, but only after the fundamental determinants of FDI are in place.

[1] Adenikinju A. F. "Productivity performance in developing countries: Country case studies – Nigeria", *UNIDO Report,* 2005.

[2] Aitken, B.J. and Harrison A.E. "Do Domestic Firms Benefit from Direct Foreign Investment? Evidence from Venezuela", *The American Economic Review* 89 (3) 1999, pg. 605- 618.

[3] Ayanwale A. B. "FDI and Economic Growth: Evidence from Nigeria", *African Economic Research Consortium Research Paper No. 165,* 2007.

[4] Balasubramanyam, V.N., M.A. Salisu, and D. Sapsford, "Foreign Direct Investment and Growth in EP and IS Countries", *Economic Journal* 106: 1996, pg. 92-105

[5] Bernstein, J.I. and Mohnen P. "International R&D Spillovers and Japanese R&D Intensive Sectors", *Journal of International Economics 44,* 1998 pg. 315-338.

[6] Blomström, M. and Sjöholm, F. "Technology Transfer and Spillovers: Does Local Participation with Multinationals Matter?" *European Economic Review, 43,* 1999*, pg. 915-923.*

[7] Borensztein, E., DeGregorio, J. and J.W. Lee "How does Foreign Investment Affect Growth?" *Journal of International Economics* 4(5) 1998

[8] Dantas E., "Technology Transfer: Meaning and Mode", *Retrieved from Science and Development Network, www. SciDev.net July 17th 2006.*

[9] "Foreign Direct Investment in Nigeria", Financial Times London, FTL Retrieved from www.fdiMagazine.htm, 8th March, 2007

[10] Girma, S., Greenaway, D. and Wakelin, K. "Who Benefits from Foreign, Direct Investment in the UK? " *Scottish Journal of Political Economy, 48,* 2001, *pg.119-133.*

[11] Haddad M. and Harrison, A. "Are There Positive Spillovers from Direct Foreign Investments? Evidence from Panel Data for Morocco", *Journal of Development Economics, 42,* 1993, pg *51-74*

[12] Hoppe M. "Technology Transfer through Trade", 2005, *Social Science Research Network Electronic Paper Collection*: http://ssrn.com/abstract=657324

[13] Ikiara, M.M. "Impact of Foreign Direct Investment (FDI) on Technology Transfer in Africa: Conceptual Issues and a Research Agenda", *African Technology Policy Studies Network (ATPS) Special Paper Series No 6,* 2002.

[14] Ikiara, M.M. "Foreign Direct Investment (FDI), Technology Transfer, and Poverty Alleviation: Africa's Hopes and Dilemma", *African Technology Policy Studies Network (ATPS) Special Paper Series No. 16*, 2003, Nairobi, Kenya.

[15] IMF "Growth in sub-Saharan Africa: Performance, impediments and policy requirements", *World Economic Outlook*, chapter VI. 1999, Washington, DC: IMF.

[16] Keller, W. "Absorptive Capacity: On the Creation and Acquisition of Technology in Development" *Journal of Development Economics* 49, 1996, pg. 199-227.

[17] Lucas, R. Jr. "On the mechanics of economic development", Journal *of Monetary Economics* 22(3), 1988, pg. 3-42.

[18] Mallampally, P. and. Sauvant Foreign K.P "Direct Investment in Developing Countries", *Finance & Development* 36 (1) 1999.

[19] Muchlinski, Peter *Multinational Enterprises and the Law*, Malden, Blackwell Publishers,1997, Pg. 426.

[20] Mwilima N "Characteristics, Extend and Impact of Foreign Direct Investment on African Local Economic Development", Social *Science Research Network Electronic Paper Collection*: http://ssrn.com , 2003.

[21] OECD "Foreign Direct Investment for Development: Maximizing Benefits, Minimizing Costs". Organization for Economic Co-operation and Development (OECD) Report, April,2002, Paris

[22] Romer, P.M. "Increasing Returns and Long Run Growth" *Journal of Political Economy, 94,* 1986, pg. *1002-1037.*

[23] Saggi, K. "Encouraging Technology Transfer to Developing Countries: Role of the WTO", *report for Commonwealth Secretariat* 2003.

[24] Temple, J. "The New Growth Evidence" Journal *of Economic Literature* 37(1), 1999, pg. 112-156.

[25] Thomas S and Canagarajah S "Poverty in a Wealthy Economy: The Case of Nigeria"; *IMF Working Paper No. WP/02/114,* 2002.

[26] UNCTAD) "World Investment Report: Transnational Corporations, Market Structure, and Competition Policy", United Nations, 1997, Geneva.

[27] UNCTAD "Capital Flows and Growth in Africa" *UNCTAD/GDS/MDPB/7, New York and Geneva: United Nations,* 2000.

UNCTAD "Economic Development in Africa: Rethinking the Role of Foreign Direct Investment", *United Nations Publication UNCTAD/GDS/AFRICA/2005/1,* 2005.

UNIDO "Innovative Technology Transfer Framework Linked to Trade for UNIDO Action", *World Summit on Sustainable Development*, 2002, Vienna.