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Multinational Corporations (MNCs) and Corruption in Africa

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Abstract
Multinational corporations (MNCs) are key actors in contemporary International economic relation. Moreover, the motivations for Multinational corporations (MNCs) in Africa have generated debate in the literature. The aim of this study is to identify the dimensions of Multinational corporations (MNCs) involvement in corruption in Africa. However, secondary data such as text books, Journals and Internet sources were used in this study. Besides, content analysis was employed in its analysis while the Oligopoly theory was adopted. Also, it was observed that some Multinational corporations (MNCs) in Africa such as Halliburton in Nigeria, Mabey & Johnson in countries such as Ghana, Madagascar, Angola, Mozambique and South Africa among others have been involved in various corrupt practices in some countries in Africa in collaboration with corrupt government officials. Lastly, to combat corrupt practices involving Multinational corporations (MNCs) and government officials in Africa requires concerted efforts from both the home and host country.

Keyword
Corruption, multinational corporations (MNCs), government officials, Africa, international collaboration

Introduction

Multinational corporations (MNCs) are also referred to as Multinational Enterprises (MNEs) Transnational Corporation (TNCs), or Transnational Enterprises (TNEs) in the literature. Moreover, Multinational corporations (MNCS) are key actors in the international system whose activities cut across their home countries. Besides, MNCs have consistently grown in scope and influence as a result of globalisation aftermath of the World War II.

However, the origin of MNCs can be traced to late nineteenth century, in the words of Mclean and McMillan (2009) states that MNCs have become common only from about 1890. Although, MNCs engagement are mostly found in agriculture, mining and extractive activities but since the 1950's

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MNCs have been associated with manufacturing of goods. The evolution of MNCs in contemporary times partly is as a result of reaction to emerging increase in barriers in international trade and level of state intervention in economic activities. These factors necessitated international firm to manufacture goods locally that were initially exported, in order to remain relevant and maximize their market share at local market.

Nevertheless, MNCs have been involving in the politics of their host countries across the globe especially in developing countries where they have masterminded the over throwing of some government considered to undermine the interest of their home countries like in Nicaragua in 1989, Chile in 1970's, Iraq in 2003, Sudan in 1971 and Nigeria in 1976, among others because of their ability to transfer huge capital from their home countries to their host countries. Secondly, tax concessions received from their host countries have made MNCs the key actors in the contemporary international economic relations. Thirdly, the economic and financial power of MNCs made it possible for them to manipulate consumer tastes and entrench materialist values through the development of brands (Klein, 2000 cited in Spero & Hart, 2007).

The growth of MNCs have made them dominate most of the global markets such as General Motors, which has an annual revenue that is almost equal to the combined GDP of Ireland, New Zealand, Uruguay, Sri Lanka, Kenya, Namibia, Nicaragua and Chad. One advantage of the MNCs in recent times has all over the world is the capacity to relocate it capital and production to other parts of the world which has made MNCs arguably to escape most state control (Spero & Hart, 2007).

However, considering the influence MNCs have in contemporary era of globalisation, Africa countries serve as a source of cheap labour and low production cost without resisting them from providing long term investments or relocate the decision making power from their home country to Africa (Heywood, 2007). In addition, considering the vulnerability and subtlety of most African states to the influence of MNCs, most MNCs operating in Africa often engage in a number of corrupt dealings in their host countries that are against the terms and condition for their operations.

It is against this background that this study seeks to provide empirical evidences of how Multinational corporations (MNCs) have been involved in corruption in Africa.

Growth and Development of Multinational Corporations

The origin of multinational corporation can be traced to late 19th century, in which their activities focused on agriculture, mining and extractive ventures, but since 1950's MNCs have been associated with manufacturing of goods (DFID, 2000a; Dicken, 1998; Jenkins, 1987, 1992; Potter, Binns, Elliot & Smith). In 1985, the United Nations identified 600 multinational in the fields of manufacturing and mining, with annual sales in excess of US $1billion. Besides, these MNCs generated more than 20 per cent of the total production in the global market and an estimated 40 per cent of total trade globally now take place between the subsidiaries of MNCs and their parent companies (Corbridge, 1986; DFID, 2000a; Hettne, 1995).

