

MULTINATIONAL CORPORATIONS AND NEO-COLONIALISM IN AFRICA

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ABSTRACT

Multinational Corporations is one of the major instruments and agents of Neo-colonialism and economic exploitation by the colonial powers and their United States of America counterparts against their former African Independent colonies. These MNC's have enormous assets in their home countries and they are able to practically and conspicuously influence their home governments as well as interfere in the policies of the governments of the host country where they operate.. This research is aimed at explaining the roles of multinational cooperation in the neo-colonialism in Africa. Dependency theory as propounded by the likes of Dudley which defines dependency as a peripheral insertion in the world system through which former colonies are exploited economically and their backwardness is maintained over time is applied in the interpretation of data in this research. The method of descriptive analytical approach was also used. Books, articles, magazines and other literatures were consulted and analyzed. The research is divided into three parts namely, Conceptual explanations and definitions, Multinational Corporations, the Roles of Multinational Corporations in Neo-Colonialism in Africa and Conclusion.

Keywords: Multinational Corporations, United States, Neocolonialism, Dependency, Exploitation.



INTRODUCTION

The collaborative economic relationship between European nations and other third world countries including Asia and Africa lasted for Centuries prior to African independence. The foundation for European contacts with African Continent which was laid before 16th century and became more robust from the early 1800 century was purely mercantile but culminated into the emergence of Multinational Enterprises which eventually marked the beginning of Multinational dominations of African economy by these Multinational Companies.

The first Multinational Company to issue stocks and acquire quasi-governmental powers, which includes negotiations of treaties with communities, waging of wars, establishment of colonies, and introduction of coins' money was the Dutch East India Company which was founded in 1602, liquidated in 1795 and finally stopped operations in 1799. The company was the largest European trading company in Asia. It was founded by Johan van Oldenbarnevelt with headquarters in Amsterdam, Netherland.

The emergence of Multinational Corporations dates back to pre-colonial days and continues even after independence of the African states. They are powerful conglomerates that came into Africa for the purposes of seeking for cheap raw materials, cheap labour and market for their manufactured goods. They do not reinvest their gains in their host nations rather they repatriate them to their home nations. They dominated African economy even after independence.

The European exploration of African continent was motivated by economic exploitative interest. That resulted to inconsequential investment in Africa. The period between 1600 and 1800 constituted what is historically called 'the mercantile period' and that was when the foundation for initial integration of African economy into European capitalist hegemony was laid. This started



from the mercantile era through 'slave trade' period so as to accelerate the process of productions in Europe which eventual led to the full integration of Africa into global economy in the 19th century. International capitalism was to source for cheap raw materials for European industries for which later created a gateway for those European industries and Multinational Corporations in Africa to thrive.

From 1800 to 1960, the colonial era simultaneously transformed African continent to areas of surpluses for European capitalism. The continued economic exploitation of African nations by these European nations in its struggle for the continued protection of their interest resulted in the underdevelopment of Africa. The main aspect of that economic relationship and activity during the colonial era (mainly from 1800 to 1960), was a strategic direction in the emergence of influence of European capitalism in Africa (Uche Uka, 1996).

Before the 15th Century, the relationship between African countries and the outside world was based on mercantile relationship. For instance, Portugal and the Benin Kingdom was involved in international trade with each other. Since the beginnings of European enterprises in Africa at the close of the 15th century, Africa has come to be mirrored as an economic field by the Western world. The consequence of this has been various European and Western interferences in Africa. For centuries, Africa has battled with different forms and shades of imperialism. It started with mercantile (legitimate) trade to slave trade and finally legitimate trade. This has had positive and negative repercussions, and has to a great extent, shaped the condition of present Africa, and may continue to shape Africa's future. The height of this imperialism was the outright colonization of African territories by European powers which began by the close of the 19th century. Different European powers partitioned African



territories among themselves and imposed their rules on their acquired territories.

