

**An Exploratory study of conceptual model of the key  
success factors of FDI – Lessons from Ireland for  
Nigeria.**

**Ade Olayiwola Adeyanju**  
**Master of Science (MSc) in Management**

**NATIONAL COLLEGE OF IRELAND IFSC, MAYOR STREET, DUBLIN**

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## **ABSTRACT**

This study finds the key success factors of Ireland at attracting high level Foreign Direct Investment (FDI) and through conceptual models examine, if there is any learning for Nigeria.

Ireland has vigorously promotes inward FDI and many have considered it as one of the best in the world in targeting foreign investors to the shore of Ireland. Nigeria has embarked on various initiatives and just concluded 2014 World Economic Forum on Africa in Abuja highlight the country position. Also, Nigeria recently rebased its economy, and now the largest Economy in Africa; this on the face of it suggests a reason investor should consider Nigeria as vital partner.

This study seek to examine, is there any lesson for Nigeria from Ireland success.

Empirically, it was noted that Nigeria has the potential of doing exceedingly, albeit there thus remain challenges that must be addressed. Among the six identified factors, few works in its favour if it were to be the continent hub for FDI. The research findings are based on responses from the participants that there are lessons for Nigeria and indeed there is hope for the country to lead the continent with targeted reforms and working toward elimination of nepotism, favourism, concentrate in improving infrastructure, educational standard and above all the country must address the issue of security and power electricity energy, all been part of the clog in the movement of its economy success to the desire level.

### **Keywords:**

Foreign direct investment; FDI; Ireland; Nigeria; African; Conceptual models; Success Factors.

## DECLARATION

I, Ade Olayiwola Adeyanju, hereby certify that this dissertation is entirely my own work and has not been taken from the work of others save and to the extent that such work has been cited and acknowledged within the text of my work.

Signature\_\_\_\_\_Ade Adeyanju\_\_\_\_\_

Name\_\_\_\_\_Ade Olayiwola Adeyanju \_\_\_\_\_

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# List of Abbreviations

AfDB	African Development Bank
CEO	Chief Executive Officer
CSO	Central Statistics Office in Rep. of Ireland
EC	European Community
EITI	Extractive Industries Transparency Initiative
EPA	Environmental Protection Agency
EPTR	Export Profit Tax Relief
FDI	Foreign Direct Investment
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
IDA	Industrial Development Authority (Ireland)
ISA	Investment and Securities Act
MNC	Multinational Corporation
MNE	Multinational Enterprise
NBO	National Bureau of Statistics
NIPC	Nigerian Investment Promotion Commission
OECD	Organisation for Economic Co-operation and Development
OSIC	One stop investment centre



RAG	Regional Aid Guidelines
R&D	Research and Development
SFADCO	Shannon Free Airport Development Company Ltd
SFI	Science Foundation Ireland
UCITIS	Undertakings for collective investment in transferable security
Údarás	Údarás na Gaeltachta "Gaeltacht Authority"
UNCTAD	United Nations Conference on Trade and Development

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# **Chapter One - Outline of research, FDI and parallels**

## **1.0 Introduction**

### **1.0.1 Introduction to FDI generally**

Foreign Direct Investment (FDI) is a form of investment brought directly into a particular country by foreign company. Countries promoting inflows of FDI are expected to derive numerous advantages from it. One of these is the inflow of knowledge and technology – which leads to productivity spill over effects to the local manufacturing sector. O'Hagan and Newman (2011) argue that “policies aimed at attracting FDI are based on the logic that it brings new investment to the economy and directly, it boosts national income and leads to the creation of employment.”

Ireland is well known with its success in FDI and it has been praise for its concerted effort leading to success in this field. For instance, US, Department of State in investment climate statement affirm Ireland robust economic growth through government robust promotion of FDI (US Department of State 2013). This author seek to find out the factors that leads to Ireland success and via conceptual model juxtaposed same with the Nigeria position to elucidate if there is any learning for Nigeria.

Zhang et al (2010) emphasized how the presence of FDI affects the productivity of domestic firms. He stated this as he was considering the effect of the diversity of FDI country of origins and how FDI spillovers are facilitated. FDI is considered direct investment into business venture by a company from another country into the target country. The investing firm is referred to as multinational enterprise (MNE).

The research work is thus, an exploratory investigation of factors that leads to Ireland success; which involve finding how things are made in Ireland through existing literatures on FDI and business climate in Ireland. The finding derived from this will be put forward to Nigerian stakeholder in finding out whether there is any lesson for Nigeria from Ireland success.

### **1.0.2 Structure of Research**

This project is structured broadly, starting with the introduction and progresses with the research structure; followed by FDI entry mode. Second part of chapter one covers contextual background of both countries – highlighting the countries parallel. The essential reading is

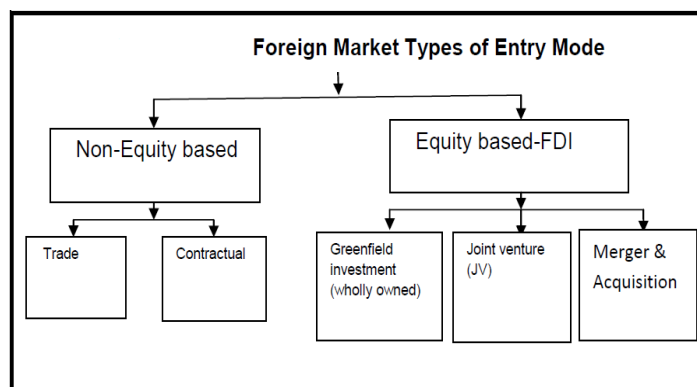
demonstrated in literature review chapter which covers the whole of Chapter 2; there, much relevant theories of FDI were discussed and Ireland FDI determinants and conceptual model of factors leading to Ireland success in attracting FDI. The research also touches on Nigeria before progressing to Chapter 3. At this chapter, the research objectives and research questions were discussed with the Questions to be answered. In chapter 4, the methodology is explained. This chapter also explains the deviation from the initial interview proposed in the proposal; why that was done and justification for this within academic context is explained. Explanation as to why particular design methods was used and the benefit associated with such approach explained, and the Project thus proceeded to introducing the Research finding in Chapter 5 with discussion on conceptual model identified and the view of the selected stakeholder in the survey responses/findings. This chapter entails also the strengths, limitation of the research and with it, is the conclusion and recommendation.

### 1.0.3 FDI Models and Entry mode

FDI is said to be of different types, its methods differ and have different forms. Horizontal type is a duplication of home country based venture, retaining the same chain of operation in a host country; it has been argued that this type - lessen international trade, because the country products are often customise to the taste of local target economy. The platform FDI is another type and it is an investment into target country directly from the source in home country just to achieve export intention to the destination country. The vertical is going through another value chains either by going up or down i.e. engaging in value adding activities in a vertical ways in the host country.

As there are different FDI methods, so is the mode with which the target country, that is the host nation are penetrated into, for instance, in the diagram below, Johnson and Turner (2003) suggested three main entry for equity based FDI which are Greenfield, company access foreign country and owns the enterprise wholly. Joint venture is an entry by which the firm partners with existing firm and the enterprise is run on such term as agreed by the parties whereas the merger and acquisition entails joining and taking over by acquiring the established firm in the host country. (Figure 1 refers)

**Figure 1 Foreign Market Types of Entry Mode**



**Source: Johnson & Turner, 2003**

The form of entry into foreign countries differs. A firm can access another country through Greenfield investment – the establishment of a wholly own new operation in the host country. Other forms of entry could be by acquisitions or mergers with already established firms in the host country. Mergers and acquisitions (M&A) are a primary means of firm growth Volberda, H., Morgan, R., Reinmoeller, P., Hitt, M., Ireland, D., and Hoskisson, R., (2011). The process could involve expanding operations of already existing businesses from the home country into the target country - internationalisation (that is, involving or increasing enterprise present in international market). Internationalisation has many theories which are not the focus of this dissertation. FDI is an active form of investment, unlike investing in stocks in a foreign country that is considered portfolio investment.

Where FDI is entered into via “mergers and acquisition, it simply involves coming together with existing organisations or merging with existing organisations. This could be via joint venture agreement. The focus of this study is to examine, how Ireland has been successful and the lesson for Nigeria irrespective of the means of entry into recipient state.

## ***1.1 Contextual background of Ireland and Nigeria***

### **1.1.1 Ireland/Nigeria FDI political policy & economic parallels**

Ireland is located north-west of Europe; an island and the third largest island in Europe albeit it is very small in size. Ireland links its development to a strategy of open trade and depending on

foreign investment today. It is similar to that of Nigeria, in that its development was link to export in oil and gas – which over 90% are tied to oil trade World Bank (2014). Nigeria accounted for 47% of West Africa's population and has the largest natural resources in the continent.

Ireland has engaged in policies of neutrality, nationality and economy with effort to detach itself from established political and economic dominance of its next neighbour. Nigeria in the past been colonized by Britain made similar detachment effort in many area from the colonial master.

In 1932, Ireland came with the passage of Control of manufacturers Acts (1932, 1934) restricting foreign participation in Irish industry Meenan (1970); Lyons (1971). Drawing parallel to this, Nigeria on the other hand in 1972, introduced Nigerian Enterprises Promotion Act, 1972 to 1977. Although, it was meant to promote the economic activities and involvement of Nigerians but also it was meant to prohibit foreigners from starting certain reserved new businesses and to compelled the foreigners to sell to Nigerians all their interests in any business included in the First Schedule of the Act, and to transfer to Nigerian their interests in companies in the Second Schedule in excess of 40 percent of the equity, or sixty percent in a Third Schedule.

Ireland, in 1973 passed a new constitution in the Dail (Irish Parliament) in 1937 declaring the neutral stance Ireland would henceforth take in international affairs.

Unfortunately, trade declined dramatically and thus plummeted as low as 50 per cent during the Second World War. As a result, it leads to a sharp drop in the standard of living. Despite this, Ireland remained strong with its commitment to independent economic and political vision and in 1948 Republic of Ireland was declared.

Ireland however did not take part in the benefit of internationalisation of trade and growing prosperity in the 1950s leading to the Treaty of Rome (1957).

In the late 1950s it was clear that Irish Government policy must address economic necessity reintegrating the economy in the international ring. Ireland's membership of the United Nations (1955), International Monetary Fund (IMF) and the World Bank in 1957 came by and signify the changes that were apparently needed.

Still in the 1950s, and decades that follows, Ireland sought to join the economic community of north-west Europe, engaging in open trade with benefits of internationalisation of trade with influx of high levels of foreign capital. This conversion improved the Irish economy, therefore there was a noticeable improvement in the quality of life of Irish citizens leading to a reduction in emigration at which stage the economy moved towards full employment and public spending increased on social services.

The image of Ireland depends very much on the spatial perspective adopted and the time period within which analysis is made”. Brunt (1988) argued that as a small nation state, the country has created an image and a role which are disproportionate to its size. The image which has been increasingly influenced by national development policy – he opined.

Similar to the position embark by Ireland, Nigeria took similar measure in correcting anomaly created in its 1972 Act against Foreigner, and promulgate Foreign Exchange (Monitoring and Miscellaneous Provisions) This law was of importance to FDI in Nigeria, as it assist the removal of various embargo placed on foreigners’ investing in Nigeria and thus repealed those other laws Orojo (2008).

Ireland commitment to internationalism was even more apparent with its publication of economic development from the Department of finance in 1958. At this stage the country emphasised the shortcoming of previous stance and proposed changes and thus embark on encouraging foreign participation and export enhancement policy. In Nigeria on the other hand, effort are on high with the activities of government agencies among which was creation of one stop investment centre (OSIC) Body establish for the promotion of the FDI – which is still in existence today.

Ireland accessed General Agreement on Tariffs and Trade (GATT) in 1967; shortly after 1965 Anglo-Irish Free Trade Agreement was made. With the intention and policy of strengthening foreign participation in place; the country sought and became a member of the European Community (EC) in 1973 – although much more must be done considering highly competitive nature of the community market. Irish indigenous firm may not be capable of generating all what it takes to compete in global and export market. Then Ireland vision was to enhance its position as a base for FDI. The country made increased turn-over on export, incentives packages were offered by the Government to induce foreign companies to locate productions unit within Ireland.

European Community judgment on this nature of incentive lead to replacement of EPTR to a 10 per cent corporation tax in 1981 – still very low in Community standard and thus stand as major inducement for industrial development in Ireland. In the latter half of 1960s, to 70s Ireland experienced a great inflow of foreign investment. It is of note, that imports grow rapidly during this period and as of 1985 both imports and exports of goods and services in Ireland amounted to 55 and 57 per cent of its Gross Domestic Product (GDP) whereas the EC level was at 27 and 26 respectively, this, according to McAleese (1984) illustrates the dependency on foreign trade and the openness of Irish economy.

