MULTINATIONAL CORPORATIONS IN DEVELOPING COUNTRIES: A BAG OF MIXED FORTUNES, 1960- 2010

Angela O. Odo
Department of History and Strategic Studies,
Alex Ekwueme Federal University
Ndufu-Alike, Ikwo, Ebonyi State.
Tel: +2348109563346
angelamichael300@gmail.com; angela.ogochukwu@funai.edu.ng

Abstract
The presence of multinational corporations in developing countries has become a case of different strokes for different folks. While some developing countries celebrate their presence and count the accompanying 'blessings', others bemoan their devastating impact on various sectors of the country. A country's government system, general attitude, and economic ideology may be crucial factors in the impact of multinational corporations in it. Developing countries such as India, Singapore, Hungary, Indonesia and the Republic of Korea are used as case studies proving the welcoming attitude and proper utilization of Multinationals by Asian governments for economic growth and development. Likewise, African countries including Nigeria,Gold Coast, South Africa, Democratic Republic of Congo and Namibia show the rather curious 'underdevelopment' impact of Multinationals on some African countries. This paper seeks to interrogate Africa's supposed losses due to the activities of Multinational companies while Asian and European countries record empirical growth garnered from the activities of multinationals. The modernization theory explains the quick adoption of Western culture and development style of developed countries, while the dependency theory highlights the apparent dependence of developing countries on the West.
Keywords: multinational corporations, Foreign Direct Investment, development, underdevelopment.

Introduction

A discourse on the activities of Multinational Corporations (MNCs) in developing countries may be viewed in the light of the 'manifest destiny' of the United States. The journalist, John Louis O' Sullivan explained that "it was a God-given sanctioned right to conquer the land and displace the uncivilized, non-Christian people who, it was believed, did not take full advantage of the land which had been given to them".[1]Unequivocally, most developing countries, especially Africa are very wealthy in mineral resources. But they lack the technological skills to convert their immense wealth to financial and economic power. A country can only be rich in the real sense of the word and in the global scene if it can confidently boast of sustainable financial resources. In other words, wealth in the form of inherent mineral deposits becomes abject poverty when such wealth lies idle and unexploited. The emergence of MNCs is without doubt a huge leap forward for European industrialization. It is no surprise then that the MNCs were the major vehicles of colonial expansion and economic imperialism in the Third World.

Ariel Root cited by Michael Ogbeidi, defined an MNC as a parent company that engages in foreign production through its affiliates located in several countries, implementing business strategies in production, marketing, and staffing that transcend national boundaries. In this sense, an MNC exhibits no loyalty to the host country.[2]Udensi defined a Multinational Corporation (MNCs) or Multinational Enterprise (MNEs) as an organization that owns or controls the production of goods or services in one or more countries other than the home country.[3] Michael Veseth views MNCs as an extension of the financial and technological powers of the home countries to the host countries.[4] A common thread that runs through these definitions is that an MNC comprises a headquarter in a parent home country and several branches in many host countries. Because MNCs exhibit no loyalty to their host countries according to the first definition, they possess the power to decide whether to develop or under-develop their host countries. Owing to this fact, their presence has turned out to be a bag of mixed fortunes for their host countries. In some circles, they are seen as a source of economic growth and technological advancement, while in others, they were perceived as economic monsters and imperialistic predators, but in reality, they are both, either wittingly or unwittingly.

Studies that border on multinational corporations and their impacts on developing economies have shown that the inflow of Foreign Direct Investment (FDI) to developing countries continues to grow despite uncertainties in the global market. Governments of such countries often strive to attract MNCs in anticipation of the economic advantages that accompany them. In some countries, the economic gains of the MNCs are usually considered above human rights.[5] But where human rights are neglected in the bid to attract the foreseen benefits of multinationals, their development purpose becomes partially defeated.

The presence and activities of MNCs in developing countries especially Africa is a clear manifestation of the dependency theory which presupposes that the development and enrichment of the western countries was as a result of the underdevelopment and impoverishment of Africa.[6] While this may be true, their presence in their host countries do leave trails of positive economic change. Their impact in their host countries would reveal their economic relevance in those countries. This research will attempt to show the economic gains of Asian countries with regard to the activities of MNCs vis-a-vis Africa's inability to tap into the technological advancement availed by the MNCs and hence the feeling of resentment towards them as advanced by African authors.