Multinational Corporations and African Neo-Colonialism

For more than half a century, Africa found itself completely subdued under foreign powers and there was little they could contribute to how their society and economy were being administered. This situation was not because Africans wanted it to be so for they stoutly resisted European conquest but were defeated. For over half a century of colonial inception, Africans tried to change the colonial order so as to participate in the administration of their own affairs, yet they were ignored and suppressed. The European powers wanted absolute control over the sociopolitical and economic exploitations of Africa. The World War II and its aftermath, however, posed a great challenge to European rule and domination of African affairs.

In the first place, Africans who contributed and participated in the War came back enriched with new knowledge and experiences that had little tolerance for European rule in Africa. There were thus, renewed and more daunting demands from Africans for an end to colonialism in Africa. Secondly, the participation of the United States of America (USA) in the War, and its emergence as a world power was a troubling development for colonialism. The USA owned no colonies but would, in the main, want "unrestricted" access to African territories and elsewhere. It wanted the dismantling of actual colonies. The signing of the Atlantic Charter with Britain in August 14, 1941, which approved the freedom of all people to determine how they would be governed, was a blow to colonial morality. Again, new parties, like the Labour Party in Europe, were critically against colonialism. Gradually, it became obvious to European colonial powers that the end of actual colonialism was imminent. However, the interest in the political and economic affairs and exploitation of Africa remained pertinent in European and Western minds. If there must be decolonization,



there must be another means to keep hold on economic and political affairs of African nations. The way out became what is known as Neo-colonialism.

Colonialism, by its oppressive nature, made the Third World become suppliers of raw materials for the sustenance of the momentum of the Western Capital market. Colonialism then created the enabling environment for the coming of the multinational companies...and the active participation of the multinationals in the exploitation of mineral resources... led to economic rampaging of the colonies (and)... the consequence has been the perpetual economic dependence of the Third World on the industrialized North... (Guy Martin, 1985)

The multinational corporations have become an important agent in the execution of neo-colonial policies. This paper, therefore, intends to trace the roles of the multinational corporations in neo-colonialism in Africa.

Clarification of Concepts

Neocolonialism

Many scholars defined Neo-colonialism in many ways. A first official definition of Neo-Colonialism was provided by the Resolution of All-African People's Conference of 1961 on Neo-colonialism. It defined it as

The survival of the colonial system in spite of formal recognition of political independence in emerging countries, which become victims of an indirect and subtle form of domination by political., economic,



social, military, or technical means, (RAAPC, 1961).

Kwame Nkrumah noted that colonial and semi-colonial powers may have relinquished the appearance of direct control through the recognition of independent states and their governments, yet they maintained their quest for hegemony through the control of the international division of labour and the dominance over the economic relations of production, ownership and trade,

According to Sandra Halperin, neo-colonialism is "**the control of less-developed countries by developed countries through indirect means.**" (www.britannica.com, Sandra Halperin) For Vasili Vajrushev, Neo-Colonialism was defined

as a colonial policy performed by the imperialist powers with new hidden mechanisms in order to reinforce capitalism, maximize profit and maintain the economic, political, ideological and military influence of colonial times. (Solodovnikov & Bogoslovsky, 1975).

The term neo-colonialism was first used after World War II to refer to the continuing dependence of former colonies on foreign countries, but its meaning soon broadened to apply, more generally, to places where the power of developed countries was used to produce a colonial-like exploitation.

Neo-colonialism is seen here, therefore, as the continuation of the economic model of colonialism after a colonized territory has achieved formal political independence. This concept was applied most commonly to Africa in the latter half of the twentieth century and has continued in the twenty-first century.



Multinational Corporations

Like Neo-colonialism, the definition or explanation of Multinational corporations can be approached from many perspectives. Hill defines "**Multinational Enterprise as any business that has productive activities in two or more countries,**" (Osuagwu & Obunneke, 2015). For Osuagwu and Obunneke,

Multinational Corporations are companies which seek to operate strategically on a global scale. A multinational corporation is a company, firm or enterprise that operates worldwide with its headquarters in a metropolitan or developed country. (Osuagwu & Obunneke, 2015).

