

MULTINATIONAL CORPORATIONS AND THIRD WORLD FOREIGN POLICY

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Abstract

Among the contentious postulations of the Humanitarian Theory of Imperialism is that foreign Multinational Corporations are positive catalysts for the development of the underdeveloped societies. However, worried by the continued underdeveloped status of Third World countries in general and Nigeria in particular despite the enormous presence of Multinational Corporations, and perturbed by the inability of Nigerian leaders (both military and civilian) to effectively use foreign policy as a tool for realization of national interests, this paper interrogates the activities of Multinational Corporations (MNCs) and the effects on the foreign policy of Third World, with emphasis on Nigeria. Utilizing Marxist Economic Theory of Imperialism, secondary sources of information and content analysis, the paper ascertained among others, that the ubiquitous Multinational Corporations in Nigeria and other underdeveloped countries, have, as agents of imperialism, over the years, parasitically eroded national economic base and engendered acute neo-colonialism which, (at the standpoint of dependency syndrome) has incapacitated credible national-interest oriented foreign policy making cum execution. The paper also proffered necessary panacea.

Key words: Foreign Policy, Imperialism, Multinational Corporations, Neo-Colonialism Third World.

Introduction

In recent years, capital has become a crucial force in international relations. It has become an instrument for rewarding conformity with, and for punishing deviation from established imperialist norms. Transnational corporations control the circulation of capital on a world scale. As a result, they wield enormous power and influence in the politics of nations where they operate. In capitalist and neo-colonial societies, transnationals own and dominate the means of production, distribution and circulation. They determine and operate cartels which monopolize the price structure of entire country. This monopoly is the major source of their super profits. Their monopoly of the secrets of science and technological innovation also enable them acquire complex resources of control which are speedily replacing traditional forms of imperialist hegemony on a world scale. Lyubimova, (1979) has shown that about 650 leading multi-national firms accounts for about 90% of all foreign investments in the world. They control about $\frac{1}{3}$ of the world capitalist Gross National Product; $\frac{3}{5}$ of its trade; and 80% of its private expenditure on research and development. A meaningful analysis of contemporary world politics must integrate the transnational character of these 'private monopoly empires' whose annual turnovers supersedes the Gross National Product (GNP) of many countries lumped together.

The use of transnational as an instrument of national power is relatively new to interstate diplomacy. After the Second World War, crude military force, as a symbol of power, became unfashionable. International public opinion started to condemn, for instance, the Big Stick Diplomacy with which the USA invaded Vietnam, the Dominican Republic and Guatemala. Imperialist's reliance on force for achieving its economic objectives underwent a credibility crisis (Karaganov, 1965). Similar developments in world politics accelerated an overthrow of the Gun Boat Strategy of imperialist expansion. These developments were: the rise of the defunct Union of Soviet Socialist Republic (USSR) to a superpower

stature; the East - West ideological parley; the attendant politics of brinkmanship; and the shortening of socio-economic distances between nations as a result of unprecedented successes in the science of communication and transport. The latter linked and brought nations more closely in a manner that had never been done in world history. Interdependence exposed the catastrophe of direct military confrontations. Thus, the mere dialectics of a capitalist mode of production generated a correspondent changes in the structure of world politics. Under the new arrangement, informal power became more relevant than formal military authority. Transnational Corporation, by virtue of their extensive connections and subtle method of their operations, were destined to play a central role. Adeniran (1983:170) has noted that Multinational Corporations are firms with foreign subsidiaries which extend the production and marketing of the firms beyond the boundaries of any one country and that "they are non state actors but many of them are richer than many States in the Third World in which they operate".

At the standpoint of neo-colonialism, from Balewa to Buhari, Nigerian politics has always been reserved for shareholders, directors of firms, successful businessmen and contractors who, unfortunately, are minions of West Europe capital. However, transnational monopolies control their home governments before extending the assault to less developed countries. They integrate governments of victim societies into business thereby reproducing the imperialist behemoth of the metropolitan state. But the new subsidiary arrangement remains peripheral and subordinate to the metropolitan capitalist apparatus of business and administration.

The purpose of this paper is to examine how the fusion of foreign private capital with the Nigerian apparatus of state, through the agency of multinationals, affects the content and direction of foreign policy. In line with this effort, an attempt has been made to ascertain the structure and mode of operational dynamics of transnational firms; and to show how these dynamics relates to the Foreign Policy objectives of developing countries. Historical circumstances surrounding the emergence of transnational firms in Europe have been assessed. Finally, the pervasive impact of multinational economic activities on victim societies' diplomatic apparatus, pressure groups, public opinion, labour movements, political parties, the mass media and other channels of mass mobilization, has been integrated into analysis.

Theoretical Perspective

A favourite preoccupation of bourgeois social science is its untiring representation of multinational corporations as a progressive force. Under the benevolent guardianship of multinationals, the world has become an enlightened "corporate organization", "a transnational society". Multinational Financiers are mischievously compared to the "enlighteners of the Middle ages who helped human reason to escape from the oppression of the church".

In Africa, reactionary economists have borrowed the neo-imperialist view of Raymond Aron and Eugene Rostow. They argue that multinationals corporations are agents of continental economic development. They nurse the illusion that indigenous collaboration with transnational firms would endow the modernizing society with enormous benefits related to financial support, technological innovations, technical assistance, and easy access to the world market and to results of multinational research and development activities. What would result from these benefits would be "a higher degree of standardization and quality control of the economy and all its resources". Development would then become the fruit of collaboration.