This study investigates the failure of most African nations to tap the full benefits of MNCs and thus harness their development potentials like Asian countries had done and are still doing. It also examines why some states in Africa view the activities of MNCs as neo-colonialism which begs the question of how come they are not seen in the same light by East European and Asian nations. How come some Africans see more of the negative impacts of MNCs than their positive sides? A comparative analysis of the diverse attitudes of Asian governments and African governments towards MNCs might attempt to provide answers to the research question.

Literature Review

S. S. Nayak in *Globalization and the Indian Economy, Roadmap to convertible rupee* averred that countries in Asia, Latin America and Africa towed varying paths in attaining national economic development. Factors including ideological leanings either to capitalist or communist blocs plus level of government involvement in economic activities determine the direction of their nevertheless, external involvement in the economic growth of each nation remain crucial to a holistic economic growth especially in the realm of resource exchange.[7]

Rugraff and Hansen (eds) in *Multinational Corporations and Local Firms in Emerging Economies* stated that a striking feature of foreign direct investments (FDIs) from the 1990s to the 2000s was their steady numerical growth in emerging economies. The greater majority of FDIs were concentrated in some Asian countries, particularly in China.[8] Unequivocally, developing economies were seen as virgin fertile grounds for investments by the West. Developing countries' demographic strength which translates to a vibrant market among other crucial factors is clearly responsible for this trend. The book seems to focus more on the countries that were more tolerant of multinational corporations.

S. Urattaet al (eds) agrees that FDIs have made immense contributions to the economic growth of the host countries mostly through the provision of financial capital and fixed investment. In *Multinationals and Economic Growth in East Asia: Foreign Direct Investment, Corporate Strategies and National Economic Development*, they emphasized the remarkable economic growth attained by East Asian countries due to FDI. Some salient factors in the growth of FDI in East Asian countries as noted by these authors are education and a hardworking, low income labour force.[9] The study stressed the importance of multinationals in the growth of Asian economies, and with minimal criticism for them.

Exposing the negative impacts of multinational corporations especially in African states, W. Rodney referred to them as capitalist institutions and colonial trading companies. In *How Europe Underdeveloped Africa*, he stated that they were responsible for exploiting a great proportion of Africa's wealth produced by peasant toil. With an agenda of massive exploitation, most African producers were retained as dealers in primary products. the MNCs made huge fortunes from diminutive investments in parts of Africa where peasant farming on cash crops were pervasive. Financial capital garnered by the French from centuries of slave trade were transferred to groundnuts from Senegal and Gambia.[10] But Rodney's exposé amounts to Africa's slowness in grasping western technology within the opportunity presented by the MNCs.

J. G. N Onyekpe agrees with Rodney, but added that African governments encourage the exploitative stance of multinationals by concerning themselves much more with expanding their financial base through the payment of duties. In "The Integration of the World Economy: From Informal Empire to Neo-Colonialism", he argued further that the operation of multinationals metamorphosed into informal empire and commercial rule by companies.[11] Like Rodney, this is a trajectory of negativity attached to MNCs' activities in Africa.

A. G. Hopkins seem to have provided an explanation for the expatriation of Africa's surplus by MNCs as well as Africa's supposed helplessness before the MNCs. This is because West African countries ran an 'open economy' which gave room for export of limited agricultural and mineral products and higher import of manufactured consumer goods. In *An Economic History Of West Africa,* he argued that an open economy responds easily to external influences. Additionally, the major industrial powers exert considerable influence on the economic policies of their colonies and thus control them completely. Their central purpose was to ensure the unabated flow of primary products while keeping the door open for sale of their manufactured pruducts.[12]

Todaro and Smith believes that FDI plays extremely important roles in developing countries. Their inflow into those countries was tantamount to a massive flow of resources. They noted that as at 2012, developing countries received more than half of global FDI flows.[13]How each country managed its resources and external relations afterwards is a determinant factor in its future development or otherwise.

Perhaps there is a moral justification for Africa's resentment towards MNCs as noted by Giuliano Martiniello in "Accumulation by Dispossession and Resistance in Uganda". The work is crammed with instances of forceful land acquisition by multinationals in Uganda and other African countries. He argued that such land grabs convert forest lands originally devoted to production of food for subsistence and domestic consumption to production of cash crops for export.[14] African nations thus became cash-crop economies at the expense of food crops needed for daily subsistence.