The growth in the number of MNCs globally and in their operations has progressed steadily after the Second World War. The increase has been very considerable since mid-1970s. Between 1968 and 1969 the number of MNCs originating from 14 developed countries was 7276 (Ietto- Gillies, 2014). However, by 1998, there were about 19,000 MNCs, which accounted for 25 to 30 percent of the GDP of all market and for 80 percent of the trade in managerial and technical skills (Cohen, 2000).

In 1980s and 1990s, for instance, despite the changes in the volume of FDI over the years, FDI has increased tremendously than trade. From 1973 to 1995, annual FDI outflows multiplied more than 12 times (from US$25 billion to US$315 billion) while the value of merchandise experts multiplied by 8.5 times. About a third of the total global trade consist of intra-firm trade within MNCs, another third consist of MNCs export to non-affiliate, and the remaining third consist of trade among national (that is, non-MNCs) firm (Cohn, 2000: 274; Dunning, 1993, (UNCTAD, 2001; Potter *et al.*, 2004). The World Investment Report (UNCTAD, 2012) estimates the total number of MNCs all over the world to be 103,786.

Similarly, Lanz and Miroudot (2011) assert that the emergence of global value chains and the expansion of activities of MNCs have increased the value of intra-firm trade flows. Despite growing attention from policymakers, few data are collected on trade transactions between related parties. They added that available evidence suggests that intra-firm trade represents a significant share of international trade but differs widely across countries and industries.

In 2000, top fifty MNCs had revenues estimated at over US$50 billion each, and the largest-Exxon Mobil- had revenues of over US$ 210 billion. Also, the sales of each of the top 10 MNCs in 2000 were over US$120 billion, than the gross domestic product (GDP) of at least 170 countries (Wolf, 2002). Also, in 2000, FDI grew by 18 per cent, to US $1.3 trillion, although such flows were driven by more than 60,000 MNCs with over 800,000 affiliates abroad (Potter *et al.*, 2004: 150).

According to UN study conducted in 1985, nine largest US oil MNCs had crude oil operations in 40 countries in 1938 and in 96 countries in 1967. Its subsidiaries in all petroleum-related activities increased from 351 to 1442. Also, between 1961 and 1971, 460 United States MNCs were established, 11061 Operation oversee, and only 2,703 of these MNCs were in developing countries (UNTC, 1985).

According to Cohen (1981), South Africa has long been a base for the operations of MNCs, and even today, two-thirds of its direct investment is still coming from abroad. It continues to represent the centre of gravity for MNCs operation in Africa. Nevertheless, recent decades have witnessed a rapid increase in the penetration of MNCs to the economy of the African continent, often with a predominance of the negative effects (Cohen, 1981: 70).

Furthermore, the numbers of Multinational corporations (MNCs) in Africa has increased over the years in various sectors of the African economy such as manufacturing, production and service sector. Meanwhile, some Multinational corporations (MNCs) still have their headquarters located in developed countries such as USA, Britain, Canada and host of other western countries. Moreover, quite a number of them have relocated their headquarters to Africa, especially in South Africa due to cheaper labour among other considerations.

On the whole, various elements have contributed to the growth of MNCs and their activities worldwide, notably among are (a) the developments in transportation and in communications technologies and costs, (b) the organisational innovation within large companies and institutions, (c) the favourable political environment after the Second World War, and (d) the liberalisation and privatisation programmes of many developed and developing countries over the years. Besides, elements (a) and (b) have made control at a distance possible. They have led to lower costs, including the cost of inventory holding, while the other four elements together, greatly facilitated and encouraged companies to invest abroad (Ietto- Gillies, 2014).

Literature Review

Multinational Corporations and Corruption

The MNC as an Agent of Change for host-country Institutions; FDI and Corruption examine how the presence of MNC may shape the institutional environment of corruption over time. Their findings show that foreign direct investment generates positive spillover effects on the institutional environment of host countries. But their study does not focus on the relationship between Multinational corporations’ and in corruption in Africa (Kwok and Tadesse, 2006).

Jones (2011) in his study “Multinational corporations and the Foreign Corrupt Practices Act: A legal look at transnational business” reviews the history and parts of the FCPA, its effectiveness, and its current and future impact on American Multinational Corporations. His findings show how the U.S. government has shown a willingness to investigate and bring actions against corporations whose presence in the U.S. is limited only to some representation in the capital markets. However, his study focuses on US Foreign Corrupt Practices Act and not the dimensions of Multinational corporations’ involvement in corruption in Africa.