Apart from this new view of Ireland that has transformed itself from what appeared to be an isolated small island' into open cosmopolitan society, it is clear, political stability in the states and support for enterprise made it an attractive area for foreign investment with positive image and growth potential. Nigeria prudent macroeconomic policy on the other hand has brought down the inflation, its 10 years ambitious reform agenda has yielded some reward, in 2011 Nigeria is Extractive Industries Transparency Initiative (EITI) compliant. The investors' confidence is expected to be strengthens if oil price remain generally strong. World bank (2014).

Back in Ireland, the Country tax incentives favoured export production and brought in multinational enterprises into the shore of Ireland. However concern were expressed as to the implication the profits taken home by the multinational firms will have on the tax haven of Ireland. Thus, "it is estimated that between 50 and 75 per cent of profits declared by foreign multinational firms located in Ireland are lost to the national economy. In 1985, this amounted to some IR£ 1000 million, and the mechanism of this loss gave rise to the term 'Ireland's black hole'" Brunt (1988). In all these, Ireland continues to possess a triple – A credit ranking; as a result of strong export potential and maintains FDI.

Similar position cannot be attributed to Nigeria yet, Nigeria the Africa's most populous nation and recently acclaimed largest economy on the continent. Nigeria has \$509bn GDP, and it is the world's eighth-largest oil exporter. Nigeria with its seventh-highest population in the world i.e. over 170 million, majority – 80% lives on less than 2USD a day Aljazeera (2014).



### **1.1.2 Nigeria Business activities and Strategic Plan after the War**

Nigerian business in the past was purely agriculture, cattle rearing, hunting trade. Trading at this time was limited to internal rural peasant economy. Looking inwardly, it is clear that this economy is very similar to that of Ireland in terms of a closed economy practice in Ireland dominated by agriculture on a small intensive level. Also, there was trans-Saharan trade between North of Africa and the Northern part of Nigeria. Thereafter, the Portuguese, followed by the British came for building international trade in Africa; starting with Nigerian raw materials in exchange for manufactured products; bringing Nigeria out of the well-established 'trade by barter' economic system which involves trading goods and commodities for other goods, without the use of money in the transaction.

The second leg of the trade brought in by the 'colonial master' was slave trade that grew rapidly in the 17<sup>th</sup> century. In the nineteenth century legitimate trade began, leading to growth in both internal and external business into the twenty century where the first companies' statute was enacted, the companies Ordinance, 1912.

Nigeria government brought in post war ten year development plan between 1945 – 1955; this plan was formulated for the purpose of reorganising the way the marketing of the agricultural product being the primary produce of Nigeria were handled. Also, it was with the intention of developing commerce and industry in Nigeria. The plan brought in establishment of the public corporations boards and to encourage private enterprise by which government provided loans through Loan Boards for industrial and commercial development.

According to Orojo (2008) "The deliberate efforts of the Government to encourage Nigerian private participation in economic activities found unique expression in law" The Investment and Securities Act (ISA 1999), eradicates the needed approval of the Securities and Exchange Commission in transaction where foreigners are involved.

Nigeria seem to have woken up, and O'Hagan and Newman (2011) opined "Policies aimed at attracting FDI are based on the logic that it brings new investment to the economy and directly it boosts national income and leads to the creation of employment." The country thus enacted Nigerian Investment Promotion Commission Act, 1995 leading to establishing a commission with main aim of coordinating investment; to initiate and support investment policies, promote investments and the Nigerian Investment Promotion Commission (NIPC 2014) claimed to

encourage, promote, and coordinate investment in Nigeria vis a vis providing services for the grant of business entry permits, licenses authorizations and incentives in a streamlined, efficient and transparent manner to meet the needs of investors.

This chapter is an outline of the research work generally, it discusses FDI parallels; in it, Nigeria and position of Irish state were discussed; highlighting the business activities and various path taken by the two nations. FDI models and entry mode were also discussed. Scholars' views presented, elaborating the logic behind FDI as having one aim of boosting national economy. One could reasonably conclude, irrespective of the plan, path and approach pursued, the nations' state has one primary intention of increasing the nation's earnings.

# Chapter Two - Existing literatures, conceptual models

## 2.0 Literature review

### 2.0.1 Introduction

Organisation for Economic Cooperation and Development's describes FDI as: "a lasting interest by a resident entity in one economy (direct investor) in an entity resident in an economy other than that of the investor (direct investment enterprise). The lasting interest implies the existence of a long-term relationship between the direct investor and the enterprise and a significant degree of influence on the management of the enterprise" (OECD 1996).

Another definition that is consistent with the above mentioned is the one provided by United Nations Conference on Trade and Development (UNCTAD 2008) as "an investment involving a long-term relationship and reflecting a lasting interest and control by a resident entity in one economy (foreign direct investor or parent enterprise) in an enterprise resident in an economy other than that of the foreign direct investor (FDI enterprise or affiliate enterprise or foreign affiliate)"

Similarly, in Ireland, the Central Statistic Office (CSO) suggest FDI as being a category of international investment that, based on an equity ownership of at least 10%, reflects a lasting interest by a resident in one economy (the direct investor) in an enterprise resident in another economy (the direct investment enterprise). A direct investment relationship can exist between a numbers of affiliated enterprises whether the linkage involves a single chain or a number of chains. It can extend to a direct investment enterprise's subsidiaries, sub-subsidiaries and associates. Once the direct investment relationship is established, all subsequent financial flows between the related entities are recorded as direct investment transactions. CSO (2013)

FDI is the dynamic strength behind globalization and existing literature supports that there is a positive relationship between inward FDI and economic growth. Mwilima (2003) identifies two types of FDI. The first is Greenfield FDI, which can be defined as an investment in a new business also called a "mortar and brick" investment. The second is through mergers and acquisitions. Kim and Lin (2009) reports that these two types of investment have different impacts on economic growth however all inward FDI, especially greenfield investment, leads to an increase in the foreign capital of the host country, which, in turn, may fund an increase in a

country's productivity and output through more efficient use of resources (Sekkat & Veganzones-Varoudakis 2007).

## **2.0.2 Expressed views on some FDI Theories**

Many theories have been developed to explain FDI, going by the reviews of some of the theories, Venon in 1966 model, Dunning's 1977' eclectic paradigm, the internationalisation theories of Rugman in 1981 and many others. Some of which this thesis will touch on, For instance, due to the strong growth FDI witnessed in the past few decades Mohamed and Sidiropoulos (2010), said to have carried out detail research to established the behaviour of multinational firms and how those factors of FDI determinants influence the flow of capital from a country 'a' to another country (Faeth 2006; 2008). So, establishing factors that influence a particular event is not new and this research also seek to find out the factors in Ireland success on FDI and look beyond firm behaviour by seeking to explore what lesson a particular country could learn from the other.

Previous research also suggests' that various authors did focus on the issue of FDI determinants and several complementary theories were explained to justify various positions advanced. Faeth (2009) observed that the earliest explanations of FDI were based on the models proposed by Heckscher and Ohlin (1919; 1933), MacDougall (1960) and Kemp (1958) elaborated in 1964 known as the MacDougall-Kemp model; where FDI was motivated by expectation of high profits, growth and lower labour costs and exchanged risks in foreign markets.

Hymer (1960) was of the opinion, that investment abroad is associated with high costs; he believes the risks inherent to the drawbacks faced by multinationals are due to the fact that they are foreign firm in another location among others. It involved the cost of acquiring

information due to cultural and language differences and the cost of less favourable treatment by the governments of the host countries. The multinationals will thus have to have ownership advantages (e.g., innovative products, management skills, patents, and so forth) to offset the disadvantages Dunning (1993).

Concerning ownership advantages, Caves (1971) focused his study on product differentiation in the belief that FDI has an advantage over export and licensing of product differentiation. As referenced by Hill (2007), Frederick Knickerbockers' in 1973 explained why firms follow rivals into foreign market in an oligopolistic fashion on the relationship between FDI and the oligopoly rivalry between firms. He emphasized that FDI flows reflect the strategic rivalry between companies in the global market as a result of reactive behaviour to the entry of competitors in certain markets. Knickerbocker as per Mc Govern (2013) emphasizes FDI flows as reflective strategic rivalry between firms in the global market. In other words, firms often have imitative behaviour: they follow the internationalisation of competitors so that they will gain strategic advantage. So, a move by a firm in an oligopolistic environment to engage in FDI would mean an unconscious invitation to other firms as they strives to protect and partake in market share Moosa (2002). For example, a move by General Motors in setting up its production facilities in Mexico resulted in other major foreign car manufacturers following suit Lim (2001).

Furthermore, rivalry between firms also affects their decisions to cut production costs so as to be more competitive, that led to Vernon's theory of product life cycle in 1966 Moosa (2002). This theory stresses that MNCs involved in the production of innovative products will engage in FDI at the maturity stage of the product life cycle in order to take advantage of production cost advantages in foreign markets. It is to be noted, that firms preferred to invest directly in a given environment as an alternative to exporting. Following Vennon (*ibid*), in so far as

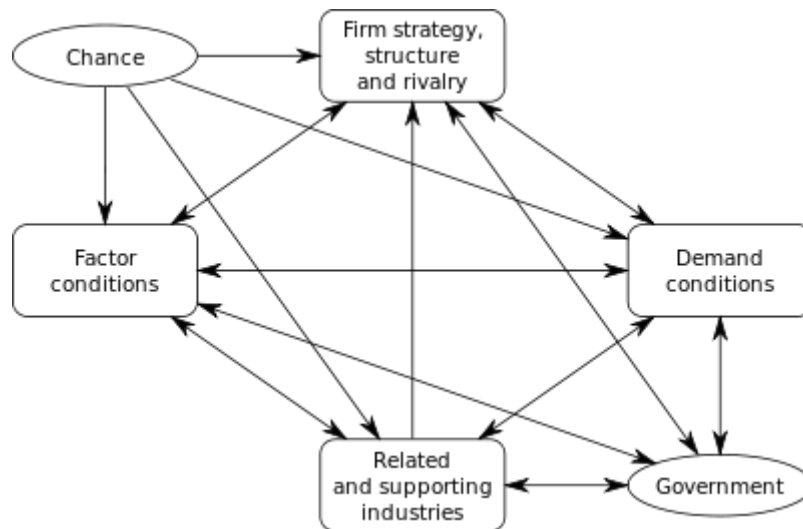
‘goods’ travel along the curve of their life cycle, which is ‘growth, maturity, decline’, and when in decline stage, they have fewer needs in terms of specialised labour and innovative technology Forte et al. (2011).

In the advanced stage of production, companies invest in other developed countries where markets are growing and their home local production can be immersed, while in the maturity and decline stages, production is shifted to developing countries where the market has become saturated and there was tension to save cost.

Hill (2007) and others suggested the reasons why companies chooses FDI through competition factors is due to fear of loss of competitiveness, and why they will prefer to be the bigger competition in the domestic market. Market imperfections are among theory based view expressed (e.g., the imbalance of international allocation of resources) can be reduced by internalising operations, allowing a reduction in transaction costs which is associated with the risks of copying technology, Dunning (1993).

Other relevant model is the diamond model introduce by Michael Porter, considered the economical model named ‘The competitive advantage of nations’, on why certain industry turn competitive in a given location, he pointed out six factors; in a diamond shaped diagram been the reason. He was of the view, that these factors interact with each other in other to create innovation and improve competitiveness (Figure 2 The Porter’s Diamond).

**Figure 2 The Porter's diamond**



**Source: Trail & Eamonn (1998)**

Another theory, referred to as a “new theory of trade” emerged based on Kindleberger’s theoretical models of 1969 along with Hymer (1960) and Caves (1971) that combines the advantages of ownership, knowledge and location. That is, market size and low transaction costs with technology and the fundamental characteristics of a country. This new theory is an addition to Dunning’s paradigm as it aims to correlate the three variables OLI (ownership, location, and internalisation).

This chapter, discusses theories and divergent view on FDI, inclusive some determinants that explain FDI flows, it adds knowledge to this thesis, informed direction and will assist in finding Ireland established conceptual model factors to be use as a benchmark for Nigeria. For instance, Dunning 1988’ Eclectic theory been analytic approach of certain conditions like location, company regulatory framework – also features in the Ireland’ conceptual model.

### 2.0.3 FDI & Ireland: Account & Determinants

“One of the most remarkable developments in the global economy over the past two decades has been the success of Republic of Ireland in translating heavy infusions of foreign direct investment (particularly from the U.S.) into rapid internal economic growth and development. From one of the poorest, it quickly became one of the richest countries in Europe and the Irish economy became an envy of the World’s economies in just one decade and until recently, received praise from observers in the commercial press and in the economic literature, who referred to the experience as the “Irish miracle” and labelled the country as the “Celtic Tiger” (Casey 2010).

Before this rapid success, which occurred within short time, the country’s persisting poor performance raised a question of Ireland falling to the rank of third world country, (Coulter 2003). It experienced a period of deep recession between 1979-86, with two-digit unemployment rate, high inflation, massive population decline as a result of emigration and large national debt.

The expansion of Irish economy is traceable back to 1987 with the launch of Programme for National Recovery, and with the help of European Structural Funds that came with EU membership since 1973. The result of the expansion reached enormous numbers, which lasted for a long period - between 1994 and 2007. Ireland performs extra ordinary and experienced an average economic growth of 7.7 per cent, with its GDP at 150 per cent of the average EU indicator (Sweeney 2008).