This definition cum explanation gives an understanding that multinationals implies many nations experiencing the activities of a particular institution or company. Explaining it by its characteristics, Multinational Corporations are usually very large corporate entities that while having their base of operations in one nation (the "home nation), carry out and conduct business in at least one other, but usually many nations, in what are called the "host nations." Some often equally refer to Multinational Corporations as "Multinational Enterprises" In some early documents of the United Nations they are called "Transnational Organizations."

The nature of the business of Multinational Corporations in some cases is manifold as some of these corporations engage in multiple kinds of business. Whatever nature any takes, Multinational Corporations often emerge as big conglomerates, making it possible for greater profits and thus, enough capital for continuous expansion.



The Roles of Multinational Corporations in Post-Colonial Africa.

Economic/Financial Roles: Because Multinational Co-operations control enormous financial, material and human resources due to the strong political and economic support and protection they enjoy from their home government, they in turn use this support to dominate and undermine the equitable mutually beneficial economic cooperations between them and their host countries, in this case African countries.

According to Oleg Cherkovet

...the foreign policy of developed capitalist countries has been (right from the first time they stepped into Africa)^{sic} dominated, especially in recent years by a bid to undermine equitable mutually beneficial economic cooperation and to use internationaleconomic ties as a means of putting pressure on sovereign states and interfering in their internal affairs (Oleg Cherkovet, 1979).

These position has never changed.

The industrialized nations who are the owners of these Multinational Cooperations that supply and distribute these goods to non-industrialised African nations who are the major consumers of these goods. In this kind of arrangement, African countries became the major suppliers of raw materials to the industrialized nations of the world who in turn manufacture products that they sale back to these non-industrialized African nations. In the process African nations became a market and a dumping ground for the industrialized nations. When a nation is a consuming nation instead of a producing and manufacturing nation, such a nation is bound to remain a major creditor to the industrialized nations of the world



and their multinationals will have total control of the economy of such a nation. As long as non- industrialized cannot produce their own goods but depend on the industrialized nations for the goods they need thereby resorting to importation to sustain their economic needs and satisfy the needs of its population credit will be dependent on the suppliers. It must be noted that multinational cooperations are the main agents of capitalism of the developed economies of the world which dominates both the economic policies and the economy of developing nations. Hence, Osvaldo Sunkel noted;

The multinational Corporations is the most efficient instrument so far developed by the developed capitalism to siphon off resources from where there are most urgently needed, but where there are no commercially profitable possibilities exist, which are to a large extent created by the corporations themselves (Sunkel, 1972).

Analysts have figured out that Multinational Corporations the world over play key roles in the under development of host nations. These roles are considered to impact positively and negatively in the developing countries while the Metropolises or the home nations of the Multinationals. Some scholars argue that Multinational-Corporation contributed positively to the development of their host developing nations, especially African nations. Critics of these scholars have labeled them *neocolonial mentality scholars*. Notwithstanding, the neocolonial scholars *thus* argue that,

while the First World does profit from cheap labor and raw materials in underdeveloped nations, ultimately, it does serve as a positive modernizing force for development in the Third World. (Hush, 1995).



Having huge fund in their reserve, Multinationals can set up a pace or standard that other companies try to match or beat. This can serve as a catalyst for development. Granted that the Multinational Corporations can inject capital into the economy of host nations; their roles have often been found to be neo-colonial. No wonder many Afrocentric scholars have considered Multinational Corporations as agents of neo-colonialism. This assertion is evident in different activities of the Multinational Companies. These Multinational Corporations includes Banks, other financial Institutions and Establishments etc that are been used to perpetuate exploitation of the African nations. Hence, Oleg Cherkovets noted that in the areas of Technology, the Multinational Corporations like United Africa Company of Nigeria (UAC) has so many subsidiaries in manufacturing, Timber and Plywood, UAC Technical Ltd, G. Bollivant (Nig) Ltd; Pan Electric Ltd; Kingsway Stores Ltd; A. J. Seward (Nig) Ltd; For Lonrho Ltd subsidiaries (Cherkovet, 1979), others include: John Holt Properties Ltd; J. Allen & Co. Ltd; Hco Ltd; Niger Traders Ltd; for Unilever Ltd, we have Boodpak Ltd; Guinness Nig. Ltd; Lever Brothers (Nig); West African Drug Company etc. (Chikwendu, 1980).