Ade Alade wrote that West Africa's poverty, underdevelopment and neo-colonial dependency stemmed from her historical past as victims of the trans-Atlantic slave trade, coupled with the activities of the imperial powers.[15] His arguments in "The Economic Basis of Imperialism" centers on Africa's losses during slave trade, colonial and post-colonial eras. He stressed that MNCs sponsored political parties, government change and coups in West African states.[16] He may be right to a large extent. But his argument downplays the empirical development deposited by the MNCs directly or indirectly. The attitude of African leaders towards political and economic development post-independence is also a factor to consider.

P. N. Mathur posited that mercantilism transformed independent economic systems into an interdependent global economic system[17] as occasioned by Multinationals. No country is self-sufficient. Hence, it may be safe to say that MNCs bring the "missing link" to host countries. National attitude is key to their performance in those host countries.

Technology Transfer and Technological Spillovers- The Case of Singapore

Some of the paramount objectives of MNCs are to gain entry to a particular foreign market in a developing country and to exploit the natural resources of that country. While they seek new investment opportunities abroad, the government of developing countries equally make frantic efforts to attract them. Many actually expend much of their national budget in the bid to make their countries attractive for foreign investment. With regard to the fact that innovation is very crucial for economic growth and development, technological spillover falls among the perceived benefits of MNCs which makes them attractive to their host countries. In some cases, governments of those countries grant tax holidays and equally lower other stringent barriers to Foreign Direct Investment.[18]

Singapore provides a good example of technological spillover by MNCs as its economic growth is to a large extent dependent on its technology policy, trade policy and foreign investment policy. A combination of these accelerated the growth of Singapore's economy through the activities of MNCs. In its technology policy, the government absorbed a lot of foreign technology in the pre-1985 era. And when this opportunity ran out after 1985, the government provided generous incentives that improved local technology in universities, public and private research and development (R&D) institutions and foreign firms. The idea was to enhance competitiveness and productivity as well as make Singapore attractive for FDI. For its foreign trade policy, Singapore developed a free port which favoured a free trade regime because of the country's geographic location as an island. The free trade regime meant virtually no import or export restrictions or foreign exchange controls. This was a vital move, given that the economy was extremely small and trade barriers would only stifle it further. Additionally, low tariff rates and the removal of trade restrictions served to attract foreign investors to the island.[19] Against this backdrop, Singapore recorded higher percentage of Gross Domestic Product (GDP) from FDI inflows than the outflows from 1980-2002. This fact is illustrated in table 1 below.[20]

Table 1: Singapore's FDI flows and GDP differentials (1980-2002)

FDI Component	1980	1985	1990	1995	2000	2001	2002
FDI Inward flow (US$m)	6,203	13,016	30,468	65,644	113,431	116,428	124,083
FDI Outward flow (US$m)	3,718	4,387	7,808	35,050	53,104	67,225	71,336
Inward flow GDP%	52.9	73.6	83.1	78.7	124.0	132.2	137.5
Outward flow GDP%	31.7	24.8	21.3	42.0	58.1	74.6	79.1

Source: UNCTAD (2003), Department of Statistics, Yearbook of Statistics.[21]

The desperate yearning for MNCs may have stemmed from the perceived weakness of most developing countries who on attainment of political independence, appeared economically helpless in the newly industrialized world. As the governments were unable to pilot the economic affairs of their countries, the MNCs with their financial and technological power became highly indispensable to the economic growth of those countries, having exposed the inherent economic potentials of their former colonies. In Singapore, ownership of industrial electronics was almost hundred percent for products such as computers, disk drives, data processing equipment and office stationeries. In that regard, major computer companies in Singapore included Apple, Hewlett Packard, Compaq, ALR International, Siemens Nixdorf and Digital Equipment.[22]Simply put, the MNCs were in dire need of raw materials in their host countries while the host countries on the other hand needed the MNCs' technology to explore and utilize their economic potentials so as to accelerate the development of their national economy. The relationship between MNCs and their host countries may therefore be seen in the light of a symbiotic relationship.