These contentions are projections of Hodder's (1968) apology for colonialism and its contemporary version: imperialism. Like Hodder, neo-imperialist economists chant the 18th century slogan that multinational corporations constitute a modernized type of traditional Europe efforts to civilize, develop and bear the burdens of the Third World. A disfigured economic history of Europe and of the rise of imperialism is finally advanced as proof. The mercantile plunder of Africa which predated the industrial revolution and the intensified greed for monopoly capital which postdated it, are not considered crucial. Questions as to the contextual specificities which generated the proliferation of finance oligarchies, their external competitors for food, material resources and markets are scarcely raised. Those who dare raise

such questions restrict themselves to impervious market force summarized by an obsolete “theory” of supply and demand.

Adopting Marxist economic theory of imperialism, it is our thesis that the industrial revolution which necessitated the integration of bank capital with industrial capital and which led to the formation of trusts, cartels and monopolies, was not a conscious effort by the European bourgeoisie to civilize the world. The industrial revolution was the logical next phase of the self developing characteristics of a capitalist mode of production. Nnoli (1977) has already documented, correctly, the rise of finance oligarchies in Europe. Before him, Lenin (1959) had shown how the contradictions inherent in the capitalist economic formation, gave rise to imperialism.

Multinationals were formed as instrument for the accumulation of capital on a world scale. Their actions are limited only by drive for profit. Their recent power in world politics is neither as spontaneous nor as sudden as a few reactionary analysts would have us believe. Their power has been derived from an organized plunder of world resources. Organized plunder has evolved over the years, with differential admixture of force, persuasion and deceit. The history of imperialism would authenticate the prenatal tendency of multinational corporations towards exploitation. Fyfe (1974) noted that even petty bourgeois intellectuals concede that enormous capital from the slave trade generated the industrial revolution. The latter emphasized manufacturing which deemphasized agricultural development. When food production became minimal as a result, it became imperative on European capitalists to look for external sources of food with which to feed the rising industrial population in Britain, Holland and France. There was also the need to import much of the raw materials needed in the new industrial complexes. For instance, cocoa and palm oil were imported from Nigeria for the purpose of feeding British chocolate and soap industries.

In Britain, the enormity of capital, flowing from the intensive and extensive exploitation of slave labour, created a situation in which available capital resources outdistanced existing possibilities for industrial development. Dominant entrepreneurial opinion then gave the impression that industrial expansion in capitalist Europe had reached its elastic limits. There arose a pressing need for new areas of investment in the world outside Europe. Similarly, Nnoli (1977:8-9) notes that “since profit maximization rather than the needs of the population dictated the establishment of industries, existing factories produced goods in excess of what the local population could buy”. This created the need for external markets. Finally, the need for an international exploitation of labour became pressing when the cost of labour in capitalist Europe became prohibitive. The high cost of labour arose from the unbearable conditions of work created for the worker by industrialists; and from proletarian reactions to those conditions.

The above contradictions of capitalist Europe led to the formation of large business combines and monopolies. The move stemmed from a realization that the global exploitation of world resources would be maximized through cooperative financial efforts. However, the emergent corporations were characterized by enormous economic power and by a monopoly of all instruments of production and exchange. Lenin was prompt in differentiating between the mercantile transition of capitalism and its new imperialist version. According to him, the latter stage was characterized by “the export of capital as distinguished from the export of commodities; the formation of international monopoly capitalist alliances which share the world among themselves; and the territorial division of the whole world among the biggest capitalist powers” (Lenin 1959:143). In Europe, the financial oligarchies came to control the instruments of government, the church and business. Abroad, they combined these features with foreign control of the local apparatus of state. This process or phenomenon is what we refer to as imperialism.

Given the above circumstances, one cannot help being outraged when one hears that transnationals are authentic channels through which the secrets of development are communicated to new states. It is even more outrageous to argue that it was their formation that destroyed the slave trade and introduced “*legitimate commerce*”, for the benefit of primitive societies.

To argue that an exploiter can develop the exploited is to buy a false suggestion that there exists a mutual exchange of benefits between parasites and their hosts. Development is hardly generated by the

excruciating dynamics of transnationals. Each society develops from within itself. Development is neither invented nor imposed. It is rather a phenomenon of natural history obeying its dialectically determined rules and regulations. Therefore, multinational firms and their local proxies cannot develop the host countries on whom they prey. By their very essence, they are unsuitable for providing new states with the concrete material base necessary for external resources procurement. After all, the multinationals' domination of new states' means of economic activity does not affirm the laws of economic development. It denies, distorts and disfigures them. The transnational exploitation of local labour and the deliberate payment of subsistence wages frustrate rather than facilitate internal self development. The new world capitalist allocation of inferior functions to new states, in the international division of labour, repudiates rather than represent a genuine expression of the need for a just economic order.

In relation to the second reactionary argument cited above, we argue that "legitimate commerce" is an imperialist nickname for the post-mercantile code of colonial conduct. Mercantile slavery depilated the Third World of its human resources. Legitimate commerce exploited both human and natural resources. Commerce took over legitimately from the slave trade because the latter, suffocated by its own contradictions, died a natural death. Commerce in men stopped not because European mercantilists had changed their minds about the dignity of slaves. What happened was that the enormous capital accumulated from slave labour in the Caribbeans and the West Indies, actually provided the financial momentum and clout necessary for the takeoff into the industrial age. The slave started the industrial revolution. And when Britain had exploited slaves to the best of her ability, she freed them.