From the perspective of economic growth, Ireland’s thriving transition has been an impressive case, and worth copying, in short many developing countries made several attempts to replicate the success.

Garcimartín *et al.* (2008) identified three main growth determinants of Irish boom, namely: Open Economic Policies, Social Partnership and FDI Inflows. However, according to Driffield & Love (2007), the first two determinants, which are government initiated, are only partially responsible for Ireland’s phenomenal growth and recognized that FDI inflow is the leading source of economic development. Ireland’s industrial policy has been firmly focused on attracting and retaining FDI for the last fifty years Department of Finance (2012). Ireland’s rapid Celtic Tiger economic growth between 1994 and 2002 relied heavily upon FDI (Barry and Bradley 1997; Sachs 1997; Breathnach 1998; Goerg & Ruane 2000). By 2002, Ireland



claimed to have the second highest stock of FDI per capita in the world - Enterprise Strategy Group (2004).

#### **2.0.4 Determinants of FDI in Ireland**

It is no question; Ireland made significant growth through focus and dedicated FDI policy. The low cost of production was considered a significant reason that initially attracted FDI.

Another reason for the Irish success in attracting FDI over the years before the current economic meltdown is that the Irish government through its agency established a lucrative tax haven for foreign multinationals (Casey 2011). While it is true that artificial investment incentives, such as tax reliefs and government grants, have played a role in attracting foreign multinationals to Irish soil, the relative importance of FDI incentive programs has been exaggerated (Casey 2011). Studies indicate that government incentive packages alone will not be effective unless market conditions in host countries are also favourable for FDI (Casey 1998).

The Irish Government has contributed directly to the creation of a national environment conducive to inward FDI through its industrial policy and putting in place all needed framework inclusive labour and business partnership and given the needed authority to do everything within its remit.

For these reasons and the reason to be advanced at various subheading of the conceptual model of factors leading to Ireland's success at attracting FDI and a few more that are beyond the scope of this thesis, Ireland became very attractive to MNCs who were looking to capitalise and determined to take advantage of low production costs, high productivity, highly educated workforce, a stable environment and a perfect gateway to the European market, the largest integrated market in the World (Casey 2011). And its robust and working legal and regulatory frame work. It is yet to be seen to what extent these factor could possibly leap-frog Nigeria.

## 2.1 Conceptual Model of Factors leading to Ireland's success at attracting FDI

Faeth, (2009) discussed determinants of FDI in which the issues of ownership advantages, location and internalization advantage framework, horizontal and vertical FDI models as thought in the field of management was emphasized. The knowledge-capital model, risk diversification models, policy variables and concluded with the important of all these theories in real world as there is not one single theory of FDI, although variety of theoretical models attempt to explain FDI and the location decision of multinational firms. So, this paper not focusing its analysis of the factors on one model, rather the author prefer to explain FDI more broadly considering variety of models mentioned above and more importantly the 'ideal world' handling of the matter and thus come to the conclusion that the below factors as derived from the literature review are among the significant factors leading to Ireland's success at attracting FDI and will proceed thereafter with the conceptual model of these factors to find what gains – if any could Nigeria make out of it.

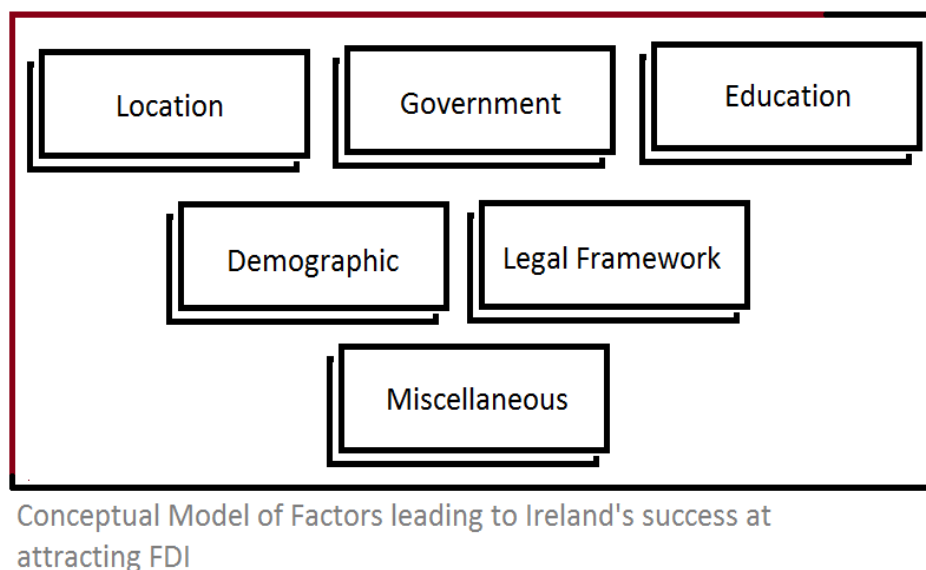


Figure 3 Author's infographic

### 2.1.1 Location

Perusing through the literature review, it is evident that Location is one of the factors that led to Ireland success on this topic. It is also evidence that Ireland's early FDI strategy is

attracting numerous manufacturing companies here with the view of using the country as a hub to exporting manufactured goods in to Europe.

Location is imperative when a company gains from its presence in a particular market by taking advantage from conditions such as: special tax incentives as it is in Ireland; affordable and lower production and transport expenses; market size; and lower risk (Dunning & Lundan 2008).

Although, in recent years, it is clear that FDI has been flowing into more advanced sectors such as technology, medical devices and financial services; none the less as FDI stands today, it remain the main driver for Ireland's economy recovery. Objectively it is clear that the location has indeed added to the FDI in Ireland and stand to be one of the factors leading to the success of FDI in Ireland.

In addition to this, in Ireland a major project was commissioned in 2012 by the Economist Intelligence Unit to finding out more on competitive advantages. They found among other Ireland's most important advantages includes the access to EU markets – this finding support the position of location as a hub to other European countries; and the country enjoy the location advantage.

It is not only that location plays an important position in Ireland attractiveness to foreign investors because of geographically location only; Ireland is able to enjoy this location privilege because of other available facility and communication advantages it has over some other European countries been an English speaking country.

Other considered Ireland to be gateway to Europe, it is thus arguable that its key strengths and opportunities is Europe. The World corporations select Ireland as a based due to the possibility it bring as a location that allow reaching Europe's over 600 million consumers with the needed facilities such as good road and the reliable services provides by its citizen.

Ietto-Gillies (2005) opined "The choice of a particular location is therefore based on specific conditions that are in its favour" He also asserted, as previously stated by Dunning in '1977 that there are advantages in choosing FDI (from the firm perspectives) when the following are present concurrently: ownership advantages (O), location advantages (L) and internalisation advantages (I). Ownership advantage emphasizes the importance of a firm owning assets such

as pioneering technology, and solely owns productive processes, patents, management know-how and many other advantages to its disposal which will be probable future profits generator.

Referenced to the specific conditions mentioned above, one could clearly argue, the position the Irish Government played been part of the conditions; and numerous researches have shown that Government support and strategic plan did play a significant role and this paper now consider Government role as one of the factors.

### **2.1.2 Government**

Government role in attracting FDI into Ireland cannot be over emphasize, so Garcimartín et al. (2008) identified three main growth determinants of Irish boom, namely: Open Economic Policies, Social Partnership and FDI Inflows.

However, according to Driffield & Love (2007), the first two determinants, which are government initiated, are only partially responsible for Ireland's phenomenal growth and recognized that FDI inflow is the leading source of economic development. Ireland's industrial policy has been firmly focused on attracting and retaining (FDI) for the last fifty years Department of Finance (2012). Ireland's rapid Celtic Tiger economic growth between 1994 and 2002 relied heavily upon FDI (Barry and Bradley 1997; Sachs 1997; Breathnach 1998; Goerg & Ruane 2000). By 2002, Ireland claimed to have the second highest stock of FDI per capita in the world – (Enterprise Strategy Group 2004).

Whilst Irish Government has vigorously promote FDI with provision of fiscal Rolfe and White (1992), Woodward and Rolfe (1993) and other promotion for foreign firms, tax cut etc; it is also clear that there are continue debate on the cost-effectiveness of fiscal incentives in attracting investment (Wells et al. 2001).

Government is said to have contribute into decision making process of foreign firm by provision of acceptable political atmosphere, so (Nigh 1985) political stability is evidence of government role and this contribute or attract FDI here.

Lall (1995) also add clearly that government policy amount certainly to those factor that leads to FDI, investment promotional event/efforts Loewendahl (2001) argues. Moreover, the activities of the Irish state through its agency is clear evidence of government involvement.

In addition, with the easing of tension and hostilities in Northern Ireland, some multinational companies that are based in Ireland for instance, Apple, Intel, Nortel and Microsoft, regarded the North just some two hour drive from Dublin as a source of skilled labour and as a talent pool of freshly minted engineering and computer science graduates (Casey 2011).

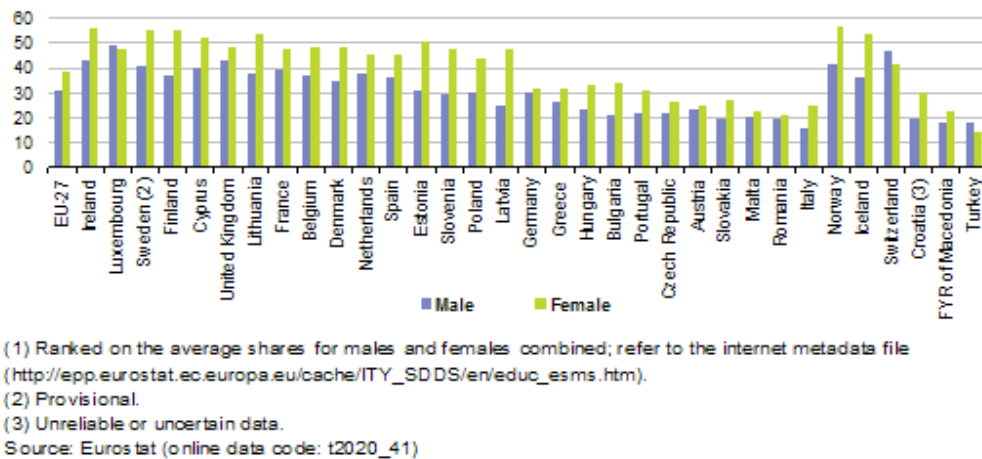
### **2.1.3 Education**

The Irish education system also made Ireland a good target for FDI. The high labour productivity can be attributed to the quality of the Irish educational system (Casey 2011). Full time education tends to continue for longer and has a broader base than in most of the other EU countries (Fahy 1998). Below (Figure 4 Tertiary education attainments, 2011 from the EU commission did in fact corroborate the education position.

The OECD found in a 1997 survey that foreign businesses situated in Europe ranked Ireland first in the EU for its educated work force and second (after Germany) for worker skills (Sweeney 1999). Furthermore, the Irish educational system excels in teaching the engineering and technical skills needed by foreign “high tech” firms, seeking fertile ground for FDI (Casey 2011).

File: Proportion of the population aged 30 to 34 having a tertiary educational attainment, 2011.

Figure 4 Tertiary education attainments, 2011



Source: European Commission Eurostat ECE (2013)

#### 2.1.4 Demographic

Ireland age group formation and percentages of working class people are one of many conditions multi-national enterprises cherish and thus attract them to the shore of Ireland. It is clear as Casey (2011) stated, favourable market conditions have supported Irish industrial policy; given MNCs the motivation to invest in Ireland for reasons relating to both cost control and revenue growth.

Demographic of a given state is part of its characteristic; hence arguably when Caves (1971) and Hymer (1960) discusses the combines' advantages of ownership (knowledge) location, market size and low transaction costs with technology and the fundamental characteristics of a country. It could be said that this discussions relate to Ireland as Irish demographic build-up is a favourable condition in attracting FDI to Ireland

Ireland boasts of a young talented, hi-tech savvy and English mother tongue speaking workforce. This on its own attracted younger workers to the shore of Ireland from all over Europe and beyond – allowing the pool of younger working class readily available for the investor to tap on.

Ireland pride itself as a “Smart Economy” full of innovation, vibrant workforce, with can-do attitude to work and problem solving skills.

### **2.1.5 Legal Framework**

Irish legal system is robust and continuously get improved, old and outdated statutory books are been repeal – paving way for laws that are updated and meet the needs of the moment. Companies had targeted Ireland as a result of provision in its rules that made tax incentives possible. In short, sanctity of FDI is protected by various legal instruments in the republic. Apart from already hinted legal framework, there are other enactments that are of relevant to this project and numbers of these laws are keyed to EU directives. Arguably, the judicial system in Ireland is transparent to the player, among which are:

The industrial development act of 1993, this law provide the framework for the functioning of IDA – the body vested with administration of FDI in Ireland. For incorporation of firm, the companies act of 1963 take charge and contain the requirement that must be met – this act was amended in 1990. In 2004, the finance act came into operation and introduced among other tax incentives for setting up office in Ireland and for the conduct of R&D.

