The role of multinational companies in corrupt practices: the case of Nigeria

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Abstract

A number of studies and reports have associated corruption with the misuse of public office for private financial gain, but these studies have rarely examined in detail a major vehicle for bribery and corruption. This paper argues that some corporations are willing to increase their profits through indulging in bribery, corruption and money-laundering, which has a tendency to degrade the governing system in the developing country. The paper locates the role of MNCs within the broader dynamics of global capitalism to argue that the continued drive for higher profits and competitive advantages at almost any cost is not constrained by rules, laws and even regulatory action. The paper uses publicly available data to show that MNCs are the engines of corrupt practices in Nigeria. Evidence is provided to show that in pursuit of higher profits, MNCs have designed novel schemes to circumvent laws and regulations. The paper seeks to explore and demonstrate the intensification of the role of MNCs in anti-social practices in a developing country, even though this role is in contradiction of the claims of MNCs to be socially responsible and accountable.

Keywords: multinational companies, bribery, financial corruption, globalisation, capitalism, developing countries, critical accounting, Nigeria