Truly, industrialization was generated from the successful exploitation of slave labour. When the technological revolution occurred, it became clear that industrialization was the natural next step in the conflictual evolution of capitalism. In Europe this transformation changed the character of the worker from the plantation labourer to the wage labourer. The European process also changed the importance of Africa in the global economic system. The continent progressed from the supplier of muscular human labour to the supplier of raw materials. It was only then that the slave trade phased out itself. Since mechanization started in Britain, that country was the first to start the inevitable offensive against slavery. But other capitalist countries failed to comply until the secrets of mechanization extended to them.

Therefore, Western Europe did not abolish the slave trade, the slave trade abolished itself. What the countries of Europe did was to disown a mode of economic activity which had completed its circuit of self-liquidation. The political expression of William Wilberforce and the "humanitarian appeals" of other 'abolitionists' were mere economic foot-notes explaining the contradictions of a dying mode of production superseded by industrialization; and the implications of the latter in terms of the need for 'legitimate' markets, 'legitimate' sources of raw materials, labour and food.

Thus, imperialism is not a humanitarian gesture. It concerns the process whereby an organized financial mafiadom with transnational memberships, legitimizes its exploitation of resources in world politics. It is also a process through which industrialized capitalist countries entrap victim societies' organ of government and education into the international production of transnationals. The vicious triumvirate satisfies its urge for profit only when the satellite country's labour force has been maximally expropriated.

Transnational profit motives bias the socio – political interests and structures of the victim state in favour of an international mercantile class. Under this circumstance, the purpose of foreign policy is to buttress multinational privilege; and to guarantee the enormity of their profits. In Nigeria (and other Third World countries) the net effect is dependence. Dependency affects, negatively, the perception of stimuli, the distribution of power resources, the capability for autonomous decision – making and the ability of elites to interpret political situations. Dependence enables advanced capitalist countries to enjoy wider margins of power and authority than the victim societies from which they extract their privileges. The power relationship becomes that of power manipulation and coercion. Here, influence flows from capitalist relay centres of the world market, the World Bank and the International Monetary Fund (IMF). Capitalist nerve centres manipulate rewards in purely utilitarian manners in order to ensure the victim's conformity with transnational regulations. Drained of all the substance of negative and positive power

potentials, the satellite society absconds from its responsibility for shaping the course of affairs. Since it pleads powerlessness, its foreign policy suffers, perennially, a credibility crisis.

Structure and Operational Dynamics of Transnational Corporations

For Lyumbimova (1979), Transnationals are super-national in structure. Their activities span national boundaries in such a way that capitalist centres and capitalist peripheries have evolved. Commands issued from the centre are known to invoke legitimacy sentiments at the periphery. Multinational branches at the periphery are referred to as subsidiaries. The latter are controlled from the monopolies' capitals at the centre. For instance, EuroAmerican-based Oil Companies – Arco, Amoco, Shell, Gulf, Exxon, Mobil, Conoco, Sohio and Texaco – have subsidiaries in most oil producing countries of the Third World. Most of the commercial banks in new states are branches of metropolitan finance cartels in Europe. The Union Bank, The First Bank, and the International Bank for West Africa, are a few examples. Also, the Berger Paints Ltd is a subsidiary of the Berger, Jenson and Nicholson Limited London. International Telephone and Telegraph Corporation (I.T.T.) has its enterprises in 29 countries and conducts business in more than 100 countries. Over 330 affiliated companies which, in turn, have 708 branches, form the basis of this giant company. It is the eleventh largest corporation in the world. It is based in the USA (*Times International*, December 1979).

In their home bases, transnationals may be said to be indigenous companies. Abroad, they renovate their advertisement boards and operate with names which reflect the local background of the victim society. Although their commercial boards pretend to reflect local conditions, transnationals are guided in their decisions primarily by the interests of the corporations and that of their country of origin rather than that of the host country or the victim society. The transnational headquarter, located in Europe or USA often makes all the important decisions relating to investment purchase, the organization of new subsidiaries and the expansion or curtailment of production (Lyumbimova, 1979).

Multinationals operate within the neo-colonial atmosphere of new states. This atmosphere, created by departing colonial powers but sustained by their satellite proxies, affords transnational gross opportunities to manipulate protectionist tariff laws. Since they operate under local flags, foreign private firms enjoy existing legislative privileges. The indigenous composition of the local Board of Directors is often an indication of the solidarity between the centre and the periphery. Continuing, Lyumbimova (1979) opined that this connivance makes it possible for the transnational subsidiary to pay wages according to local rates which are lower than those obtainable in the metropolis.

Transnational subsidiaries successfully discourage and forestall competition from indigenous business formations. This is possible partly because the subsidiaries easily solicit and readily receive aid from their metropolitan offices in the struggle against local infringements. Their advantages over their local competitors are enormous. First, they have an easy access to the world market. They control the secrets of technology. The currencies of their respective homelands are the recognized means of transactions in the International Stock Exchange.

Multinational firms knot powerful tight ropes on the neck of governments of developing countries. Economic tight ropes are acts of blackmail which extract concessions from government. They are also used for tricking or intimidating government officials into business deals capable of producing the quantity of profit required by transnational leisure and spree. Transnational blackmail, intimidating and tricks have, for instance, forestalled radical efforts to socialize the oil wealth of Middle East countries. Because of multinational sabotage, the production and accumulation of petroleum resources in Kuwait, Qatar and Saudi Arabia has become dependent on dynamics of the world capitalist order. Efforts by oil producing countries to present a common front against Western Europe have been successfully countered. For example, in the 1973 oil embargo on Holland and the USA, the 1979 Iranian embargo against the USA, Western countries were able to counteract and neutralize threats to oil assets in a variety of ways (Belchuk, 1979). Oil oligarchies were largely responsible for the 'success' of those actions. That is

to argue that the multi-national character of similar oligarchies facilitates sabotage and divisive tendencies in the relations among new states.