Job Creation and Poverty Reduction-the Case of Nigeria, Namibia and Hungary

Udensi believed that MNCs create wealth through job creation in developing countries as in Nigeria's case. In creating employment, they improve the living standard of their employees.[23] This is a crucial advantage of MNCs especially as population growth is taking place much more in the poorest countries. The MNCs therefore play a vital role in alleviating poverty in such countries through employment generation. For instance, Hungary in East Central Europe is host to numerous large multinationals such as Vodafone, Exxon Mobil, Avis, British Telecom, Morgan Stanley and many others. With the opening of these business outfits in the country, thousands of new local staff were employed and the unemployment rate plummeted as a result.[24] The activities of multinationals in developing countries produces a multiplier effect on domestic employment. For instance, records provided by Fobete revealed that 26 million direct jobs and 4.6 million indirect jobs were created in Namibia in 1997 by MNCs.[25]

In addition, MNCs aid in poverty reduction by connecting local businesses with world markets. They also facilitate access to credit facilities and technologies. They invest in infrastructure and provide competitive jobs. In the course of providing amenities like health and security facilities for themselves, the local people become direct beneficiaries of those vital social services.[26] In the case of Hungary, the Hungarian government through its investment and trade development agency, strove to attract regional headquarters of MNCs by providing generous incentives such as training-related grants or grants for job creation. Table 2 supplies information on some MNCs that received financial support from the Hungarian Investment and Trade Development Agency (ITDH).[27]

Table 2: Multinational Companies that received financial incentives in Hungary and local jobs created.

Company	Home country	Location in Hungary	No of Jobs
Exxon mobil	USA	Budapest	1200
Diageo	United Kingdom	Budapest	600
Budapest Bank	USA	Békéscsaba	530
Getronics	Netherlands	Budapest	510
Jabil	USA	Szombathely	719
Tata	India	Budapest	450
Convergys	USA	Budapest	282
Morgan Stanley	United Kingdom	Budapest	450
Citigroup	USA	Budapest	302
Vodafone	United Kingdom	Budapest	746

Source: ITDH[28]

Multinational Corporations as Engines of Economic Growth- The Case of India, Singapore and the Republic of Korea

Government policies are in most cases, major determinants of the development or underdevelopment impact of MNCs in developing countries. In the case of India, before 1997, the public sector laid a strong economic foundation by building a huge industrial base for the economy through useful exploitation and utilization of its tremendous natural resource endowment. Their activities included oil exploration and refineries, iron and steel, coal, fertilizers, heavy chemicals, power, telecommunications, railways and airlines. But the period from 1997-2002 witnessed a decline in the investment rate of the public sector. Meanwhile, the private entrepreneurs and the MNCs were unable to meet the volume and rate of investment hitherto made by the public sector.[29]The import is that the rate of FDI in India was originally low and the country had a vibrant public sector which laid a solid foundation for its economic growth. However, India introduced a trade liberalization policy which surged FDI from $6.1 billion in 2001-2002 to $15 billion in 2006-2007. This new government policy was intended to accelerate economic growth and fill the void created by the sudden slump in public sector investment.[30] MNCs thus aided the economic growth of India at a time of recession.

The government of Singapore developed a liberal foreign investment policy and that created room for the manufacturing sector to be dominated by foreign firms from the beginning of industrialization. In fact, a combination of the liberal policies, the strategic location of the island country, superior infrastructure facilities in transportation, industrial estates and a well-working administrative framework attracted large amounts of FDI to Singapore. The government, on perceiving its weakness inlow domesticindustrialentrepreneurship introduced foreign capital geared towards promoting export-oriented industrialization. In order to heighten collaboration between local firms and MNCs, the government launched the LocalIndustryUpgrading Program (LIUP) in1986. It served to upgrade capable local firmsand also provide a sound industrial base for MNCs.[31]This led to rapid growth and rapid capital accumulation before 1985. The growth trend declined after 1985 and the government responded by building, an external economy which integrated Singapore, Johor state of Malaysia and Riau Islands in Indonesia. The purpose was to ensure that any decline in foreign investment inflows will be counterbalanced by the external wing of the economy.[32]