Socio-Economic/Financial Roles

Part of the strategies adopted by these developed countries include, imposition of “ economic stabilization programmes”, granting of foreign private capital with so many privileges, devaluation of national currencies of the under developed countries, introduction of Austerity Measures etc which are aimed at running down the state sector in developed countries. In other to undermine these countries from within, the developed countries used economic coercion to achieve its purposes.

This economic coercion has in many occasions been condemned by the United Nations Organisation and has been calling on the developed capitalist countries to refrain from threats or adoption of such practices. This made the United Nations General Assemblies



in their 40th Session to warn against the use of coercion against developing countries as a means of exacting pressure on the developing nations.

De Laval, in critical examination of the activities of Multinational Companies, came up with an assertion that, Multinational Corporations (MNC's) play an enormous role in propagating neocolonialism. MNC's put major pressure upon the IMF and the World Bank to force countries to agree to privatization, lesser trade barriers and 'free-trade zones' so the agenda of global capitalism can be attained.

Multinational Corporations is playing a special role in the increasing pressure on developing countries. It takes over and mobilises entire sphere of production and exchange and exchange of individual countries as well as the world capitalist economy as a whole. (Diana Raag, 2011).

Because most multinational corporations that hold sway all over the world originated from powerful nations of the Western world which incidentally are the key sponsors and managers of the international monetary institutions, it has been alleged with high degree of certainty, that these companies in collaboration with their countries of origin, influence the decisions of the monetary institutions to the detriment of the host countries of the companies. When the developing countries have been convinced to obtain loans from the international monetary institutions, the multinational corporation is accused of influencing them to impose on these countries, structural adjustment programmes that are conducive for capitalism to thrive.

It is also argued that the multinational corporations cause labour problems in their host countries. Their style of remuneration which



is usually higher than what obtains in the developing nations, encourage class division in the labour sector. Critics posit that,

The rare rate of payment made to the labour helps in the development of what is called labour aristocracy. In simple words, the workers in these firms get very big salaries as compared to the workers in other indigenous firms. This naturally makes them aristocrat. The aristocratic labour go against the interests of the workers in general. They become elite among the labour. They become bourgeois (capitalist) among the labour. These workers in this way, help in spreading bourgeois mentality among other workers. In this way, they destroy labour consciousness and labour movement.

There is a general understanding that bourgeois mentality in labour creates room for the nourishing of imperialism. Usually, the bourgeois elite become local agents of imperialism. They are often the ones who do everything possible to sustain the status-quo, and this is often achieved by sustaining the control of economic and political activities on behalf of the capitalists, thus the neo-colonial powers,

Further on the economic imperialist role of the multinational corporations is the fact that the corporations repatriate funds to the metropolis which otherwise would have been reinvested for the development of the host nations. Osuagwu and Obumneke reflecting on this situation as it concerns Nigeria, contend that,

most of the capitals in the form of profits are not invested in the country but sent to the home countries of MNCs for investment, thereby rendering the host countries industrially underdeveloped. The royalties or pittance paid to the government by these MNCs cannot because of its meagerness be employed into heavy industrial



projects. In brief, the MNCs export abroad the capital that would have been used to develop the host countries thus; the MNCs distort the economy and the economic development in the host nations because the capital needed for development is no longer here in the country but abroad. (Osuagwu & Obumneke, 2013).

The repatriation of fund is achieved because the bulk of the shareholders of these corporations come from their home countries. This means that dividends paid are paid to those outside the host countries. Again, much of what these corporations use in their operations are imported from the metropolis, and thus, little or nothing is spent on the development of the economy of the host nations.