We have already shown that the turnover of some transnational corporations exceeds the Gross National Product (GNP) of many developed countries. In the third quarter of 1979, the Arco oil Corporation made profits to the tune of \$320.4m (Rube, 1979). The Amoco clocked \$433.8m, while the Shell bagged \$393.3m as profit. The Gulf Oil Company increased its profits from the 1978 level to \$416m in 1979. The Exxon Mobil, Conoco, Sohio and Texaco made respective profits of \$1.145m, \$595m, \$247.1m, \$366.2m, and \$612.2m (Gribachor, 1979).

Like the 'opportunity cost in economics', whatever the transnational corporation gain is what the victim society loses. The expatriation, from new states, of such enormous profits, destroys the multiplier and accelerator effects of neo-colonial economies. The result is stagnation in underdevelopment, with its anti-social impact on national political life and diplomacy. If we consider Kissinger's thesis that in all countries, industry and law determine the basis of foreign policy, one may come to appreciate how the foreign policies of neo-colonial states are the foreign policies of the multinational corporations.

Nnoli, (1977) has correctly shown that national power is important in interstate relations and that the salience and quality of financial resources which a government commands, contribute significantly to such power. He points out that the most important source of capital accumulation for underdeveloped countries, consequent upon their colonial history, is foreign trade. Thus, foreign trade considerations determine the foreign policies of these nations which have, incorrectly, come to perceive international trade as the only source of national wealth and state power.

Since the balance of power and interests swings in favour of transnationals, trade has become a destabilizing force in the politics of penetrated political systems. Trade, which, under normal contexts, serves as a means of genuine communication, has acquired a centripetal momentum of its own. The intricate exchange of goods and services between unequal commercial parties has countered the inner cohesion of the weak partner thereby disorganizing its potentials for effective bargaining. In new states, commerce has in fact become a retrogressing conversion loop in which transnational capabilities consume the victim society's objective needs and demands.

We argue that multinational corporations are not inhuman structures (as defined by behavioural reactionaries). They are the patterned activities of human beings possessing human rationality, feelings and conscience. These activities are relational in the sense that they involve an interaction between men. Thus, the concept of multinational corporations is a social rather than legal concept. That is to argue that the activities of multinationals presume a high intensity of interaction between different classes of men and women involved in practical economic production. This assertion presupposes that multinational corporate behavior is a socio-political and economic struggle which produces antisocial effects. It is within the context of this struggle that we may understand how dependence concerns not only the structural link between the centre and the periphery. Dependence also extends to the situation whereby multinational corporate personalities, through their relational activities, have compounded exploitation right inside the periphery thereby obfuscating the mental boundary between metropolitan and satellite societies. It is therefore important to examine, in some detail, the activities of multinationals as concrete human actions.

The Behavioural Dynamic of Multinational Corporations

We have already established the organic integration between the transnational firm and the multinational corporate state. Karagonov (1965) has shown, for instance, that by the end of 1975, the United States had 1,341 standing committees of 24,000 members. Half of the latter were successful businessmen. Thus in spite of minor antagonisms about the appropriate strategy for achieving "positively sanctioned motives", the foreign policies of multinationals coincide with those of their respective countries. Lenin (1959:221) had already observed that "the personal linkup between the banks and industry is supplemented by the personal linkup between both of them and the government".

The New State faces the concerted hostility of the corporate firm and government. Activities of this vicious alliance take place right inside the victim society. They aim at creating a calm neo-colonial order conducive to the multiplication of their profits. Political stability in Tubman's Liberia, Ahidjo's Cameroun and Boigny's Ivory Coast is an example of pre-colonial democratic environments blessed with transnationals cohesion. Political methods used by transnationals to achieve this mode of synthetic cohesion include: direct and indirect military intervention, conspiracy to overthrow "unfriendly" governments; unconditional support for right wing regimes; the deliberate instigation of interethnic crisis, and participation on one side or the other of conflictual currents in the new state.

Other dynamics include economic blockade and propaganda, the creation of artificial scarcity; the frustration of pressure group activities; splitting the labour movement; the manipulation of public opinion through an informal control of the mass media; the inculcation of company rather than national loyalty in workers; and the conversion of local governments into rentiers, tax collectors and fellow travelers. Outright bribery and tax evasion are related dynamics.

Manipulation of the Economy

Cervenka (1978) asserts that manipulation starts with the export of capital in the form of either investments, government loans or private credit. Multinationals restrict the production of certain commodities in order to create scarcity. They introduce technological innovations only when it serves their private interests. They deliberately retain obsolete equipments for the dubious reason that the equipments cost enormous capital. Multinationals refuse to apply their scientific techniques to the fullest exploitation of local resources for the benefit of all. Subsequently, they divorce a bulk of the national population from gainful employment. They exclude nationals from any meaningful access to the latest discoveries in science and technology. Multinationals also confine local businessmen to the sphere of circulation.