Other regulation is the EU Regional Aid Guidelines (RAG) which was effective since 2007 and oversees the grants' that can be approved to firm depending on their location. The Competition (Amendment) Act of 1996, set the rules on competition as the name implies. Also to mention is the Mergers, Takeover and Monopolies Control Act of 1978.

It is understood that BITs is another legal instrument which has been in existence in the 1950s and according to (World Investment Report 2008), presently there are more than 2600 of such agreements in force World-wide and there has been continuous growth, driven by record values of cross-border mergers & acquisitions UNCTAD (2008). All of this fell within the instrument used with partners outside EU by the Irish states.

Takeover exercise is regulated by the Irish Takeover Panel Act, 1997; this act regulates commercial activities in mergers and takeovers; It is to be noted, that there is EU Directive on takeover; this was implemented by the Irish state in 2006; albeit most of its principle are in the 1997 Act. The EU directive provides the framework for EU common principles for cross border bids; so, there could be level playing field for the stakeholders with disclosure obligation in the Union.

With regards to mergers and acquisition, there is no restriction on acquisition of urban land by a foreigner; albeit under Section 45 of the Land Act, 1965, all non EU citizens must obtain the written consent of the Land Commission before acquiring an interest in land zoned for agricultural use.

Foreigners investing in Ireland need not go through any formal screening process, but investors that are interested in Government grants must meet certain criteria relatives to the investment and employment; among which is to examine the environmental impact of the intended project and must have consulted with the Irish Environmental Protection Agency (EPA).

Apart from IDA, other organizations with regulatory authority for grant administration are Shannon Free Airport Development Company Ltd (SFADCO) and Údarás na Gaeltachta "Gaeltacht Authority" for nominally Irish speaking region.

With respect to policies, foreign entities can participate in corporation in a non-discriminatory manner in Ireland; however, with respect to Irish Airlines, 50% must be owned by EU residents to enable full access to single EU aviation market.

Irish Constitution and bankruptcy laws protect creditors and the state's policy of enforcement of company law through the Dept of Enterprise Trade and Innovation helps. Ireland is a member of the International Centre for the Settlement of Investment Disputes and Irish government readiness to agree to binding international arbitration decisions is an encouragement to firm to transact business here. Also, Ireland is part of the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards.

Ireland policies and laws did not restrict or delay repatriation of investment capital, interest earned or royalties gained. It does not place any restriction either on the import of capital into Ireland where due processes are followed.

IDA owns policy continue to encourage investor to come to regions outside Dublin, this policy has been followed since 1990s and this position is in consonant with government vision and IDA's Ireland horizon 2020 strategy with the goal of 50 percent of all new FDI be located outside Dublin and Cork by 2014.

Ireland policies do not place any restrictions, *de jure or de facto*, on foreign firms in government sponsored R&D; this is very encouraging to FDI as it promotes knowledge and innovation based



economy. There is also a state science agency Science Foundation Ireland (SFI) saddle with administering R&D funding and this agent has been targeting leading researchers to promote development of biotechnology, energy, and information and communication technology here in Ireland.

Government laws had supported several organisations in this field, for instance, Intel researched technology for independent living of the elderly; which turn around to be of advantages to the elderly and to the researcher that received the incentives.

Legal framework made Ireland attractive with treaties signed with other countries eg. Ireland/China tax treaty. Among number of this legal instrument are the Companies (Miscellaneous Provisions) Act 2009 that permitted non Irish fund firms to relocate into Ireland on the basis that they operate here as if they were Irish firm registered here. Companies did take advantage of these incentives in promoting alternative investment funds. Such as hedge funds, private equity funds, and some real estate firm choose to re-domicile their offshore funds to an OECD well service jurisdiction.

Legislation such as Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable security (UCITIS) are among instrument some hedge fund managers will take as opportunity afforded by the UCITIS in making investment here.

### **2.1.6 Miscellaneous**

There are salient attributes/things that due to the fact that they exist FDI thrive; in one way or the other they promotes the inflow of FDI; subsuming all under the heading miscellaneous appear appropriate thing to do than separating such elements.

Republic of Ireland has been very peaceful within and has maintained politic of neutrality in the world stage.

According to (Brada, et al 2006) in their recent researches concluded that success with stabilization and reform increased the volume of FDI inflows. They also found as evidence, that

economic costs of instability in some places with respect to foregone FDI are quite high, conflict and instability reduces FDI inflow in survey region.

To high degree, Ireland is transparent; for instance its Central Bank has to work in line with the Transparency (Directive 2004/109/EC) Regulations 2007; and normally issued Transparency Rules as stipulated in Sec 22 of the Investment Funds, Companies and Miscellaneous Provisions Act 2006 setting out procedural and administrative requirements and guidance.

Executives of MNCs have also made favourable remarks about the relative small size and liveability of urban areas, the easy availability of recreation facilities, the low crime rate, the lack of pollution and the mild climate (Fahy 1998).

What may be less obvious, that generally demand by the citizen of a state is having proper infrastructure in place, a good personal and property security and less corruption due to check and balance in place significantly help the inflow of FDI – most importantly when one compares the statistics with country that suffers from these vices. So, argue (Erdal and Tatoglu 2002), presenting the issue of location determinants of FDI as size, market growth, raw materials, labour supply, political and legal environment and including host government policies.

### **2.1.7 Ireland success factors & Brief overview FDI & Nigeria**

Having address Ireland success factors at attracting FDI, it worth discussing Nigeria; more so as it is recently announced and widely circulated by the renowned media outlet including CNN and Aljazeera that Nigeria has becomes Africa's largest economy overtaken South Africa, after Nigeria rebases GDP calculation to more than \$500bn (five hundred billion USD). Figures from the Nigerian Statistical Office (NBO) also affirmed the position (NBO 2014).

Expert believes that the investors' look for where they could do business, the GDP rebasing is one of indices to go to Nigeria. Nigeria, for a long time has been called the giant of Africa, the most populous country in Africa. Nigeria has the size to lure investors – but its giant nature has not translated into the life of its people. In fact, expect would easily agreed that the Country is doing below expectation in many front!

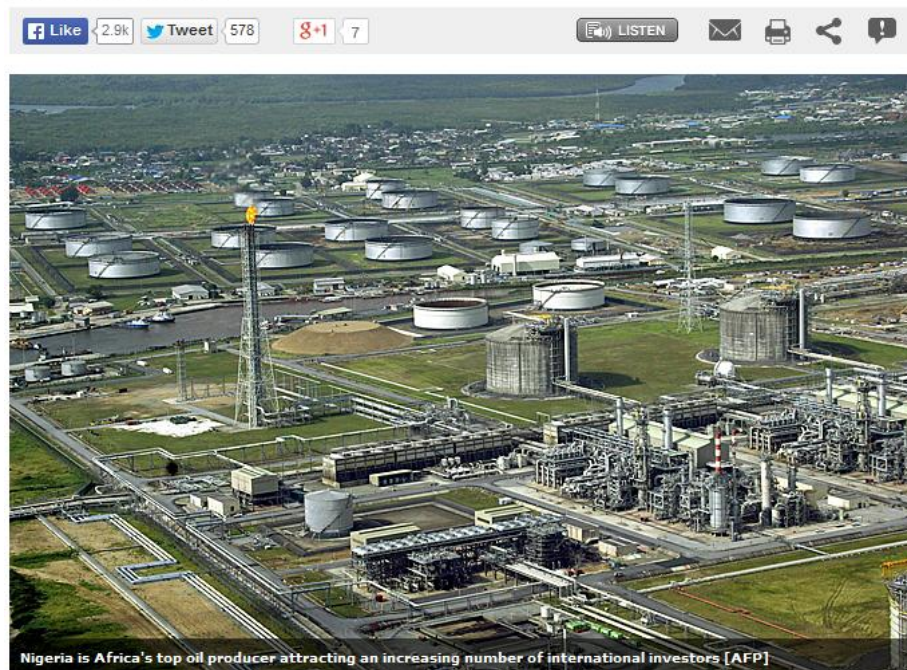
Although the GDP rebasing is long due – Nigerian populace shrugged off the news as it has no impact on the lives of ordinary Nigerian and some of the experts agreed to the fact that the new figure is most likely accurate but termed same as exercise in vanity. There is high level of disconnect among the rich and the poor in Nigeria. It is believe that the economy is rigged to the advantage of handful of well-connected oligarchs.

The new rebasing and Nigeria overtaken South Africa could lead Nigeria wanting to represent Africa at the G20, the “BRICS”. This, for FDI will invigorate competition for investor into the Country. Having good GDP after rebasing will not necessarily pull foreign investment into the country – some argued. But the truth about Nigeria and FDI is that there has been concerted effort from the State to attracts FDI since a new direction has been considered appropriate; for instance, according to Nigerian Investment Promotion Commission (NIPC) The minister of Trade and Investment reviewed downward the cost of Business Registration at NIPC from NGN50,000 to NGN15,000 (\$100) with the intention of making Nigeria competitive in line with international best practices NIPC (2014)

### **Nigeria becomes Africa's largest economy**

**South Africa overtaken as biggest economy in Africa after Nigeria rebases GDP calculation to more than \$500bn.**

Last updated: 06 Apr 2014 19:26



Source Aljazeera, 2014

Figure 5 Nigeria becomes Africa’s largest economy

The move according to NIPC was a bold one in enhancing Nigeria National Competitiveness as FDI destination.

Also, as part of the initiative re: improving the inflow of investor for FDI is One Stop Investment Centre (OSIC) made possible 24 hour time frame for completion of registration of Business. The NIPC assures investors to facilitate remittances of dividends and profits and provide support for the investors in the course of engaging in business in Nigeria.

Still on Nigeria and FDI, some renown business media on '2012 Africa attractiveness survey' EY (2014) stated Nigeria is the largest recipient of FDI in Africa in last decade. With almost US\$116b in 2003-11 (around 9.0% of GDP) and over 80% of FDI are in oil and gas sector and it is expected that FDI will remain in this sector. In Nigeria, it is also fact that the domestic market and increasing diversification of the economy creates chances for FDI in financial services, real estate, and communications – notwithstanding the country is endowed with much needed affordable labour. In fact talking of labour, Nigeria's unemployment figures are abysmal, recently half a million youths turn up for a recruitment exercise job available for 4500 immigration opening. In essence there is man power for investors.

# Chapter Three - Aims, questions and benefits

## 3.0 *Research Aims and Objectives*

### 3.0.1 Introduction

Bradley (1995) Suggested “FDI played an important role in economic growth as it can lead to the import of superior technologies and business methods”

The United States, Department of State in its 2011 Investment Climate Statement report about Ireland, also affirm robust economic growth through Irish government, robust promotion of FDI; stating also pro business government policies and transparent judicial system are part of positive sign of doing business in Ireland. US Department of State (2013). Nigeria on the other hand, suffered desecration in the temple of justice. Some of its judges look for the slightest opportunity to avoid sitting’, acting clog in the wheel of justice. The thesis hasten to state, there are also many brilliant and judges with integrity in Nigeria. Another challenges faced by the country could be taken from the words of one of the delegate to ongoing Nigeria national conference in person of Dr Akande “nothing much would happen in an economy where the security of lives and properties cannot be guaranteed (Akande, 2014)”. Presently it is worldwide known that the country faced various security challenges and insurgency.

Although, there are challenges, there is optimism in the continent, hence The African Development Bank (AfDB) stated Africa have the potential of attracting \$880bn (about N141.7 trillion) investment in agric by 2030. It is said that the continent has about 60 percent of uncultivated land in the world and Africa can increase the value of its annual agricultural output from 280 billion dollars in 2010 to upstream of 880 billion USD by 2030.

The research seek to find out, whether there is lesson for Nigeria from Ireland success or is the country perpetually handicapped by ineffective legal framework; security challenges and others. As this work, find out what makes Ireland an attractive destination for FDI – elucidates the factors, the author by conceptual model identified will consider to what extend can Nigeria gain from this. In shedding light into the diversity of view regarding FDI and the reality on ground and how Ireland got to where it is today, and what could be a learning for Nigeria policy maker; the study therefore contemplate to look into the following objectives:

### **3.0.2. The Objectives:**

- To determine the factors that leads to Ireland success in attracting high level FDI,
- To develop a conceptual model of those factors,
- To juxtapose, taken clue from those conceptual model factors, whether there is any lesson for Nigeria.

From extensive literatures review, it is evidence, that many researchers have studied FDI generally and from different perspectives; this work now expand the knowledge by juxtaposing the conceptual model of success factor of Ireland with Nigeria and this should be of assistance to firms intending to make the move into Nigeria and perhaps, be of help also to the Nigeria stakeholders in the field.

### **3.0.3 The Research Questions**

Having established the objectives of this research, the study now reverts to looking into the following questions relative to the set objective.