One thing that is becoming common in international economy is the establishment of Free Trade Zones (FTZs). FTZs are special area or areas carved out in a country or in countries as labour intensive manufacturing centers. The activities of the centers involve the import of raw materials or components, as well as the export of factory products. In FTZs, some normal trade barriers such as tariffs and quotas are eliminated and bureaucratic requirements are lowered in hopes of attracting new business and foreign investments. It is generally assumed that FTZs have the basic objectives of enhancing foreign exchange earnings for the countries they situate in, develop export-oriented industries and to generate employment opportunities. It is a common knowledge that Multinational Companies generally pressured nations into the establishment of FTZs, and they hold sway in the FTZs all over the world. As argued by some scholars, the fact remains that for the multinational companies, the FTZs are sweatshop labour that guarantees productions costs to be as low as possible, with the least internationally accepted environmental standards, least overhead costs, impressive profits, and meagre taxes. The fact that



multinationals dominate the FTZs reduces the beneficial aspects of the FTZs to the host nations, thus reducing the anticipated rate of development from FTZs (Cherkovet, 1979). The multinationals being core capitalist profit institutions will do all to reduce any threat to their further growth and profit. What is more, the delocalization caused by FTZs cause destitution for the locals where they situate.

These multinational Corporations includes banks and other financial institutions that are been used by Neo- colonialist countries to perpetuate exploitation of the African nations. Hence, Oleg Cherkovets noted that..." *the role of Multinational and Transnational Banks in the exploitation of developing countries has been growing*"¹⁵. That is why Chikwendu noted that "...*Multinational Corporations are the active agents of Neo-Colonialism* (Chikwendu, 1980).

Furthermore, by often engaging in illegal economic activities, the multinationals rape the economy of most of their host nations. Because, in most cases, they have connections to those in power in these nations, they ignore economic and environmental laws with impunity. With such connections too, they monopolize the different sectors of the economy, stifling local initiatives, thereby harming the nation's economy. In a research of Diana Flaag on neo-colonial influences in Cameroon and Ghana, he observed that

*the French company Bollere has largely monopolized the Cameroonian transport system, controlling the Cameroonian railway Camrail, the transport per truck, the majority of the port in Douala, as well as the shipping to Europe.*¹⁷, Haag added that, (Diana Raag, 2011).



There are innumerable cases of favourable treatment of foreign and particularly French companies, especially regarding the non-suing of legal infractions. Some of the most important cases concern the illegal exploitation of wood. Almost a third of all Cameroonian logging areas are controlled by French firms such as Thanry, Bellore, Coron and Rougirer...

Cases of illegal exploitation of different economic sectors by Multinational Corporations are common phenomenon across countries in Africa. American and British oil firms have often been accused of illegal oil exports in Nigeria with impunity. The fact remains that most multinational corporations consistently foist colonial structures in their host countries.

The Multinational Corporations also foster financial dependence of host nations on former colonial powers or on home countries of the multinationals. Ilaag was of the opinion that in Cameroon, there were several cases of abuse of development aid for French economic interests. He alleged that most French aid returns to France *"in the form of purchased French goods and services or provides infrastructure that mainly serves French corporations."*¹⁸

Technological Neo-colonialism

The Multinational Corporations are also guilty of causing technological backwardness in their host countries. De Laval rightly argued that:

Corporate dump-offs, the process of giving developing countries outdated or broken items for PR campaigns, is a side-effect of economic dependency brought on by neocolonialism. With these corporate dumping of products, countries receive outdated machinery which no one knows how to use, so they just sit there to rot, or they are in such a stale of disrepair that they cannot be used.



This process of neo-colonialism is a concerted effort by MNC's to keep local agriculture and production underdeveloped, leading to forced dependency... (Laval, 2015).

Osuagwu and Obumneke also argue that in Nigeria for instance,

These corporations intentionally and deceitfully introduce inappropriate types of technologies that hinder indigenous technological developments. These MNCs employ capital intensive productive techniques that cause unemployment (Osuagwu & Obumneke, 2015).