Scientific research is a monopoly of the transnationals. Research has become "a new science of Big Business" Third World experts appropriate the methodology of this science without utilizing its substance. As owners of large securities and shares, scientific Dons become academic coupon clippers whose privileges depend on their ability to frame research recommendations in favour of transnationals. Cervenka (1978) has shown that it was only after 1961 that Development Research in Western Europe 'turned into a powerful multinational intelligence industry. This industry imported "raw material" from Africa and other parts of the Third World in the form of students who were processed and transformed into the intellectual messengers of the same political and economic doctrines designed to perpetuate the dominance of Africa by the multinational power centres in Europe and USA. Cervenka (1978) refutes the logic behind the division, by 'researchers', of the poor nations of the world into 'bad' and 'good' nations. The first category shows little gratitude and are suspected of communist sympathies. This is the case against Gen. Murtala's Nigeria, Gaddafi's Libya, Allende's Chile, Nkrumah's Ghana; Sankara's Burkina Faso, etc. The good nations obey multinational corporations (such as post-colonial Nigeria with the exception of short-lived Gen. Murtala's six - months military regime).

For Morozov (1979) the development of powerful 'intelligence industries' is only a part of multinational corporate policy to achieve capitalist integration. A grand design of this policy is to dovetail countries of the Third World into supranational economic organizations dominated by imperialism. An example is the European Economic Community (EEC). By uniting national markets into a common market and by abolishing or weakening custom barriers, the monopolies seek to extend the bounds of their domination, to widen markets and spheres for capital investment; and to offer joint resistance to their challengers.

The EEC is dominated by multinational corporations. Between 1963 and 1979, six conventions between the nine capitalist powers which compose it and the 57 developing countries associated with them, were held. Multinational capital used these conventions to create a mechanism which would allow it interfere in the domestic affairs of their underdeveloped allies. Continuing, Morozov, (1979) states that

during the Lome Convention, for instance, the EEC demanded that human rights be entrenched in the preamble to the Convention. This move was an attempt by the powers to sap Africa, Caribbean and Pacific (ACP) countries of their sovereignty. Through the provision of the Lome Convention, the EEC also strove to split the monolith of anti-imperialist struggle in the Third World. By granting their underdeveloped associates privilege in exporting goods to the EEC markets; by guaranteeing them stable incomes from exports; by keeping the output of some of their strategic raw materials at a certain level; and by giving them foreign aid, the nine capitalist powers of the EEC have weakened the combined pressure of the Third World for a new international economic order.

In addition, multinational capitalist associations promote only intra- Third World cooperative efforts which are favourable to them. They frustrate inter-African, Asian and Latin American co-operations which they deem inimical to their interest. In 1968, the Ivory Coast opposed the formation of the ECOWAS because France was suspicious of it (Nnoli, 1977). France instigated the formation of a rival body – West African Economic Community (CEAO) – sponsored by Houphphuet Boigny. With the entry of Britain into the EEC and the common membership of Britain and France in that association, the Ivory Coast was coerced by France into the ECOWAS. Similarly, prior to the British membership of the EEC, Nigeria viewed all African links with that cartel as ‘a reinforcement of neo-colonial ties with Europe’. However, Nigeria started a policy of collaboration with Brussels in 1973 following the entry of Britain into the EEC. The impact of such unequal exchanges on the foreign policies of new states has been the object for analysis by different authors. For the present purpose, however, it is only relevant to mention that under the above circumstances, Third World foreign policies, including Nigeria, are subordinated to the interests of Big Business.

While some countries in Asia, Africa, and Latin America embark upon positive measures to check the excesses of the multinationals, other states pursue policies which qualify them as multinational instruments for capitalist accumulation. Kenyatta’s Kenya and Tolbert’s Liberia are examples of the latter category. Kromah (1978) avers that during the regime of Tolbert, Liberia beats the record in her declaration of the country as ‘a haven for foreign investors’. Investment in Liberia rose from \$23.1m in 1966 to over \$180m by 1977. Defined in terms of self-reliance and foreign policy, this is an unfortunate performance for a country of less than two million people and whose Gross National Product (GNP) is below \$670m. The country had no foreign exchange control regulations. The American dollar was the second national currency. Firms in the country remitted their earnings to foreign banks as easily as citizen deposit their savings in local banks.

Liberia’s Investment Code offered guarantees against nationalization. Other fiscal incentives included 90% import duty exemption on machinery, equipment and raw materials up to a maximum period of seven years. Multinationals were also guaranteed accelerated depreciation and protection from import competition. With the entry of Liberia into ECOWAS, Tolbert expanded the operational horizon of firms in his country to the 200million people enveloped by the ECOWAS. Also, the Investment Code of Liberia exposed the semi-skilled and unskilled labour population to a thorough –going exploitation by foreign corporations. The government, on behalf of its multinational allies, made a feasibility study of lucrative ventures. It even opened an industrial Free Zone whose ambitious objective was the integration of the rural and subsistence-oriented sector of the populace into the money-economy of transnationals.

Under the above complications in Liberia – type societies, the government become ‘an executive committee of multinational finance’. By concentrating the monetary resources of the population, left to their protection, in large foreign banks and insurance companies that finance the monopolists, governments become guarantors of deposit. Such governments function to save multinational finance and insurance institutions from bankruptcy through the regulation that individuals must insure against their lives and property. The state agent of force- the police- is assigned to supervise.