Zhu (2014) in his work “MNCs, Rents and Corruption: Evidence from China” examines the consequences of MNC activities on corruption by conducting a case study on China. His study revealed that provinces with more MNC activities have a significantly higher level of corruption. However, Zhu study does not focus on the dimensions of Multinational corporations (MNCs) involvement in corruption in Africa.

Nwanne (2014) study of the "U.S. Multinational Corporations in Countries with Low Corruption Perception Index" reviewed the existing literature and examined the findings of the U.S. Department of Justice on select U.S. MNCs in violation of the Foreign Corrupt Practices Act (FCPA). His study shows that bribery as instrument of business practice has adverse impact on the multinational corporation, the host country, and the home country. The Foreign Corrupt Practices Act has been instrumental to controlling the U.S. businesses in bribery conducts abroad. Nevertheless, Nwanne's study does not examine the nexus between Multinational Corporations and corruption in Africa.

It is against this background that this study seeks to provide empirical evidence of dimensions of Multinational Corporations (MNCs) involvement in corruption in Africa.

Theoretical Framework

There are various perspectives to the study of the growth of Multinational Corporations (MNCs) and its impacts on the sovereign states. The evolution of MNCs has attracted attention of scholars, and researchers across various fields in the social science such as Political Science, Economics, Sociology, Geography, etc. O'Brien and Williams (2007) assert that three approaches to the study of MNCs have been produced within the purview of the social sciences, "profusion of disciplinary, interdisciplinary and cross-disciplinary research". They posit that the Economic approaches such as Product Cycle Theory and OLI model tend to emphasise the market characteristics that have given rise to the decision to invest abroad, while the organisation perspectives give more emphasis to the decision-making structure of the firm, and that the motivational perspectives provide explanations in terms of the individual and the belief systems they hold. Lastly, the growth and development of modern MNCs can be viewed from the perspectives discussed above.

Nevertheless, scholars have developed a number of theories to explain the growth, as well as the impact of MNCs on the state. These theories can be grouped into two broad categories, namely liberal, structuralist and radical theories. One of the alternative theories of MNCs to the Liberal theories of MNCs is the structural theory developed by Susan Strange, whose postulation about MNCs shift from the decision of MNCs to major structural changes in the international economy (Strange, 1991, 1994). Strange identifies three major structural changes that have accelerated international production-falling real cost of transport and communication: development of new financial instrument (Spero & Hart, 2007). Susan Strange argues that structural changes in technology, communications, and finance created the conditions for growth of MNCs. Susan Strange further assert that a rapid increase in technology spurred by the revolution in information technology has quickened the pace for globalised production; increased capital mobility has facilitated dispersion of industry and changes in the knowledge structure have made trans-border communication and transportation cheaper and faster (Spero & Hart, 2007).

The radical theory to study of MNCs focus on centralisation and concentration or capital, to provide explanation for the growth of transnational production (Spero & Hart, 2007). Stephen Hymer, a leading proponent of the radical/Marxist theory of MNCs in his seminal work "The International operation of national firms (1976) argues that the dominance of America business ventures abroad arose from the Oligopolistic business structure. Similarly, Stephen Hymer in his later work titled *"The Multinational Corporation: A Radical Approach"* (1979) drew on the Lenin's theory of imperialism and gave more attention to systemic factors and emphasised the uneven development of capital (Spero & Hart, 2007: 181).

One of the Liberal theories to the study of MNCs is the Product Cycle Theory that was developed by Raymond Vernon (1966) in his work "International Investment and International Trade in the Product Cycle" which provided the justification for the expansion of American business overseas. Vernon (1966) argues that firms through advancement in technology are able to gain competitive advantage in the American local market. He asserts that at the initial stage, these firms would be able to sell their goods and services overseas. He further argues that, the importers of American products will begin to acquire the needed technology and commence production of these goods locally, thereby producing their products at a cheaper rate than the imported goods into the American market, since they do not pay for the cost of transportation of the goods. Thus, in order to protect the products produce by the American firms, American firms would be forced to set up factories overseas. Lastly, at the stage of the product Cycle, foreign firms will commence the production of cheaper products than the American firms and begin to export their product to the American Market (O'Brien & Williams, 2007: 180-181).