#### **Questions**

- 1) What factors leads to Ireland success in attracting high level FDI?
- 2) What factors are currently in place in Nigeria and where the gap lies? Are there any lessons for Nigerian stake holders, industry and government in moving forward learning from the Irish experience?

### **3.0.4 Scope and Expected Benefits**

The first primary intention of this research work is to add to knowledge. It aims to address the issues in the questions formulated surrounding FDI and possible lesson for Nigeria from Ireland; the dissertation intend to highlight by investigating and bringing to light the conceptual model of the Ireland success at attracting FDI; the art of formulating the conceptual model exposes the readers to

the knowledge and details information gathered under each heading – particularly reading through the findings as a result of the investigation conducted on the factors leading to Ireland success.

As previously stated, many researchers have delved into FDI as a whole, however, the area this particular research focus has not been so focused and it is intended to add lot of knowledge to what we know today and to fill in the gap of study where there is lack as it may be evidence by the research results.

This project provides the readers with several Irish positions and could stand as reference for further research, should a firm want to embark on FDI. This thesis generally explains the benefit of FDI broadly and show case Ireland to intended investors and one could observed how investor's interest are protected in Ireland with its various policies gingered at protecting and luring investor into the country; similarly, in as far identified position is not in existence in Nigeria, it will be a benefit for the stake holder in the industry over there too.

It is expected, that what is learned from this project will translate into well of knowledge allowing for proper understanding of FDI in the target country and improve relationship with the investors. In essence, the policy makers may derive hints in enhancing and improving the FDI related policies. For instance, it could allow for policy formation/reformation for both Nigeria and Ireland where it was shown, like the USA asserted that cost of labor is discouraging in Ireland; Although IDA considered cost of labor as attractive to foreigners in Ireland. The policy in this regards, might see the need to adjust and or to tailor the policy towards reducing the argument with regards to elaborating the cost of labor or initiate research as to perceived view of the investor regarding this cost in rebutting or accepting whether the cost of labor are indeed problematic. Other readers or countries intending to copy the Ireland model may take hint in policies formation, having the privilege to observe through this method the effort made by IDA.

This work, provide potential investor with some background and relevant historical factor that, they might want to take into account in decision making for both countries mentioned. The investor is well aware of government disposition and benefit, also of the institution that might be approached for relevant incentives regarding FDI and particular about Nigeria, the approach to be taken in acquiring special status like that of pioneer status accorded to firm by Nigerian state and or knowing that such status exist.



This project will be of assistance to anyone considering expanding the level of their investment outside and to the EU. It will also be of assistance to other students that want to research this topic further, particularly to consider other advantages that other Nation may take home from Ireland success.

The answering of the formulated Questions will also be of added advantage to any reader in that it adds knowledge and value to the reader.

The outcome of the research will be resources for decision making and policy formulation and or re-formulation in respect of Ireland – that evidently FDI has been a success.



# **Chapter Four - Methods, strategy and interview process**

## **4.0 Methodology**

### **4.0.1 Introduction to Methodology**

This chapter aims to explain the chosen research methods, the approach use to arrive at the answer to the research questions. The research initially sought to use mixed methods by first providing definitions of the subject matter as articulated by stakeholders generally via various researched literatures. According to Saunders et al (2012), ‘secondary data saves resources’, the approach is to collect all relevant data through content data analysis via literature reviews which is the first part that fall under using qualitative data to establish Ireland model, Qualitative data enabled researcher to “explore a subject in as real a manner as is possible because of its fullness and richness as compared to what obtains in quantitative data collection” Saunders et al. (2012). The Nigeria part of the research work was intended to use interview, however due to inductive nature of the approach adopted, there was a move into questionnaires. It was clear from the onset that it is appropriate to set the aim of this work as also stated by Horm (2009) as it ensure the best methodologies are chosen and research contribute and expand on existing knowledge.

### **4.0.2 Research Approaches**

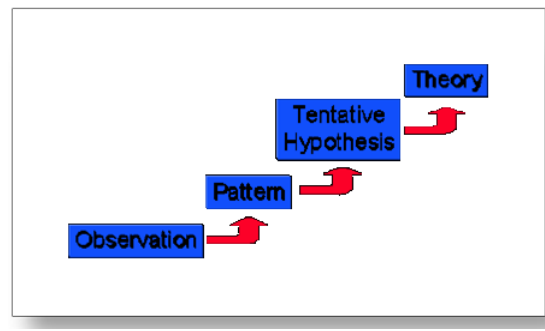
As common with research Studies, the inductive and deductive approaches are norm and the inductive approach is so relevant to this dissertation. Saunder et al. (2009) pointed the need for a researcher to first select between the two main approaches. Deductive approach establishes theory through idea from the literature and existing findings and this is test through observation.

Inductive on the other hand, will first make the observation and then devise theory from the result of the data analysis. So, Horn (2009) argues the deductive approach starts with a theory, which is worked down to an hypothesis on the specific matters within that theory, this will then be followed by observations to test the hypothesis – leading to affirmation or refute of the hypothesis.

This study is thus adopting the inductive approach as the researcher seek to explore Ireland’s FDI success factor (which is obtained from the existing literatures – content) and whether these could be a lesson for Nigeria. In an inductive process, a theory is first developed and a research strategy is then design to test the hypothesis (Saunder et al. pg 129). The inductive is appropriate in this

paper having regards to the topic, and as it enables credible explanation Anderson (2009). Also, it enables insight into experience of the participants. Moreover it is flexible as it follows no rigid process of data gathering – this has been demonstrated in this research in that the research swiftly able to switch from the set interview to questionnaire as a result of difficulties encounter and other matter.

#### Inductive approach process.



**Figure 6 Inductive approach**

**Source: (Saunders, et al., 2009)**

### **4.0.3 The research method**

The mixed research method adopted encompasses the qualitative and quantitative methods in an attempt to fully respond to the questions posed. Johnson et al., (2007) stated the mixed method research is a third paradigm in social research; which combines both qualitative and quantitative methods. The approached is preferred by this research in that one set of objective of the research is to investigate what are the success factors for Ireland at attracting FDI - which cover the aspect of qualitative research and the second part is quantitative aspect involving the use of questionnaire. The quantitative design or the process of data collection procedure that uses numerical data is commonly associated with the use of questionnaire, statistics and graphs all of which features in this research.

### **4.0.4 Research strategy**

The initially proposed approach was to interview selected stakeholders among whom are the Judges, Legal luminaries and those involved in FDI in Nigeria. However, as planned, the opportunity to interview these people is faced with some challenges. Because the number of interview recorded did

not amount to any representation of the needed samples. The research had good 35 minutes interview with one of the Director of the Central Bank of Nigeria through degree of affinity and few legal practitioners. Following these interviews, – It was decided that sending targeted questionnaire to the selected group will be of much advantage considering Nigeria's situation and proximity of the people to each other. Most of whom commute between Lagos and Abuja – and getting a particular time to meet them in a particular place poses challenges and turn out to be costly.

#### **4.0.5 Ethical Consideration**

As intended, the researcher adheres strictly to all ethical procedure governing research work, the participants were provided all information regarding this research work; they were informed of their rights and were given the option to withdraw at any stage of the interview or during completion of the questionnaires.

The participants were informed as to who will have access to the data provided and procedure of removing their data and at the end of the research when the data is not in used. All data relating to this research work were confidential and this information was also communicated to the participant assuring them of the anonymity of their responses.

They do know that their involvement in this study is by choice and that completion of the questionnaire implies consent automatically, and that there is no need to sign consent form. The participants were not made to provide names or give any form of identification due to confidentiality.

In researchers' cover letter, the participants were also given possibility to take advantage of support – should they required same in the process of completing the questionnaire (Cover Letter annexed at page 65)

### **4.1 Interview Protocol**

The researcher prepared questions drawn from the literature reviews, this is similar to the one eventually used for the questionnaires proper. Interviewee were assures of the confidentiality and anonymity of the interview to be conducted. The interview was semi-structured in nature,

allowing views to be expressed freely. The participants were allowed to contribute to the manner they see appropriate in progressing this research; in fact, this contribution was helpful as the researcher was, and quickly able to adjust the direction of the research in line with inductive research approach that allows flexibility and permit creation of credible explanation Anderson (2009). The interviews were conducted in the first two weeks of March 2014. This was in line with the project time schedule in the proposal submitted.

#### **4.1.1 Interview**

The very few interviews conducted runs up to 35 minutes. Notes were taken and kept safely by the researcher. The participants were given the options whether they would prefer the interview to be recorded. However, the few participants interviewed opted for not wanting to be recorded; hence no tape recording was used. Following the interview, the notes taken were discussed over with the participants and allowed to review all their responses and granted permission that it be taken into account. No software was used for the taking of the notes and all the notes were taken using pen and paper as it is not in large quantity. From this exercise it was very clear that more work has to be given to developing the questionnaires.

#### **4.1.2 Data collection**

Semi-structured interviews with questionnaires were used in collecting data. The semi-structured interview provides possibility, so all the participants involved can be asked same questions within a flexible framework, Dearnley (2005). This research considered using the semi-structured because of the flexibility it provides as opposed to structured interview; and additional advantages it provides was the fact that the participants contribute positively to the work in which other topics were discussed – which was made possible as a result of the semi-structured interview leading to changing the direction of the work at early stage. Considering Nigeria's environmental constraint, it emerged that the work could be easily approached with questionnaires. This approach was in order as in semi-structured interview, other questions often emerged affirming the unguided nature of the interview Whiting (2008). And the inductive method used is also flexible that it enables the researcher to change the course of the research with ease.

McNabb (2008) Questionnaire can be used to measure the frequency of past behaviour or to predict future actions, the prepared questionnaire was addressed to two CBN directors, two

Managers of Julius Berger Nigeria (a company that has been in Nigeria for several decades and proudly announce itself as Nigerian company); Chief Executive officer of the Nigerian-Irish chamber of Commerce and industry, two judges of a Court in Nigeria; to include Judge of a superior court of record and number of legal luminaries that has been called to the Nigerian bar as Barrister and Solicitor of the supreme court of Nigeria. Other expert with FDI related businesses were also contacted.

In total it was 40 recipients that the questionnaires were sent to and 29 responses received within the time frame the researcher shut the live internet database, to progress with this analysis. The responses equal over 72 per cent of intended participants.

A cover letter detailing the nature of the research was sent to each of the participant, giving them assurance as to confidentiality and that their privacy will be respected. The few interview conducted took place in Lagos, Nigeria this was with one of the CBN director and three lawyers involved in corporate practice and having knowledge of FDI generally. Due to their schedules, it took some effort from February before the interview was eventually conducted in early March. Interviews were conducted on various date as researcher has to accept and work within tight schedules of the participants.

Some participants made appointments to meet in Abuja, and researcher having to move from one town to the other with restricted resources and constraints as one of the manager of a particular investing company has to cancel his appointment due to prior travel arrangement. These and with the contribution made by already interviewed participants, it is very clear that their advise must be considered and the researcher opt to complement the interview contributions with the questionnaires to gain the required information. This mixed methods research work provides room for additional information that support this work.

#### **4.1.3 Questionnaires**

The questionnaires are used in this research, following the challenges face in meeting the participant and other constraint encounter at early stage of doing the research, and at the same time, it enable the researcher to involve number of participants and thus the work receive adequate responses.

Due to the uniqueness of the research, finding a lesson for Nigeria from Europe; samples questionnaires are not readily obtainable and as a result the researcher designed the questionnaires based on the information gathered from the literature reviews.

The questionnaire assist with the overall view that measures the issues relative to FDI and it was done electronically, via email this enabled quick responses on a much larger scale than interviewing would have made possible. The decision had to be made whether the questionnaire should be mailed initially but base on previous research; the mailing questionnaires are often the least expensive of all data-gathering process. However, it is said it lead to lowest return rates of about 10 per cent McNabb (2008) For this reason, the research opt to use email as oppose using mainlining questionnaires and as it enable further reminder to be sent out without acquiring extras cost.

The decision was also made to first pilot the questionnaires with the intention of finding out whether the questions were clear and concise for the participant. The draft questionnaire was sent to some selected individual, including 5 legal luminaries. Feedback was received, the questionnaire was improved and many questions had to be re-written.

The questionnaire was sent electronics via emails, using google drive application; the google drive was preferred as against using survey monkey due to restriction placed on survey monkey (survey monkey require upgrading the usage status to accommodate the number of questions this research has to addressed). There are two main sections in the questionnaire; first section was to gather basic demographic information on the participants such as gender, length of experience with the subject matter. These questions were marked with PQ meaning personal question in the questionnaires. Then, the second leg of the question were relative to each of the conceptual models develop as a factor leading to Ireland success at attracting FDI. These questions were marked Legal (LQ), Government (GQ), Education (EQ), Demographic (DQ), Legal Framework (LFQ), and Miscellaneous (MQ) each category asked the participants three questions – this was done, so all identified factors in Ireland are addressed and whether applicable to Nigeria in effort to attract FDI (Questionnaire attached at page 66)

The questionnaires were sent with cover letter; explaining the nature of the research, recipient did not know each other, it is expected that no particular individual could influence each other. And the questionnaire remains live on google drive for two weeks to allow time for the participants to make their contribution. The survey system was shut down on the 7<sup>th</sup> of May 2014.