It could be recalled that in the 1970s, before the major influx of multinational corporations in Nigeria, the country boasted of assorted types of technologies, though on a small scale. The multinationals rather than helping them to grow, succeeded in stilling them out oil existence through the introduction of more advanced technologies which manipulations they are not so willing to transfer to Nigerians. Keeping the technologies of the developing countries low is a sure way of making them over dependent on the neo-colonial powers.

Political Roles

The neo-colonial activities of the multinational corporations are not confined to the economic domain alone. It is argued that these corporations involve themselves in political activities and manipulations in their host nations. Prachi raised a pertinent point when he remarked that

These corporations have given rise to a big question mark whether political freedom will continue to exist when economic power is getting more and



more concentrated in fewer and fewer hands.
(Prachi, 2015).

Multinational Corporations generally net huge profits. This has helped to give them heavy economic powers most often, they would not hesitate to dangle at the face of the leaders of the developing nations so as to be able to manipulate them. With heavy Greek gifts, the multinationals corner the political elite and manipulate their ways even into influencing policy making in their host countries. Such influence is often for the interest of the core capitalist nations which the multinationals represent. To retain such mouth-watering financial inducement from their multinational patrons, most political leaders in Africa had taken decisions inimical to the masses of their various countries, and had often closed their eyes to neo-colonial and oppressive activities of the multinationals in such countries.

Furthermore, it is an undeniable fact that money plays a great role in politics everywhere in the world more especially in Africa in particular. Parties and candidates that have greater access to manipulation of funds have often been seen to emerge more victorious in African elections. With the excess profit at their disposal, Multinational Corporations throw their weight into sponsoring candidates and political parties during elections so as to have a political clouts and control aroundthem thereby turning them to their stooges who do their biddings. According to Osuagwu and Obumneke. For instance;

It is on record that the MNCs kept President Mobutu of Zaire in power for so long because he was tutelage to them and with MNCs they sucked dry the economy of Zaire. The MNCs equally were responsible for the early exit and assassination of Patrick Lumumba because he would not allow their exploitative activities. The same story is true of



Captain Thomas Sankara of Burkina Faso and so many others. (Osuagwu & Obumneke, 2015).

Multinational Corporations can go any length to maintain in power, anyone they believe, will play to their interest, even to the point of causing political instability in developing nations. By this, they have been found to have numerously been behind the rise of some authoritarian regimes and sit-tight presidents in Africa. It has also been demonstrated that some political office holders go all out seeking their sponsorship or partnership with promises to granting them free exploitation of resources and over-inflated contracts. Haag x-rayed this point when highlighting such unhealthy deals between Paul Biya of Cameroon and Elf oil giant.

Critics have also argued that Multinational Corporations are often a channel through which the political influence of their home nations are brought into their host nations. This is better understood when one evaluates the extent to which some of these Corporations project their countries as well as the extent to which some of their home countries go to protect the interest and activities of these corporations in their host countries.

Another display of neo-colonial mentality by the Multinational Corporations is witnessed in their being agents of environmental and health hazards. Because of their influence over most of the governments in the developing nations, most Multinationals have been found to carry on their productions without regards to international environmental and health standards. Having calculated what would be the cost of maintaining such standards in their field of operations, and considering that it would reduce their profit margins, and knowing that the host governments have no audacity to prosecute them, they operate with impunity. In Nigeria, for instance, the environmental and health concerns generated by Multinational Oil Companies in the Niger Delta remain for many years, a source of agony to the people and the nation.



Unfortunately, the home countries of these companies are always there with their might to defend them.

On another note, it has been observed that often, the Multinational Corporations are channels through which banned and out-dated products in the Western nations are brought into the developing nations and Africa in particular. This is more worrisome when you consider their health implications. For instance, drugs that have been proscribed in the West have often been found circulating in African countries. Analysts are of strong opinion that the sources of their entry into African countries are no other than the Multinational Corporations. It does appear that their capitalist nature, driven by a high love for huge profit has made the corporations imperialists and agents of neo-colonialism.