In Liberian – type societies such as Nigeria, government is characterized by its partial intervention in conflicts between workers and their foreign employers. Its tendency is to suppress the discontent of employees. It imposes compulsory arbitration during strikes. It applies pressure on strikers in the interest

of monopolies. Government policy of 'freezing wages' intensifies multinationals exploitation. In Nigeria, rather than government supporting the legitimate protests by Niger Delta people against oil multinational companies' fatalistic environmental degradation, the (Nigeria government) under Gen. Abacha ensured the 1995 'killing of Ken Saro-Wiwa and his eight other Ogoni members' while President Obasanjo ordered the military 'Odi massacre' - all to promote undisturbed oil exploration by Western oil oligopolies such as Shell BP, Chevron, Agip etc, even if the oil communities were exterminated. Ibeanu in Oyovbaire, (2008:206) notes that:

In August 1999, at a Congressional hearing in the US, corporate spokesperson, David Miller, revealed that US companies were prepared to provide new funds for the OBJ government to tighten security in the Niger Delta. It is perhaps not surprising that the Odi massacre occurred that year.

These anomalies, nurtured and sustained by multinationals, are strangely duplicated in a majority of the Latin American States. The latter have not been paid-off in the long run. In spite of their long claim to independence, almost all of them have remained wholly dependent on imperialism. The many years of domination by American multinationals have retarded their socio-economic and political growth. They assume out-dated foreign policy postures which do not reflect their objective need for economic emancipation. Taking advantage of this, multinational capital brings eruptive pressure to bear upon these dependents-such as Nigeria, and dictates the most unprofitable terms of exchange in terms of economics, culture and foreign policy.

Subversion through Direct and Indirect Military Intervention

An outstanding example of direct multinational intervention, in the bid to influence the foreign policy of a new state, is provided by the Congo crisis of 1962. That year, the Union Miniere Company, aided by a Belgium army of free-Booters, took part in the imperialist plot against Patrice Lumumba. But since 1962, the delegation of subversive authority to domestic quislings has become a more convenient strategy since it entails less international complications (Karaganov, 1965) .

In Angola, for instance, the UNITA-FNLA reactionary grand alliance was given material, moral and military support by the C.I.A, South Africa and transnationals. The UNITA gave an elaborate guarantee of future free access for the multinationals, to the natural wealth of Angola. In Namibia, the British Rio Tinto, American Amax and the New Mount Mining, which have large investments in that country, have worked to undercut the possibilities of a SWAPO government. The overthrow of Kwameh Nkrumah, the assassination of Comrade Nguabi, the murder of Murtala Mohammed, the abortive attempts, by the C.I.A. on the life of Fidel Castro and the 1975 revolt in Papua New Guinea by domestic forces of imperialism, are attempts by multinational business to shape the foreign policy of new states in favour of profits.

Multinationals also use the export-import economic detonator which colonialism had concocted and buried in underdeveloped countries. This tactics takes the form of economic and financial boycott. In Chile, the ITT compiled an 18 points secret memorandum to overthrow Salvador Allende Gossens (Karaganov, 1965). In this regard, Chinweizu (1978:473-476) notes inter-alia that

When he was elected President of Chile in 1970, Allende nationalized the giant United States corporations which controlled Chile's copper mines, telephones, banks, electricity, steel and cement factories.... In order to topple Allende and redominate Chile, the expropriated United States companies began to sabotage Chile's economy..... Within a month, as the IT&T plan brought chaos to all Chile, the Armed Forces moved.... Then, in September 1973, charging that Allende's government could not control the economic and political crises in the country, and pointing at the para-military groups organized by Allendes supporters to defend the gains of the poor, the military and the police, led by General Augusto Pinochet, bombarded and assaulted the

presidential palace. From the burning rubble they hurried Allande's body off to secret burial. Not even his wife was allowed to examine it.

As in all countries of the Third World including Nigeria, multinationals combine conspiracy with other forms of economic intimidation and psychological warfare to influence foreign policy.

Bribery The Lockheed scandal which rocked the world in 1975 as well Halliburton and Siemens bribery scandal in Nigeria, etc, are outstanding examples of how multinationals use bribery to directly and indirectly influence foreign policy of the victim country. The Lockheed, for example, spent \$20m on bribes in Japan, Italy and other countries of the Third World. Between 1960 and 1973, the Gulf Oil Company spent \$10.3m on bribery in oil-producing states of the Third World (Karaganov, 1976).

Multinationals may bribe governments, individuals or groups either in exchange for specific commercial advantages or as political donations intended to influence a country's policy and support. The former extracts such advantages as tax rebates, access to richer mineral deposits or awards of contracts. Also, bribes are offered to customs officials so that the firms' large consignments of contraband goods would be cleared. In relation to 'political donations', the Gulf Oil Company gave a bribe of \$4m to the South Korean Democratic Party during the 1971 elections (Karaganov, 1976). Also, the National Party of Nigeria in the second republic was known to be so integrated with multinationals that the boundary between them was not easily discernible. The prodigality of the party during the 1979 elections implicates the party in allegations against it that it is 'a transnational political party of foreign capitalists'. Between 1963 and 1971 Exxon spent about \$49m as 'donations' to Italy (Karaganov, 1976). Worthy to note is that in domestic as in foreign affairs, those who pay the piper dictate the tune.

The Manipulation of Public Opinion

Multinationals own giant shares in local newspaper corporations of the Third World. In some countries, they have established rival newspaper organizations which are staffed by indigenes sympathetic to the cause of surplus value. In the former category, advertisements, a major source of income to newspaper organizations, are denied newspapers which advocate nationalization and the genuine abolition of foreign monopoly. In 1972, for example, all American corporations 'seceded' from the anti-American newspaper, EXCELSIOR, in Mexico (Karaganov, 1965).

Related to this is the fact that transnationals are actively exploiting their influence over the mass media to inculcate in the populace, profit-oriented values, and transnational consumer psychology, is expected to facilitate economic and political expansion. Brain washing then helps to adhere national populations to the ideology of conspicuous consumption; and therefore helps to create the political environment conducive to foreign infiltration and subterfuge.