Spero and Hart (2007) in their explanation of the product cycle theory assert that firms expand abroad when their principal product become 'mature' in domestic markets. During the initial or rapid growth stage of product commercialisation, the firm attempts mainly to respond to domestic demand. As growth tapers off, the firm may begins to book for new sources of demand in export markets. Eventually, domestic demand begins to fall as the market is saturated and new firms begin to challenge the earlier entrants to the market, and thus the firm books ways to protect its revenues and profit, by establishing foreign subsidiaries with lower factor cost, so as to remain competitive in the home market and to garner better access to foreign market. As overall demand for the product moves toward zero, the firm will try to move on to new products or attempts to create new advantages by altering the product (Spero & Hart, 2007: 129). However, the product cycle theory was developed to explain changes over time in FDI on the part of the manufacturing firms, and was never put forward as a general theory of MNCs or FDI. Also, the product-cycle theory pointed to its inability to explain non-American FDI (Spero & Hart, 2007).

OLI model is another liberal theory that was developed by John Dunning, who is one of the prolific writers on MNCs. According to Dunning, the OLI model draw it strands from economic and managerial factors, which was used to developed a comprehensive theory (Dunning, 1973, 1981, 1988). OLI is the acronym for ownership, location, internationalisation. The OLI model focuses on the decision to invest abroad with emphasis on characteristic and the desirability of the foreign location. The OLI mode has become the most widely accepted theory of FDI among Economists (Either, 1986). OLI model is seen as an expansion on the internationalisation theory (Spero & Hart, 2007).

However, the Obsolescing bargain theory is closely related to the product cycle theory. According to the Obsolescing bargain theory, a firm that has invested in a host, country (or abroad) starts with a good bargaining position with the host of the host country's government because of firm-specific advantages such as advanced technology, access to capital, markets, and to finished product. Besides, once the firm has made investment, the bargaining benefits may slowly shift to the host country. The technology brought into the host country may mature and become more easily accessible to host country's firms, and the country will in turn learn how to gain better access to global capital markets and to finished products markets. Lastly, the host governments will attempts to negotiate more favourable terms with the foreign investors (Moram, 1974; Spero & Hart, 2007).

Also, the Oligopoly theory of foreign investment asserts that MNCs are more abroad to exploit the monopoly power they possess through factors like unique products, marketing expertise, control of technology and managerial skills, or access to capital (Hymer, 1976; Kindleberger, 1969; Spero & Hart, 2007: 130). Spero & Hart (2007) assert that in the battle for profits and market share, firms engage in Oligopolistic competition the more overseas, as part of their overall competitive strategy. They added that firms more aggressively exploit a new foreign market in the hope that their action will give permanent advantage over their competitors. They further assert that a company whose competitors have just entered the foreign market might be forced to go international as a defensive strategy, in order to block their opponent's move or at least prevent the competitor from gaining a survival-threatening advantage. It can be argued that most MNCs in their bid to have considerable advantage over their competitors overseas, often result in various corrupt practices that negate the terms and conditions of their operation in their host countries.

On the whole, the Oligopoly theory is consistent with the OLI model in that the OLI model asserts that a firm must have some sort of market power derived from firm- specific advantage (usually based on the firm's special knowledge). Many Oligopolistic industries are populated with precisely this type of firm. What Oligopoly theory adds to the OLI Model is the idea that the timing of entry into specific foreign markets may depend upon the timing of entry of a given firm competitors. It is against this background that the Oligopoly theory of foreign investment which asserts that MNCs are more abroad to exploit the monopoly power they possess through factors like unique products, marketing expertise, control of technology and managerial skills, or access to capital, is adopted for this study. As MNCs in their bid to exploit the monopoly power they possess in Africa, they engage in corrupt practices.

Dimensions of Multinational Corporation Involvement in Corruption in Africa

The proliferation of MNCs in Africa has raised significant questions on how to deal with the impact of MNCs on Africa's development (Cohen, 1981: 72). We are aware of the debate between scholars, from the left and right political spectrum on the motivation of the MNCs in Africa. Scholars from the right political spectrum see MNCs as agents of development on one hand, while on the other hand scholars from the left political spectrum sees MNCs as agents of imperialism.