In the early 1990s, FDI inflow into the Republic of Korea was very low owing to stringent government regulations against foreign investment. But with the introduction of the comprehensive five-year FDI liberalization plan in June, 1993, FDI inflows into Korea began to increase. Also, when Korea joined the Organization for Economic Co-operation and Development (OECD), in 1996, its FDI regime was adjusted to meet international norms and standards and as a result, FDI surged in the country.[33] The effect was that when the Asian financial crisis of 1997 happened (affecting Korea, the Philippines, Malaysia, Indonesia and Thailand), Korea had the most dramatic recovery and the high FDI inflow was largely instrumental to that. The foreign firms created jobs such that local employees of the MNCs rose from 5.9% in 1998 to 8.3% in 2001.[34] By introducing numerous foreign products in Korea, MNCs raised the sophistication of demand. By the year 2000, among 422 firms surveyed, 94.9% technology transfer was made by local firms.[35]

In addition, Foreign-owned companies such as Intel, IBM, Maxon Telecom and Agilent Technologies have invested in Research and Development (R&D) centers. As Shujiro Urata et al wrote,

> IBM, for example, has signed a contract with the Ministry of Information and Communication to invest US$16 million in the creation of IBM Ubiquitous Computing Laboratory, which will develop software adapted to the wireless communication environment. Further efforts by the Korean government to attract R&D centers in cooperation with multinational firms are expected to eventually reform the nationwide science and technology system.[36]

Negative Impacts of Mncs in Developing Countries

Technological Backwardness-The Case of Nigeria

Giuliani believed that MNCs were always interested in maintaining their global power, and to achieve this aim, they employ the strategy of recruiting unskilled labour from the poorest population.[37] This is opposed to the perceived advantage of technological transfer and spillover which prompted the governments of developing countries to invite the MNCs. In support of this view, Udensi maintained that MNCs' operations led to technological backwardness. With Nigeria as an example, he noted that some imported technologies came with restrictive patterns and licenses. This made it illegal for Nigerians to copy and internalize those technologies even when they have the capacity and willingness to do so. When the MNCs make use of unskilled labour, they block the possibility of technological spillover.[38] In agreement, J. Eluka et al disclosed that while the MNCs jealously guard their advanced technologies, they rather introduce capital intensive mode of production which exacerbates unemployment. Moreover, the local technologies that thrived prior to the advent of MNCs have been frustrated by the more advanced technologies. MNCs have therefore impeded further development of local technology as well as spillover of their advanced technology.[39]

Mathur, in support of the technological backwardness impact of MNCs opined that technological transfer has implications for the importer and exporter of the technology. For the exporting country, represented by the MNCs, technological transfer becomes a profitable venture as they are able to sell off their obsolete equipment at a higher price than they would have got at home. But for the importing or host country, production cost of a commodity becomes higher than it need have been. And to accommodate the high production cost, some host countries end up cutting their labour costs to a substantial level.[40] This in essence means that technological transfer from MNCs most times, have a negative effect on labour cost. In essence, being exporters of manufactures, it was necessary for poor countries to keep wage rate sufficiently low so as to absorb the extra cost of production and also the cost of a developing country being saddled with a technology on the verge of obsolescence.[41]

Profit Repatriation-The Case of Nigeria, Indonesia and South Africa
According to the World Investment Report of 2012, Nigeria was rated as Africa's biggest destination for Foreign Direct Investment in 2011, having received an FDI worth $8.92 billion in 2010.[42] And yet Nigeria have remained poor and underdeveloped. By implication, the MNCs operating in Nigeria repatriate their profits back to their home countries. The trend of profit repatriation is the same in most developing countries. In Java, Indonesia the structure of native agriculture was disrupted in the 1940s by the establishment of western estates. These included sugar and tobacco industries which exploited the targeted raw materials while the Java peasants received a cash income from land rent and wages earned by unskilled labour.[43] Nkrumah succinctly captured the expatriation of profits along with impoverishment of Africa using South Africa as an example. He wrote that

> It has been estimated that over 50 percent of the foreign capital invested in Africa has been poured into South Africa. British investments probably total nearly $2,800 million and American investments closer to $840 million. A 1957 US government survey of American overseas investments shows the single most profitable area was in the mining and smelting business of South Africa, whose profits are higher than from any comparable investment in the United States. The high profits can be explained largely by the cheapness of African labour. According to the 1962 *Statistical Abstract* of the United States, US miners earn an average of $2.70 an hour, which is twenty-seven times the amount earned by South African miners.[44]

The above analysis is clear evidence of the capitalist intent of the MNCs in their host countries. Apparently, the cost of globalization on host countries is impoverishment in the form of resource drain from MNCs' home countries. This is clearly a failure of the dependency theory because it is also applicable to the countries of the north whose development depended to a large extent on the countries of the south.