Another manipulative device of the transnationals is the sale of stock of local subsidiaries in small portions to local business and political circles who actively supports their operations in host contry. Karaganov (1965) also ascertained that transnational firms manipulate public opinion through their 'charity' work. The Ford Motors, for instance, built schools in Mexico only on condition that the company's name would be advertised in all corners of the schools. The Ford and Rockefeller foundations also have special grants for scholarship awards to students of merit in Third World universities. Other multinationals, such as the United Brands, have provided free housing for a portion of their workers in underdeveloped countries. But at the same time, these companies point to the inability of the public sector to do the same for its workers. The argument is used to discredit public ownership of the means of production and exchange; and to emphasize the superiority of private foreign enterprise.

Similarly, multinationals endorse the support of their 'confirmed staff by giving them weekly gift of articles produced by the firm. The Lever Brothers (Nig) Ltd, offers key soap, Blue Band margarine and toilet soaps. Workers are carried away by these trivialities. Besides, occasional social gatherings, organized for all categories of workers by the management, are beautiful platforms for transnational propaganda. When a drunk foreign capitalist wriggles or dances with a black labourer in his employ,

everybody in the firm is convinced that the Whiteman believes in equality. Through these dynamics, the transnationals seek to produce a semblance of a contribution to the social progress of the victim country and her citizens thereby forestalling outbreaks of discontent with their policy of exploitation.

Too, multinationals try to inculcate a spirit of 'company loyalty' and a type of labour-capital cooperation. For Lyunbimova, (1979), the idea is to crack the solidarity of the labour movement in new states. The IBM and Kodak do not allow trade unions. Those corporations which permit unions try to create a pattern of labour relations that precludes strikes and other forms of organized pressure. The ITT has emphasized the need for measures 'to ensure that employees do not feel compelled to join a union'. This policy has severely eliminated, in a literary sense, trade union activities in Nigeria and Singapore. It has led to the virtual dissolution of Unions in Indonesia and South Korea. The absence of organized pressure group interested in the elimination of the premise of inequalities in domestic and international economic relations is reflected in the passive foreign policies of new states.

The Transnational Church Nexus

The church is the spiritual arm of transnational corporations. It shares, with the latter, the same culture of profit, the philosophy of 'expanded reproduction of capital through unending profit accumulation and unbridled individualism in economic life" (Africa Magazine, 1979). The church reinforces the reversed world consciousness created by the reversed world of transnationals. It provides the spiritual theory which justifies transnational exploitation and consoles its victims (Nnoli, 1977). The church is the "spiritual aroma" of an unjust multi-national society. It condones and promotes alienation. The church instigates disobedience against the temporal authority of the satellite state. Fragmented national loyalties escape from the new states through the lines of multinational corporate penetration. These loyalties are now monopolized by the Vatican and Canterbury. The direction of spiritual loyalty points to the direction of exploitation. Thus, the religious sentiment peddled by the church, is itself a social product of multinational economic activities. A canon of the Church of England, Charles Kingsley, made it clear that the church uses the bible as an opium-dose for keeping beast of burden patient while they were being overloaded.

Ecclesiastical dynamics of sabotage against countries of the Third World are similar to those adopted by the political wing of multinational corporations. When, in July 1979, President Jean Baptiste Baganza of Burundi promulgated a decree urging Christians and Muslims to devote more time to development work than to prayers, the church reacted by attacking the government decision. It instructed its members to abstain from the programme. The church then formed the Burundi solidarity committee which deliberately reinforced existing conflicts and stereotypes between the powerful minority ethnic group (Tutsi) and the Gutles majority ethnic group (the Hutu). The objective of the church was to fan the existing ember of interethnic animosities for the benefit of reactionary circles of society. Its prime motive was to arrest development and to reinforce dependence (Africa Magazine, 1979)

In Mozambique, the church opposed all major Frelimo policies. Its criticisms of Frelimo's nationalization policies were consistent, rigorous and understandably hostile. The church attacked the communal-village programme which the Frelimo intended to be the corner stone of its economic mentor, the multinationals. "How can one agree with the imposition of an out of date ideology, foreign to the African character... socialism is an affront to human dignity and perhaps, worse than capitalism" (Africa Magazine, 1979).

The church is a profit motivated transnational corporation. Major churches in Nigeria, for instance, have their headquarters either in Rome, England or the United States. The subsidiaries of these spiritual corporations have penetrated all accesses of new state with greater speed and accuracy than the economic transnationals have been able to do. Also, "indigenous churches" have proliferated. But, like indigenous businesses their activities are patterned along lines of the foreign churches in terms of organization and belief. However, their membership is not transnational. They are incapable of competing meaningfully with multinational religious organizations. These churches are as reactionary as the foreign ones which

they imitate. The contribution of the church to the foreign policies of new states cannot be separated from the negative contribution of other multinational corporations. Generally, Orngu (2014:28), laments *inter-alia* that:

There is also the conspiracy theory which seeks to place the developmental disabilities of post-colonial Africa on the unholy tendency of the indigenous bourgeoisie and bureaucrats to willingly collaborate with foreign multinational corporations to exploit the common wealth of African peoples in return for some pecuniary gains. This is more readily exemplified in the extractive industries such as consistently witnessed in the exploitation of gas and oil sector by foreign oil multinationals operating in Nigeria.