The questionnaire has its own disadvantages, it eliminated the possibility of interaction with the participants; although, using electronic questionnaire that is live on the internet was of great

help, as it enables the monitoring of the responses; and as researcher observed that the responses are low; the link were resent to the participants number of whom were contactable via social media (what's app) following this reminder the rate of daily responses increases, this makes up the required responses of over 72 per cent of the questionnaire dispatched.

Among the disadvantages of the questionnaire is that participant were in some way prevented from adding explanation – a learning curve for the researcher and would have design the questionnaire, perhaps with possibility of allowing the respondents to add some information. Overall, considering that the mixed methods is used (questionnaire and semi-structured interviews) the research gain the needed information from the stakeholders to achieve the aim of this work.

# Chapter Five - Findings, Conclusions and Recommendation

## 5.0 Research Findings

### 5.0.1 Discussions / replied questionnaire

The research findings chapter present the research results of this study. The participants were over 72 per cents of whom the questionnaires were dispatched to electronically, via email this allowed quick responses on a much larger scale than interviewing would have made possible. Apart from the few personal questions relating to gender, age group of the participants, all other questions were skewed to address the six conceptual models factors identified in chapter 2.

The questions used in this work were a product of carefully formulated questions around the aim of this research. The Ireland success story lead the researcher into coming out with six conceptual model factors (See Diagram in page 25) From this diagram and the factors, the first question which is personal questions (PQ) seeks to identify the gender of the participants, as it is clear from the target country, the majority of the respondent are male representing 66 percent of the participants. Their lengths of working experience were answered with 10 percent of the participants had less than 4 years' experiences; equally, people having worked in the field for 15 to 19 years are 10 per cents. The majority of the responses are received from people with 5-9 years of experience which are 31 per cents, and 10-14 years had 28 per cents participants, this is followed by another 21 per cent of people having 20 years and above working in FDI field. These people were also asked one other PQ prior to engaging them in the research questions. They were to express their opinion on Nigeria performance today on FDI; - the graph/scale shows that majority were of the view in third PQ that Nigeria is performing below its capacity – whilst none believe that the country is performing extremely well. Strongly believe that the performance are below are 50 percent, follow by 29 percent. However, 18 percents view the performance as balance and 4 percents believe the performance to be fair.

From the above, it could be deducted that there is concessions among the stake holder that Nigeria is not up to standard as of today prior to answering the questions targeting the Ireland success factors; with reference to Nigeria and whether there is lesson for Nigeria.

Question on Location (LQ) 1/20, 24 percent strongly agreed with 52 percent that Nigeria could be hub for FDI in the continent – overall 76% stand by the country, this is not surprising –



considering also that Nigeria has the largest economy in the whole of Africa, having recently overtaken South Africa. 17 percent and 7 percent were pessimistic about Nigeria been able to carry the mantle of such leadership.

On the next LQ 2/20, overwhelming majority agreed and strongly agree in ratio of 62 & 24 percent, an indication that the country has a potential of standing the hub of African' continent. Unfortunately though, majority of the stakeholder was of the view that the country is not doing enough to be accepted. This, an indication that there is lesson from the way Ireland attracted FDI and how it is considered the hub for certain manufacturing industry. Here 55% and 3 believe Nigeria is not doing enough – still yet 17 and 24 per cents believe he is doing enough. The result on its own could be interpreted that there are some effort and this is also surface in the literature review. With regard to this, much appear to have not changed with reference to report of the 2006 transparency international business confidence survey among African countries. Poor environment for business makes it difficult for Nigeria to increase the rate of FDI inflows according to that survey. (Gutman conference centre 2006).

On the next three questions on Government (GQ); 28 and 59 percent were of the view that such packages will assist Nigeria in its efforts to attract FDI; whilst 10 and 3 percent disagree and strongly disagree. On government activities relevant to terrorist in the State, 17 and 48 % agreed that Nigeria is a dangerous place to invest, 24 & 10 percent did not share this view. This outcome suggest that there are still fear of incessant of terrorist activities including kidnapping of foreign nationals and number of embassy warning their national to shun all unnecessary visit to Nigeria are evidence of some fears heighten by recent abduction of estimated over two hundred girls in the North of Nigeria by terrorist group – who is now seeking to exchange their release with their members in government prison. Still, 34 per cent of the participants did not share the sentiment of dangerousness. It is recently reported that Foreign investors are unfazed by this terrorist action that has sparked international outrage, Bloomberg (2014) that delegate at the just concluded World Economic Forum (WEF) in Nigeria still focused on tapping the continent' soil reserves. Whilst some argue that the activities does not change the investment case; although the activities of the sect are still worrisome. Others for instances, Mr Kevin Daly (The Head, Emerging-Market, Aberdeen Asset Management) who oversees \$12bn in emerging-market and Nigerian debt argue the incidents is confined mainly to the north and this did not stop the inflow of capital into Nigeria. According to him, potential impact on investor sentiment

will occur when the incidents of terrorist started spreading much to Abuja and to Lagos and getting closer to the oil infrastructure. Then, this will strengthen existing concerns among investors and probably undermine Nigeria investment strategy in the long term it is argued.

Furthermore on GQ question, overwhelming majority believes that government tackling favouritism and nepotism could assist Nigeria in attracting FDI; this is a serious learning for the country compare to what is given regarding corruption in Ireland. 39 and 54 per cents believe government has much to do in resolving this menace while only 7 percents representing 2 participants disagreed that government involvement could resolve the situation.

On education questions (EQ), many believe the quality of education in Nigeria is not sound enough in luring investors; these are Nigerian verdict on Nigeria! Ordinarily, the author would have argue the education is fair; and professionals education are excellent for instance Nigeria Law School for lawyers, Command Training College for Military are among reputable institutions in the country, however constant strikes and unrest render university education weak and must have influenced the participants 7 and 52% view that the quality is below standard; whilst 28 & 10 per cents disagree and strongly disagree indicating that the education quality may not still be ok. Whether the education can meet the needs of the foreign high tech firms, the opinion was that 3 and 48 percent agree if runs properly whilst 41 & 7 percents disagree and strongly disagree. And whether Nigeria quality of education could translate into labour productivity – participants’ then concluded that they did not believe in the system as such as 46 & 25 percent disagree and strongly disagreed. Only 4 & 21 percent believe the standard could create such a translation in the labour productivity.

The research thus move forward in assessing the view on demography, the Question 10/20 whether there is in existence appropriate skill set needed by the investors; 10 and 41 per cents strongly agree and agree that there is no labour force in existence to make this transition! However 41 and 7 per cent did agreed and strongly agree. Almost all respondents agreed and strongly agreed with ratio of 31 & 62 per cents that Nigeria need doing more at attracting investors into agricultural sector. Only 1 person representing 3 per cent of the respondents disagree and another with no opinion on same. This is another lesson for Nigeria as it would appear the country has over decades neglected other sector in favour of oil and gas. Still on DQ,

the research found that in existence in Nigeria are labour force with 34 & 48 per cents strongly agree and agree. This is not strange with the population of the country and when one considers the issue of immigration recruitment exercise that recently led to tragedy in FCT Abuja (discussed above); only 5 percent disagree.

Moving on to legal framework (LFQ) Question 13/20, respondents affirm very clearly that there is needs for improve legal and regulatory frame work. Agreed and strongly agree responses were 55 and 45 percent; the highest rate in the survey. And it is no surprise, when one consider the majority of the participants are lawyers and the need for regulatory framework is feasible – to the extent that some of the laws are archaic and for technicality, cases can drag in Nigeria court for a while. Whether Nigeria is trusted enough by the investor for providing protection for their economic interests; 62 & 14 percent believe Nigeria are not that trusted while 7 percent agreed. As to establishing fair adjudicating body for investment related disputes, 52 and 5 percent participants believe they could, whilst 31 percent are pessimistic. This is good for the country when one considered that Nissan Motors also praised Nigerian government for implementing automotive legislation that is conducive to investment and which was the instrument in their decision to open an assembly plant in Nigeria according to Nissan SA Managing director M. Whitfield, cited in Vanguard (2014). The last set of question are on Miscellaneous (MQ), Q16/20 Overwhelming majority 59 & 38 percents were of the view that political stability contributes to the decision making process of a foreign firm. Only one participant disagrees. On whether risk and violence had impact, 48 and 48 percent agreed and strongly agreed. On whether Nigeria stand chance of attracting FDI from other sector, 48 and 52 overwhelmingly strongly agree and agree and further on this MQ, an additional question whether infrastructure limit Nigeria growth potential – this also gained overwhelming responses with 52 and 38 percent of the respondents either strongly agree or in agreement. It is very clear that this has cause many problem in Nigeria; a part from inability to generate power supply, the infrastructure capacity and maintenance of the existing one has remain main challenge to the country; not surprising, Waifem DG emphasise that Nigeria can not grow economy with power generators.

The Research work, pose one more PQ 20/20 on how would Nigeria perform if all the identified conceptual models in Ireland would have been in its favour? 38 percent of the participants believe Nigeria will do extremely well and 52 % agreed Nigeria will perform. None believe it will still perform below capacity and 1 & 7 % percent believe it will do fairly.

Going back to the aim of this research work and the research questions; it is thus clear, that FDI has not reach the productivity level it ought to be in Nigeria, the participants were of the view that there is more to be done. Hence, there is lesson for Nigeria on Ireland models of attracting high level FDI. Going by each of the question group' for instance the legal frame work make it clear that there is need to improve on legal frame work and the working of the judiciary – it is so believe that it has desecrated the temple of justice; and in the wording of Chief Judge of the Federal High Court, He said, “Corruption is the only reason that can explain the snail speed at which the administration of criminal justice is moving in Nigeria. Some judges are looking for the slightest opportunity to avoid sitting.” That the judiciary has its own part of blame in the overall well being of Nigeria, this can not be overlook, for instance the trial of James Ibori, a former governor of Delta State, for corruption, did not end up in conviction in Nigeria; however, in the UK he pleaded guilty for the same offences at such an inchoate stage of proceeding. Although few days ago, the Nigeria Court of Appeal overturn the decision of the High Court in Nigeria.

In summary, the first part of the research question was resolved through literature review in which six factors were identified. Based on conceptual analysis of these factors, it emerged there is learning for the country from Ireland success. Also, it is evidence that Nigeria has potential, it is a land of opportunity amidst enormous challenges; some of these challenges are security issues, need to diversify economy and look beyond oil and gas, perhaps revolutionalise agriculture in a manner that will attract investors. On miscellaneous side, lack or shortage of electricity remain issue proper interactive platform between the government official and investors must be established in a transparent manner.

### **5.0.2 Strengths and limitation**

In term of the Strengths' this research was primarily influenced by researcher's interest in corporate law modules as thought in Nigerian law school, incorporating various aspect of corporate solicitor practices area where specialization can be developed and used of Company and Allied Matter Acts (CAMA) including proper analysis of Investment and Security Acts. This interest is further complement by this study, invigorating the desire to write on FDI and Nigeria. The decision to pursue this research topic is also bound out of the author's interest in international business and particularly after learning the impact international law or local law

could have on investors coming into a particular country from legal perspective and gaining insight as to how Ireland has been able to sustain the success factors.

Limitation on the other hand, the research work was hindered by logistic and time constraint. With limited resources, researcher could not facilitate his movement within the two continents in given this research work the thorough refinement. In Nigeria, the research work was faced with the difficulty of cancel appointments and restriction in moving from one location to the other to conduct in-depth interview. Whilst it is expected that a personal contribution from the respondents via face to face interview would have given the research more points and thus allowed for a more meritorious result. Another limitation directly linked with the above was resources, the researcher could not give his limited financial resources to embark on the journey more than twice to the targeted country. Although, these limitations are acknowledged, however the questionnaire responses received adequate measure due to the fact that the researcher made best use of social media in reminding the participants and as it turned out to be, quite a number of people involved are interested in corporate practice and knowledge of FDI was seen as a plus to the extent some have requested for the copy of the research outcome. It is also noted, that the result may have been influenced by the negative view of the participants about their government due to current security challenges.

### **5.0.3 Conclusion**

This research set out to explore the factors that lead to Ireland's success in attracting high levels of FDI. Also, it set out to examine what factors are currently in place in Nigeria and whether there is a gap and if there are any lessons for Nigerian stakeholders, in learning from the Irish experience.

The first leg of the research questions were achieved through literature reviews exercise and useful information gathered from the questionnaires supplemented by a meeting interview. With reference to factors currently in Nigeria, it is evident, that Nigeria is a determined nation and strives to achieve goals amid various challenges: Presently, there are many incentives provided by the government among which are various tax incentives. Tax allowance on Research & Development on expenditure where such R&D are done in Nigeria; tax relief on research in use of raw materials. Nigeria Government gives pioneer status to

industries to invest into economically disadvantaged area etc and other tax incentives are given to labour incentive modes of production. It is also note worthy that the government has embarked on various policies in stimulating investment. The conceptual model factors identified assisted this research work in juxtaposing those factors with Nigeria position and it shows clearly that there are learning for Nigeria.