Environmental Degradation- The Case of the Niger Delta Area of Nigeria
While Nigeria had been rated as Africa's highest destination for FDI, it seems to be the worst hit by the negative effects of the MNCs in the realm of environmental degradation. Ever since the discovery of oil in the late 1960s, European oil and gas companies have dominated the industry, though in collaboration with the Nigerian National Petroleum Corporation (NNPC). The oil and gas MNCs including Total, Shell British Petroleum and Chevron are concentrated in the Niger Delta region which hosts over 80% of Nigeria's oil reserves. Despite being host to this liquid gold, the people in the Niger Delta are now faced with the burden of environmental degradation in the form of oil spillage which pollutes the land and waters as well as gas flaring which pollutes the air. These pollutions destroy aquatic life and farmlands leading to destruction of the livelihood of local farmers and fishermen. It equally constitutes a devastating health hazard to the inhabitants of the Niger Delta area.[45] It goes without saying that the end result is endemic unemployment, poverty, hunger and malnutrition, and widespread discontent in the region.

Structural Distortion- The Case of Nigeria
The imbalance in Nigeria's infrastructural development which polarized the environment into urban and rural areas is closely connected to the activities of MNCs. Structural distortion and

uneven development is therefore a negative outcome of MNCs' activities in the countries of the south. Foreign industries are usually located close to the source of targeted raw materials especially as the governments of their host countries grant them the freedom to choose their location.[46] In this manner, major urban cities in Nigeria emerged such as Lagos, Enugu, Port-Harcourt and Kaduna. given that Nigerians are easily drawn to urban centers, the long run effect of this is rural-urban drift of population which further exacerbates the structural distortion.

Cultural Degradation- The Case of DR Congo

The presence of MNCs in developing countries have been a cause for cultural imperialism which manifests as cultural degradation. Mhango defined cultural imperialism as "a situation in which one culture dominates another for the purpose of exploiting and subjugating".[47] Recall that MNCs are the major vehicles of imperialism, industrialization, modernization and globalization. Some European multinationals operating in Africa include Nike, Puma, Louis Vuitton, Coca Cola, Power Horse and Red Bull. Given that globalization is a universalization of western culture, culture have therefore become a booming business in the developing countries. In adopting western culture, Africans enrich the western world as they patronize European attires, movies, music, food and drink. The Democratic Republic of Congo (DRC) provides a notable example as suggested by Mhango. Congolese music scenes were filled with half naked ladies and x-rated stuff in a bid to mimic the Europeans. But in a true African culture, nudity is a taboo.[48] Meanwhile African political and economic elite show off their wealth and status by buying western clothes, shoes, furniture and wine. Instructively, this cultural imbibition especially western food, drinks and tobacco have introduced deadly diseases such as cancer, ulcer, reproductive issues which were hitherto alien to Africa.[49] Again, the speed of western culture imbibition seems to be much higher in Africa than other developing countries. The import of this is that in the face of neo-colonialism, Africans have been brainwashed into accepting the superiority of western culture and the inferiority of Africa's hallowed traditions. And on the long run Africa is gradually losing its identity.

Africa's large scale absorption of western culture deposited by the MNCs is anchored on the modernization theory developed in the 1950s. J. Matunhu advanced that modernization is about Africa following the development style of Europe, its former colonizer.[50]

Political Instability- The Case of Zaire

Udensi disclosed the widely known fact that MNCs exercise indirect control over the government of their host countries. That was necessary for business growth as they require a stable host government that is sympathetic to capitalism. Hence, they sponsor authoritarian regimes that would align with them to ensure a 'dependent' development of the host country. To consolidate their presence and activities, their home governments often meddle in the internal affairs of host countries to maintain the status quo. This was the situation in Zaire during the time of President Mobutu SeseSeko whose rule was prolonged with the help of MNCs, while they plundered the economy of Zaire.[51]

Wage Discrimination- The Case of the Gold Coast

Rodney noted that most MNCs in Africa operated with the racist theory which presupposes that the black man was inferior to his white counterpart and as such deserved lower wages. He used the American shipping company, Farrel Lines as a notable example of the racial salary discrimination. The 1955 records of the company showed that of the total amount spent on loading and discharging of cargo between America and Africa, five-sixths went to American workers while one-sixth was paid to Africans. Yet the same amount of cargo was loaded and offloaded at both ends.[52] And in agreement with the notion that MNCs were major instruments of economic imperialism, Rodney noted further that they