The Multinational Corporations accounted for more than one-third of the capitalist world industrial productions, eighty percent of its patent rights for new technologies and techniques and over half of the world foreign trade. (Osugwu & Obumneke, 2015).

The Multinational Corporations equally play a great role in cultural neo-colonialism. As they move with their products into African countries and other developing nations, the culture of their home countries are gradually spread in their host countries. We find electronic companies more culpable of this. One cannot exaggerate the influence of companies like Apple, Nokia, Samsung, Microsoft, and so on, on African peoples. These have helped to inculcate the Western culture of electronic gadgets into Africans, with their positive and negative implications. It is through these electronic media like Television stations, film industries and their likes, which emanated from Multinational Companies that most values in African cultures are being eroded and are being replaced with alien unbecoming cultures like immorality, homosexuality,



violent crimes, and so on. Suffice it to say that some of these products originating from Multinational Corporations have enslaved Africans and have done more harm than good to African sense of decency and freedom.

Political/Socio-cultural cum Economic Dependency of African Nations on their former colonial Masters.

As the agents of neo-colonialism, Multinational Corporation under the ownership and control of imperialist developed nations of the world are deployed into African Countries to fill the vacuum created by the departing colonial authorities after the flag independence of the colonial African nations. These Multinational Corporations enjoy greater secrecy and security from their host nations thereby colluding with corrupt African leaders that are willing to allow their nations to play the roles of client state to the Multinational Corporations who in turn engage in behind-the-scenes political, diplomatic, covert and open military activities in the host countries as dictated by their home government. In other to increasingly continue and enhancing the exploitation of the economic plundering of their host nations, some Multinational Corporations aid and abate the sponsorship of some political parties, finance coup' etat and influence the policies of their host nations. Through the open-door policy of the Leaders of these African nations, throw open the economy of their nations to these imperialist nations so as to attract foreign capital but in the process open up their economy to an unhealthy competition with the vastly advanced industrialised world thereby reducing their countries to the suppliers of raw materials for for European industries and a dumping ground for manufactured goods.

...Multinational Corporations have dominated the productive forces in the Neo-colonial economy. Thus, in the urban areas and strategic sectors of the economy; such as mining, manufacturing, petroleum, finance, distribution, transport and



communication, these imperialist agents... the MNC-dominated. This has been made possible by their monopoly of sophisticated technology (Chikwendu, 1980).

Conclusion

The advent of neo-colonialism must be understood to have been a calculated measure to elongate as much as possible, the life of dependency of the developing nations on the industrialized countries. No doubt, it had become apparent to the West that outright colonization of any territory by a foreign nation was totally unacceptable to the world. Yet, the socio-economic gains of imperialism already tasted could not allow the imperialists to let go completely of their former colonies. To perpetuate their imperialist hold on their victims, the imperialist powers would need certain structures to collaborate with them, albeit indirectly. One of such structures they found is the establishment of Multinational Corporations.

Arguably, Multinational Corporations have great roles to play in the development of economies of the countries of the world. It has to be taken into cognizance, however, that Multinational Corporations are creations of imperialist nations, created and sent as "ambassadors" into developing Nations. Even though the multinationals play some positive roles in economic development of developing nations, they must also be seen as agents of their creators. As could be seen from this paper, multinational corporations, as products of capitalism, the main drive behind neo-colonialism, have been found to play socio-economic, technological, political, and cultural roles in the promotion of neo-colonialism in Africa. Such roles have been found to be detrimental to the economic, political and cultural development of African nations. The multinationals are aware that their contracts with their host nations are one sided, however, this makes no cause for worry



to them since it is in the nature of the multinationals to seek for maximum profit.

The above concern sets a serious challenge on African countries and other developing nations to figure out and consciously see that they extract the benefits that can come from Multinational Corporations while at the same time, reducing drastically, the possibilities of socio-political and economic exploitations that can come with the multinationals. African elites should formulate strict laws guiding the acceptance of multinationals in their countries and execute such laws without fear or favour.



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