It is also evidence, that security remains challenges. Whilst Nigeria is making great strides in many areas, this research finds that there are still notable areas for reform. For instance a delegate at Nigeria national conference Dr Akande argues “Insurgency and terrorism is a new dimension to our national challenge, which needs to be firmly and creatively dealt with. Nothing much would happen in an economy where the security of lives and properties cannot be guaranteed”.

On this note, and in agreement with previous findings by Brada, et al (2006) in another region, this author with respect of Nigeria concludes that the volume of FDI in Nigeria could be increase with the state success in stabilizing the state and economic costs of instability in respect of forgone FDI will remain quite high; and it remain fact that conflict and instability reduces FDI inflow; a learning for the Nigerian nation.

#### **5.0.4 Recommendation**

This research has identified issues for Nigeria as a nation and highlights the Irish model factors leading to high level of inward FDI. At the same time, the reference was made with regard to limitation and the reason why the research has to relied heavily on the questionnaire rather than qualitative interview; the data gather were sufficient but may be lacking in some ingredients provided by qualitative process and the author is of the view a further research in this area perhaps addressing another country within African continent with already identified conceptual model would be of interest to research.

It is anticipated, that this work, will provide a new angle for further academic discourse on this topic, particularly working on measures at redistribution of income and to tacked income gap in the continent through proper intelligent cash transfer mechanism.

Overall result of this research lean toward suggesting and recommending more robust and targeted initiative from the Nigeria stakeholder in handling issue of challenges identified, government need to look beyond oil and gas. A research to explore area of uncultivated agricultural land to identify alternative source of investment will be preferred.

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# Appendix

## Research questionnaire cover letter

Dear Sir,

I am Ade O. Adeyanju, an MSc student conducting a research in part-fulfilment of the requirement of the Master of Science in Management (under supervisor of Dr Colette Darcy – Vice Dean Postgraduate Studies & Research, School of Business; National College of Ireland).

The aim of this research is to explore the conceptual model of Ireland's success in attracting foreign direct investment and to establish what lessons Nigeria can learn from Ireland's success?

This research is only for the purpose of this study and possibly by implication could be a lesson for the stakeholder. I will appreciate your effort in taking time to fill the questionnaires and send it back. If participants can respond within a week, it will be much appreciated. For those that I have interviewed whilst I was in Nigeria; I shall appreciate your input as well.

The questionnaire will take between 5-8 min to fill out, all responses are anonymous. All data will be kept safe during the study and will be discarded upon completion of this project.

In the event that participant have difficulty or distress in the course of answering the questionnaires – please contact me immediately. I can be reached via email or on +353879453030 and participants will be provided with contact to a free counselling service. Issues concerning withdrawal of data and/or consent can also be discussed. Thanks for your cooperation.

Yours sincerely,

Ade Adeyanju Esq.

NB:

If you have trouble viewing or submitting this form, you can fill it out online:

[https://docs.google.com/forms/d/1JmX4EJHYMcAFa\\_vQL4LpnM8CkOilNsXiUvkXDJvWYpU/viewform?usp=mail\\_form\\_link](https://docs.google.com/forms/d/1JmX4EJHYMcAFa_vQL4LpnM8CkOilNsXiUvkXDJvWYpU/viewform?usp=mail_form_link)

# Questionnaire

## Conceptual model of Ireland success factors of FDI, lesson for Nigeria

The first - three questions relate to the participant. The remaining 20 Questions should take about 5-7min to answer and addresses factors contributing to Ireland success in Foreign Direct Investment (FDI). (LQ)Location, (GQ)Government, (EQ)Education, (DQ)Demographic, (LFQ)Legal framework, (MQ)Miscellaneous.

1PQ) Please specify your gender

Mark only one oval.

- ☐ Male
- ☐ Female
- ☐ Other (please specify)...

2PQ) What is your length of experience regarding the subject matter?

Mark only one oval.

- ☐ 0-4 Years
- ☐ 5-9 Years
- ☐ 10-14 Years
- ☐ 15-19 Years
- ☐ 20 and above Years

3PQ) Whats your general view today on Nigeria performance in FDI related field

Mark only one oval.

1 2 3 4 5

Performing below capacity

Performing extremely well

1/20 LQ) Does Nigeria stand chance of been considered a hub for FDI in Africa?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

2/20 LQ) Is Nigeria central enough with its resources eg Port, Airport etc in Africa for being considered the Continent's FDI hub?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

3/20 LQ) Is Nigeria doing enough in term of concerted effort to be accepted as a FDI location hub for the continent with its resources?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

4/20 GQ) Do you agreed that well packaged tax incentives from the government will lead to increase FDI in Nigeria as it has attracted investors to Ireland?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

5/20 GQ) With terrorist activities, is Nigeria a dangerous place for Investors?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

6/20 GQ) Will tackling favouritism and nepotism in government agencies within Nigeria assist in the realization of the attempt to pull investors into Nigeria?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

7/20 EQ) Is the quality of the Nigerian education system sound enough to lure investors here?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

8/20 EQ) Can Nigeria's education system meet the needs of the foreign 'high tech' firms if run properly?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

9/20 EQ) Is the quality of the Nigeria education system sound enough to translate into high labour productivity?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

10/20 DQ) Does Nigeria having the needed labour force and appropriate skills set among its workers to give investors the needed confidence to invest?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

11/20 DQ) Will attracting investors into agriculture sector as part of initiative of promoting labor intensive sectors reforms assist Nigeria FDI?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree

- ☐ I'm clueless on this!

12/20 DQ) In terms of demography, does Nigeria have enough educated, youths and sufficient labour force?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

13/20 LFQ) The investing firm has to determine, before investing in Nigeria, the issues of legal and regulatory challenges – Is there need for improvement?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

14/20 LFQ) Is Nigeria trusted enough to provide protection for investors economic interests?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

15/20 LFQ) Do you believe that Nigeria is capable of establishing a fair adjudicating body for investment related disputes if it works for it?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

16/20 MQ) Do you think political stability contributes to the decision making process of foreign firm intending to invest in Nigeria as one of the factors features in Ireland's case?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

17/20 MQ) Are risk and violence having any impact on the economy and on FDI generally?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

18/20 MQ) Can Nigeria attract investments from other sector other than concentrated oil & gas?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

19/20 MQ) Is weak infrastructure and relatively high corruption limiting some of Nigeria growth potential?

Mark only one oval.

- ☐ Strongly agree
- ☐ Agree
- ☐ Disagree
- ☐ Strongly disagree
- ☐ I'm clueless on this!

20/20 PQ) What is your view on how will Nigeria perform if all conceptual models identified works in its favour like Location, Government, Education, Demographic, Legal framework, Miscellaneous?

Mark only one oval.

1 2 3 4 5

Will still perform below capacity

Will perform extremely well

---

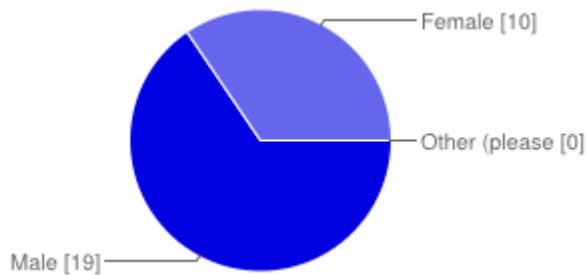
Powered by  Google Drive

Screen reader support enabled.

# Graph presentation of the responses

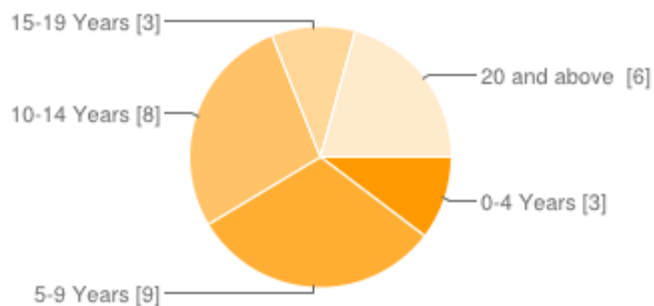
## Responses Summary

**1PQ) Please specify your gender**



Male	19	66%
Female	10	34%
Other (please specify)...	0	0%

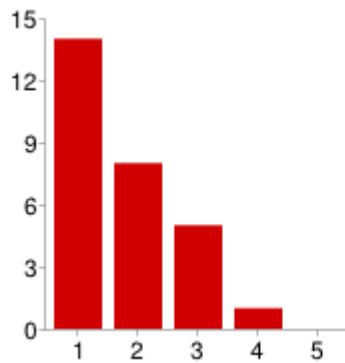
**2PQ) What is your length of experience regarding the subject matter?**



0-4 Years	3	10%
5-9 Years	9	31%
10-14 Years	8	28%
15-19 Years	3	10%
20 and above Years	6	21%

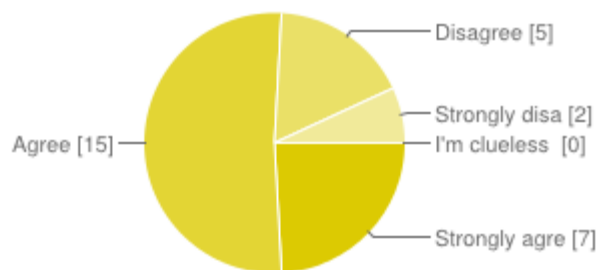
**3PQ) Whats your general view today on Nigeria performance in FDI related field**





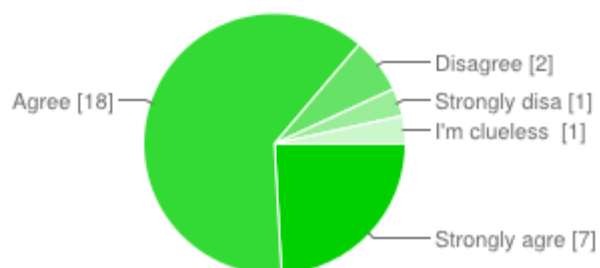
1	14	50%
2	8	29%
3	5	18%
4	1	4%
5	0	0%

**1/20 LQ) Does Nigeria stand chance of been considered a hub for FDI in Africa?**



Strongly agree	7	24%
Agree	15	52%
Disagree	5	17%
Strongly disagree	2	7%
I'm clueless on this!	0	0%

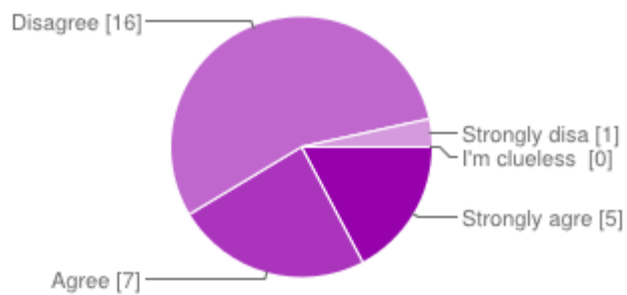
**2/20 LQ) Is Nigeria central enough with its resources eg Port, Airport etc in Africa for being considered the Continent's FDI hub?**



Strongly agree	7	24%
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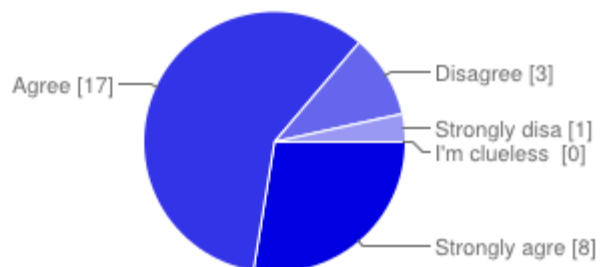
Agree	18	62%
Disagree	2	7%
Strongly disagree	1	3%
I'm clueless on this!	1	3%

**3/20 LQ) Is Nigeria doing enough in term of concerted effort to be accepted as a FDI location hub for the continent with its resources?**



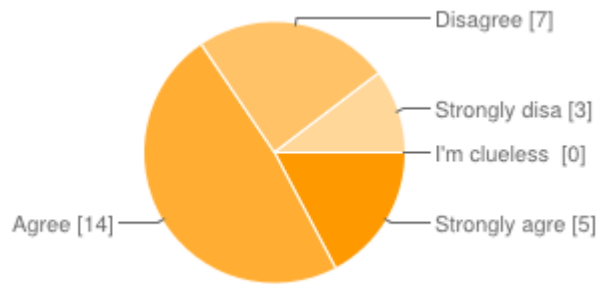
Strongly agree	5	17%
Agree	7	24%
Disagree	16	55%
Strongly disagree	1	3%
I'm clueless on this!	0	0%

**4/20 GQ) Do you agreed that well packaged tax incentives from the government will lead to increase FDI in Nigeria as it has attracted investors to Ireland?**