> …discriminated against the employment of Africans in senior categories; and whenever it happened that a white man and a black filled the same post, the white man was sure to be paid considerably more…European civil servants in the Gold Coast received an average of ₤40 per month with quarters and other privileges. Africans got an average of ₤4.[53]

The salary discrimination depicted above have trailed African workers vis-à-vis their white counterparts, way beyond independence.

Conclusion

A keen observation of the foregoing analysis would reveal a sharp contrast between the impact of MNCs in Asia and their impact in Africa. The Asian countries seemed to fare wonderfully well with MNCs while African countries clearly fared much worse. Could the difference be as a result of difference in skin colour? it may be attributed to divergent government policies of each country; it may have been as a result of the attitude of the host countries to the MNCs and it may be as a result of the authors' conflicting perspectives. Whatever the case may be, the point of convergence remains that MNCs, being facilitators of development or agents of underdevelopment depended to a large extent on the attitude and willingness of the host countries to utilize the inherent economic benefits of the multinationals. It is indeed an irony that while Asian authors gladly highlight the generous economic benefits of MNCs in their country, African authors seem full of bitter criticism and complaints about the devastating effects of MNCs in Africa. These seem to forget that Africa's enormous resource wealth was uncovered by the foreign multinationals. It is imperative for Africans to utilize the technology already garnered from decades of association with MNCs and carve their own economic niche in the global scene. In accordance with this hope for Africa's economic independence, Nkrumah wrote that,

> …we stressed the need for everyone to work doubly hard now that we were labouring for ourselves and our children, and not for the enrichment of the former colonial power. The rewards would be national and individual dignity, the satisfaction which comes from creation and a raised standard of life. Foremost of all would be economic independence, without which our political independence would be valueless.[54]

An adoption of Nkrumah's hope for a truly independent Africa might give birth to a less dependent Africa.

Endnotes

1. John Louis O' Sullivan, "Manifest Destiny and U. S. Westward Expansion", in Smithsonian American Art Museum (SAAM), 1.
2. Michael Ogbeidi, *Fundamentals of Nigerian Business History,*Ogun: Babcock University Press, 2007, 27.
3. Udensi, E. Udoka, "The Impacts of Multinational Corporations to the Nigerian Economy",*International Journal of Social Science and Humanities Research,* 3 (2), Available at: www.researchpublish.com, 109.
4. Michael Veseth, "What is International Political Economy", (An excerpt), 11
5. Elisa Giuliani &Chiara Macchi, "Elisa Giuliani and Chiara Macchi (2013), "Multinational Corporations' Economic And Human Rights Impacts On Developing Countries: A Review And Research Agenda", Discussion

Papers del Dipartimento di Economia e Management – Università di Pisa, n. 158 (http:// http://www.dse.ec.unipi.it/index.php?id), 2.