Summarily, it may be argued that: (a) The transnationals' export of capital to aid their repatriation of profits from new states, alienate the latter from their indigenous environments and sustain the outward growth of their autochthonous economies. This situation maximizes external influence on domestic issues and weakens national efforts to disengage from unfavourable external relations inherited from colonial epoch. (b) The foreign private monopoly and ownership of new states' forces of production, distribution and exchange, create high quantity of transactions between capitalist powers and modernizing societies. For the latter, these transactions are negative in content for two related reasons: (1) They erode new states' power potentials; (2) They minimize the quantity and quality of exchange between developing countries. (c) Transnational propaganda and espionage sustain underdevelopment and dependence by perpetuating various forms of socio-cultural norms which encourage submissiveness and clientele. Psychological warfare achieves this condition without recourse to military coercion. The effectiveness of psychological warfare lies in its ability to co-opt satellite regimes and gullible national populations into multinational structures of consumption. The latter maximize transnational activities in allocating values and coordinating goal directed efforts. (d) The shackling of labour and government through bribery, informal political processes and espionage creates a peculiar political order characterized by elite class-obscurantism, synthetic stability and mass false consciousness. The arrangement incubates a docile diplomatic corps steeped in mental inferiority and dependence. This prevents foreign policy actors from exploiting the little measure of autonomy available to them in inter-state diplomacy. (e) The ability of transnational corporations to disguise the profit motive with a humanitarian mask breeds in satellite regimes 'a false confidence in the salutary nature of external conditions' as well as an excessive hope of charitable advantages from external relations. (f) The transnational corporate inculcation of company loyalties fragments national patriotism undercuts the political will of the leadership and bedevils proletarian commitments to the anti-imperialist struggle. Company loyalty frustrates the emergence of powerful pressure groups capable of coercing government policy against imperialism and its flunkys. (g) Features of the neo-colonial condition are extended and complicated by the hypocrisies and sterilizing norms of a transnational church and clergy. This reinforces an existing diplomatic tendency which uses 'moral appeals' as the major means of influence in a contradictory national interest-oriented international relations highly grounded on political realism rather than idealism.

Conclusion

From the foregoing exposition of the covert and overt *modus operandi* of multinational corporations in the Third World in general and Nigeria in particular, we can deduce via logical chain of evidence that the ubiquitous locust-like multinational corporations which dominate every sector of Nigeria's economy (and other satellite societies), have, invariably, been controlling the direction of Nigeria's foreign policy towards the interest of the transnational corporations and that of their home countries where they are headquartered. This is in tandem with Marxist-oriented dependencia theory which postulates that he who controls the economic infrastructure also controls the political super structure (foreign policy

inclusive). Like biological 'Osmosis', the endemic and economically parasitic multinationals, act (albeit mischievously) like 'umbilical cord' through which the resources of Third World countries, nay Nigeria, are drained away for further development of the countries of the 'North' (the advanced countries like USA, Britain, France, etc that own the MNCs).

Given the above condition, in Nigeria, from Balewa to Buhari's regime, multinational corporations have engendered neo-colonialism and hence, jeopardized realization of laudable foreign policy objectives such as 'promotion and protection of national interest' (Section 19, Federal Republic of Nigeria Constitution, 1999) for as Kwameh Nkrumah (in Offiong, 1980:122) correctly avers "A state in the grip of neo-colonialism is not a master of its own destiny". Thus, at the standpoint of dependency syndrome arising from loss of economic base to foreign multinationals, Nigeria's post- colonial leaders (both military and civilian) remain incapacitated at the level of foreign policy execution (No wonder for example, despite Nigeria's professed foreign policy of 'Africa as the centre piece of her foreign policy', she woefully kept mute as US-led Western countries achieve their national interest-oriented forceful regime change against Africa's nationalistic Libya's Gaddafi as well as France masterminded pro-France forceful regime change against 'recalcitrant' Cote D'Ivoire's President Gbagbo, to mention but a few.

With the impoverishment of Nigeria by the ravaging MNCs (in collaboration with corrupt local reactionaries) Nigeria like many other victim societies of the Third World remains a 'beggar-nation', and hence, depends heavily on foreign aid as well as 'adverse strings-attached loans' from the Western controlled World Bank and International Monetary Fund (IMF). In the end, as it is suicidal to 'bite the finger that feeds you' (the advanced home countries of the MNCs), foreign policy decision making and implementation in Nigeria (and other multinational corporations controlled Satellite societies) remains low keyed, inactive, passive, non-national interest oriented, and hence, woefully cooperative with interests of the Metropoles.

As a way out therefore, the unfortunate *status quo* whereby Nigerian's economic base of foreign policy decision making and execution is dominated by the multinational agents of imperialism (MNCs) must be changed. So, in order to achieve a national controlled cum self-reliant economy upon which any meaningful progressive credible foreign policy making and implementation must be grounded, we therefore recommend the enthronement of uncorrupt and nationalistic leaders (via credible elections and even patriotic radical coup d'état), genuine nationalization of major sectors of the economy as well as aggressive governmental protectionism and financial support for indigenous entrepreneurs. Besides, the new nationalistic government must adroitly check against internal and external subversion, for Machiavelli (in Hanbleton 1978:44) has correctly cautioned that, "there is nothing difficult to carry out, nor more doubtful of success, nor more dangerous to conduct than to initiate a new order of things. For the reformer have enemies in all who profit by the old order", just as Nwankwo (1981:63) similarly warned that:

The governments of the developing countries that favours the strengthening of the asymmetrical centre-periphery or metropolis-satellite relationships are accepted as good governments even when they are autocratic or oppressive while those that strive to loosen or sever the link are branded as bad governments, denied assistance and sometimes overthrown.

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