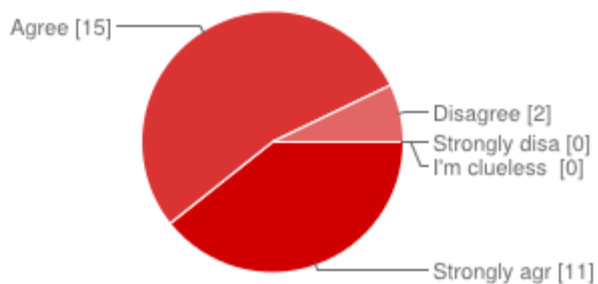
Strongly agree	8	28%
Agree	17	59%
Disagree	3	10%
Strongly disagree	1	3%
I'm clueless on this!	0	0%

**5/20 GQ) With terrorist activities, is Nigeria a dangerous place for Investors?**



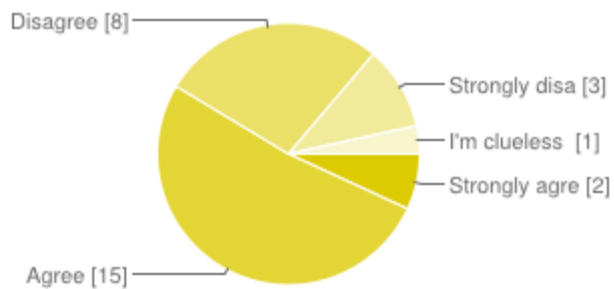
Strongly agree	5	17%
Agree	14	48%
Disagree	7	24%
Strongly disagree	3	10%
I'm clueless on this!	0	0%

**6/20 GQ) Will tackling favouritism and nepotism in government agencies within Nigeria assist in the realization of the attempt to pull investors into Nigeria?**



Strongly agree	11	39%
Agree	15	54%
Disagree	2	7%
Strongly disagree	0	0%
I'm clueless on this!	0	0%

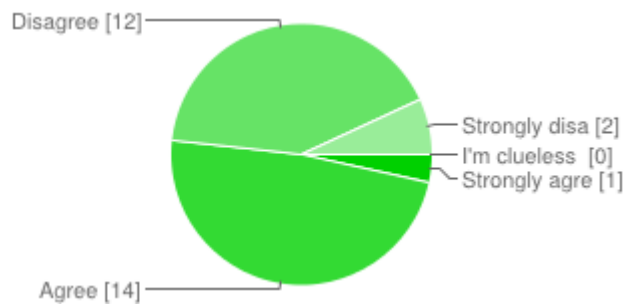
**7/20 EQ) Is the quality of the Nigerian education system sound enough to lure investors here?**



Strongly agree	2	7%
Agree	15	52%

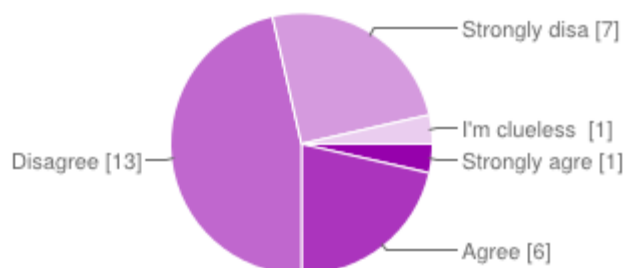
Disagree	8	28%
Strongly disagree	3	10%
I'm clueless on this!	1	3%

**8/20 EQ) Can Nigeria's education system meet the needs of the foreign 'high tech' firms if run properly?**



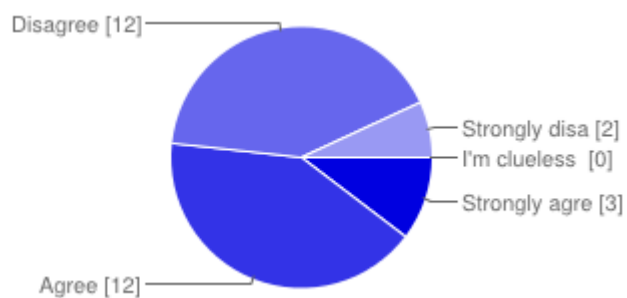
Strongly agree	1	3%
Agree	14	48%
Disagree	12	41%
Strongly disagree	2	7%
I'm clueless on this!	0	0%

**9/20 EQ) Is the quality of the Nigeria education system sound enough to translate into high labour productivity?**



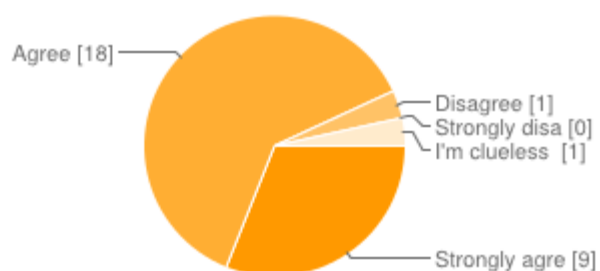
Strongly agree	1	4%
Agree	6	21%
Disagree	13	46%
Strongly disagree	7	25%
I'm clueless on this!	1	4%

**10/20 DQ) Does Nigeria having the needed labour force and appropriate skills set among its workers to give investors the needed confidence to invest?**



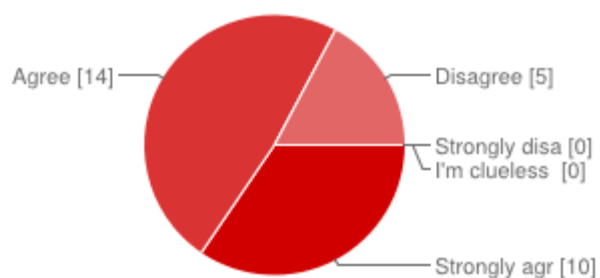
Strongly agree	3	10%
Agree	12	41%
Disagree	12	41%
Strongly disagree	2	7%
I'm clueless on this!	0	0%

**11/20 DQ) Will attracting investors into agriculture sector as part of initiative of promoting labor intensive sectors reforms assist Nigeria FDI?**



Strongly agree	9	31%
Agree	18	62%
Disagree	1	3%
Strongly disagree	0	0%
I'm clueless on this!	1	3%

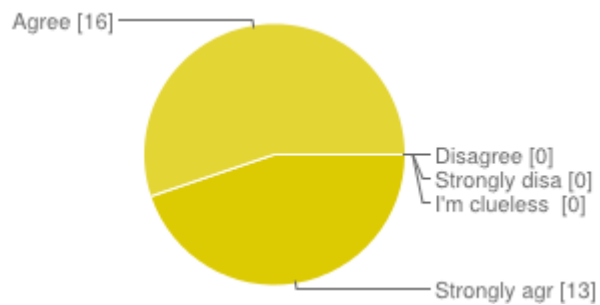
**12/20 DQ) In terms of demography, does Nigeria have enough educated, youths and sufficient labour force?**



Strongly agree	10	34%
Agree	14	48%

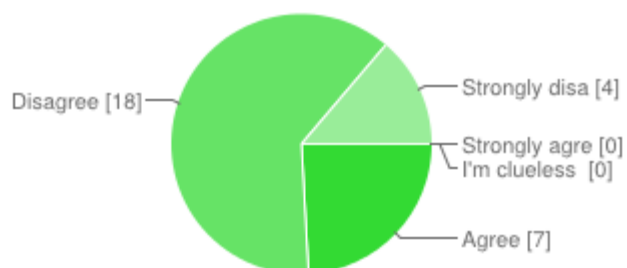
Disagree	5	17%
Strongly disagree	0	0%
I'm clueless on this!	0	0%

**13/20 LFQ) The investing firm has to determine, before investing in Nigeria, the issues of legal and regulatory challenges – Is there need for improvement?**



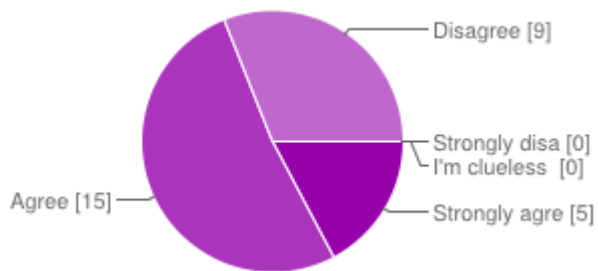
Strongly agree	13	45%
Agree	16	55%
Disagree	0	0%
Strongly disagree	0	0%
I'm clueless on this!	0	0%

**14/20 LFQ) Is Nigeria trusted enough to provide protection for investors economic interests?**



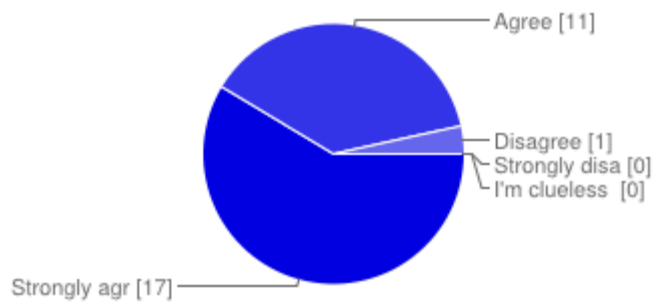
Strongly agree	0	0%
Agree	7	24%
Disagree	18	62%
Strongly disagree	4	14%
I'm clueless on this!	0	0%

**15/20 LFQ) Do you believe that Nigeria is capable of establishing a fair adjudicating body for investment related disputes if it works for it?**



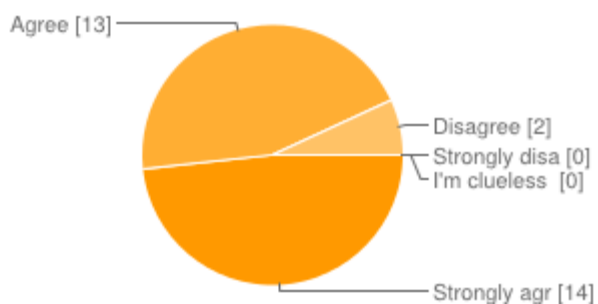
Strongly agree	5	17%
Agree	15	52%
Disagree	9	31%
Strongly disagree	0	0%
I'm clueless on this!	0	0%

**16/20 MQ) Do you think political stability contributes to the decision making process of foreign firm intending to invest in Nigeria as one of the factors features in Ireland's case?**



Strongly agree	17	59%
Agree	11	38%
Disagree	1	3%
Strongly disagree	0	0%
I'm clueless on this!	0	0%

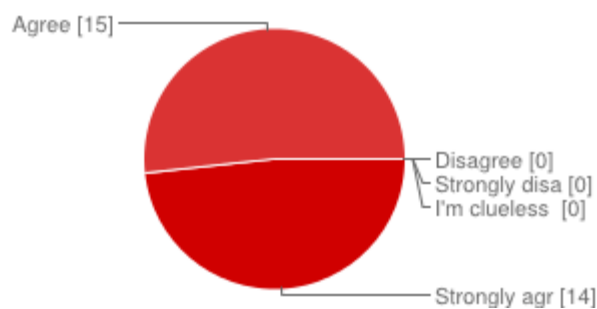
**17/20 MQ) Are risk and violence having any impact on the economy and on FDI generally?**



Strongly agree	14	48%
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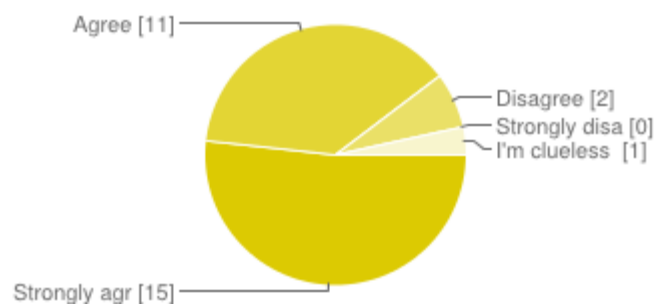
Agree	13	45%
Disagree	2	7%
Strongly disagree	0	0%
I'm clueless on this!	0	0%

**18/20 MQ) Can Nigeria attract investments from other sector other than concentrated oil & gas?**



Strongly agree	14	48%
Agree	15	52%
Disagree	0	0%
Strongly disagree	0	0%
I'm clueless on this!	0	0%

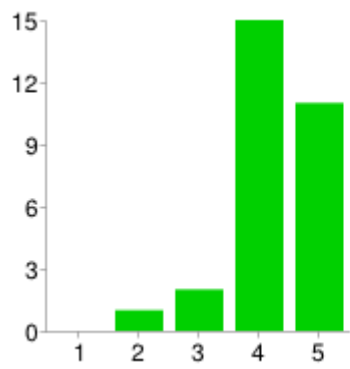
**19/20 MQ) Is weak infrastructure and relatively high corruption limiting some of Nigeria growth potential?**



Strongly agree	15	52%
Agree	11	38%
Disagree	2	7%
Strongly disagree	0	0%
I'm clueless on this!	1	3%

**20/20 PQ) What is your view on how will Nigeria perform if all conceptual models identified works in its favour like Location, Government, Education, Demographic, Legal framework, Miscellaneous?**





1 0 0%

2 1 3%

3 2 7%

4 15 52%

5 11 38%

**Number of daily responses**