6. J. Matunhu, "A Critique of Modernization and Dependency Theories in Africa: Critical Assessment" in *African Journal of History and Culture*, 3(5), June 2011, Available at http://www.academicjournals.org/AJHC, 69.
7. Satyendra S. Nayak, *Globalization and the Indian Economy: Roadmap to Convertible Rupee*,London: Routledge, 2008, 27.
8. Eric Rugraff& M. W. Hansen (eds), Multinational Corporations and Local Firms in Emerging Economies,Amsterdam: Amsterdam University Press, 2011, 15.
9. Shujiro Urata, Chia Siow Yue and Fukunari Kimura (eds), *Multinationals and Economic Growth in East Asia: Foreign Direct Investment, Corporate Strategies and National Economic Development*, London: Routledge, 2006, 21-22.
10. Walter Rodney, *How Europe Underdeveloped Africa*, London: Bogle L' Ouverture Publications, 1976, 169-171.
11. J. G. NkemOnyekpe,"The Integration of the World Economy: From Informal Empire to Neo-Colonialism"in AyodejiOlukoju, Adebayo Lawal&KehindeFaluyi (eds), *Fundamentals of Economic History*, UNILAG: Department of History and Strategic Studies, 2003, 219.
12. A. G. Hopkins, *An Economic History of West Africa*, London: Longman Group Limited, 1973, 168-170.
13. Michael P. Todaro& Stephen C. Smith, *Economic Development*, Boston: Pearson, 2015, 732.
14. Giuliano Martiniello,"Accumulation by Dispossession and Resistance in Uganda"in Sam Moyo, Praveen Jha& Paris Yeros (eds), *Reclaiming Africa: Scramble and Resistance in the 21st Century*, Singapore: Springer,2019, 185-186.
15. Ade Alade "The Economic Basis of Imperialism", G. O. Ogunremi and E. K. Faluyi (eds), *An Economic History of West Africa*, Lagos: MayodeleAjayi Enterprises, 1996, 126.
16. Ibid, 137.
17. P. N. Mathur, *Why Developing Countries Fail to Develop: International Economic Framework and Economic Subordination*, New York: Palgrave Macmillan, 1991, 49-50.
18. Elisa Giuliani, "Multinational Corporations, Technology Spillovers and Human Rights' Impacts On Developing Countries" in Laboratory of Economics and Management (LEM) Working Paper Series,5-6. Available at http://www.lem.sssup.it/
19. K. Ali Akkemik, *Industrial Development in East Asia: A Comparative Look at Japan, Korea, Taiwan and Singapore*, Turkey: Bansket University,2009 55-56.
20. Chia Siow Yue, "Inward FDI in Singapore: Policy Framework and Economic Impact", Shujiro Urata et al (eds), *Multinationals and Economic Growth in East Asia: Foreign Direct Investment, Corporate Strategies and National Economic Development*, London: Routledge, 2006, 183.
21. Ibid
22. Chia Siow Yue, 192.
23. Udensi.., 113.
24. Magdolna Sass "The Impact of Foreign Direct Investment in Business Services on the Local Economy, The Case of Hungary", Eric Rugraff& M. W. Hansen (eds), *Multinational Corporations and Local Firms in Emerging Economies*, Amsterdam: Amsterdam University Press, 2011, 51.

25. DinghaNgoh F., "Multinational Corporations and Third World Development", available at https://www.grin.com, accessed on 1 September 2021.
26. Magdolna Sass, 51.
27. Ibid, 68
28. Ibid, 69
29. Satyendra S. Nayak (2008), *Globalization and the Indian Economy: Roadmap to Convertible Rupee,*London: Routledge, 120.
30. Ibid.
31. K. Ali Akkemik, 69-70.
32. Ibid, 57-58.
33. Shujiro Urata *et al*, (2006), *Multinationals and Economic Growth in East Asia: Foreign Direct Investment, Corporate Strategies and National Economic Development,*London: Routledge, 157.
34. Ibid, 172
35. Ibid.
36. Ibid, 173
37. Giuliani, "Multinational Corporations Technology Spillovers.",7.
38. Udensi.., 112.
39. J. Eluka*et al*, (2016), "Multinational Corporations and their effects on Nigerian Economy" in *European Journal of Business and Management*, 8, (9), 62.
40. P. N. Mathur, 210.
41. Ibid
42. E.E.Chigbu*et al*, "The Impact of Foreign Direct Investment on Nigeria's Economic Growth", *Scholars Journal of Arts, Humanities and Social Sciences*, 2(1), 2014, 2.
43. G.C. Allen, and Audrey G. D., *Western Enterprise in Indonesia and Malaya; A study in Economic Development*,London: George Allen and Unwin Ltd, 1962, 73.
44. Kwame Nkrumah, *Neo-colonialism: The Last Stage of Imperialism,*New York: International Publishers, 1966, 120.
45. Udensi, 111.
46. Udensi, 112.
47. Nkwazi N. Mhango (2018), *How Africa Developed Europe: Deconstructing the HIS- STORY of Africa, Excavating Untold Truth And What Ought To Be Done And Known,*Bamenda: Langaa Research & Publishing Common Initiative Group, 2018, 243.
48. Mhango.., 244-245
49. Mhango, 247.
50. J. Matunhu, A Critique of Modernization., 65.
51. Udensi, 112-113
52. Walter Rodney, 163-164.
53. Rodney, 164.
54. Kwame Nkrumah, *Africa Must Unite,*New York: Frederick A. Praeger, Inc., 1963, 107.