Cohen (1981) posits that scholars from the right political spectrum or what he calls the defenders of the MNCs "point out that MNCs provide scarce capital, provide equally scarce technology and know-how which provide access to export markets; and contribute through the taxes paid and the employment created to local development" (Cohen, 1981: 68). However, this assertion has been challenged by scholars from the left political spectrum that the assertions that MNCs provides scarce capital has been debunked. Therefore, there is no transfer of real resources or capital, rather capital to set up their business where there is no local capital in their host country. Secondly, the outflow of capital is often greater than the capital invested.

For instance, MNCs that operated in Latin America from 1960 to 1968, for each dollar of the net profit generated was based on the investment that was 80 percent financed from the local sources, but only 21 percent of this profit remained in the country. Thirdly, that the assertion that MNCs helps their host country to gain access to the international market, has also been debunked on the ground that "actively discourage export in line with their global marketing strategies" (Cohen, 1981). Lastly, there was an instance, when some of the activities of MNCs had negative impact on Africa developmental process.

In contemporary time, there is an on-going debate on the activities of Multinational corporations (MNCs) in Africa. One perspective holds it that Multinational corporations (MNCs) are agents of development, another perspective has it that Multinational corporations (MNCs) are agents of imperialism, and the third perspective are of the opinion that the activities of MNCs in Africa should be held with mix-feelings. However, studies conducted by Corbridge (1986), DFID (2000a), Hettne (1995), Dicken (1998) and Dunning (1993), among others have shown that the activities of Multinational corporations (MNCs) are indispensable in contemporary era of globalisation. Therefore, our study supports the position of the third perspective which holds mix-feeling on the activities of Multinational corporations (MNCs) in Africa, in recent years.

Despite the existence of anti-corruption laws at the domestic level globally, some government hitherto continue to shield MNCs that engage in corrupt practices overseas. **According to the new African Magazine report (2009) entitled "who promote corruption in Africa?" asserts that the most notorious example of some governments shielding their companies that corrupt foreign national in Britain especially by Tony Blair's government in an investigation by the British serious fraud Office (SFO) into a "slush fund" in Saudi Arabia, amounting to billions of dollars, that was established by the British armaments production company (BAE) (New African, 2009: 10). – PLS rephrase**

International corruption is not peculiar to activities of MNCs in Africa alone as MNCs have been involved in various corrupt scandals across the globe. For instance, during the 2003 Iraq war, the document recovered showed that high ranking UN, French, Chinese, Russian officials (and America oil companies) illegally profited from the UN's $64 billion oil-for-food program that was supposed to ease the civilians' plight caused by economic sanctions on Iraq in the 1990s. A Swiss company under investigation for suspected fraud in the Iraq-oil-for-foods program lambasted the United Nations for "*mismanagement and poor oversight*" of the oil-for-foods program in Iraq (Goldstein & Pevehouse, 2008: 239-240).

Moreover, Siemens AG, a multinational engineering company based in Germany, admitted that it used an estimated 1.3 billion Euros illegally in elaborated bribe-and-kickback system to win foreign contracts across the globe. For instance, between 2002 and 2006, it was reported that Siemens AG slush funds, off-book accounting and suitcases full of cash were used to bribe officials in countries such as Argentina, Bangladesh, China, Iraq, Israel, Libya, Mexico, Nigeria, Russia, Venezuela and Vietnam, among others. Subsequently, in December 2008, Siemens AG admitted to have paid to US and European authorities, an estimated $1.6 billion in fines, an amount as unprecedented as the number and scope of global investigation into Siemens AG wrong doing (Cross Road Magazine, 2012: 12).

Also, two former managers of state owned Bank of China Ltd, Xu Chaofan and Xu Guejun, who used their casinos to launder some estimated at $485 million which they siphoned from a Bank branch in Southern Guangdong province in the mid-2000s through the aid of corporation in Hong Kong and Canadian as well as US banks, and later fled to the United States were in May, 2009 caught in Las Vegas and were sentenced to more than 20 years in prison for financial fraud and other crimes by a US Federal Court (Cross Road Magazine, 2012: 12).

Importantly, the famous case prosecuted against the French oil company, Elf, by Eva Joly according to Otusanya, Lauwo and Adeyeye (2012) indicates that MNCs had engaged in corrupt practices in developing countries. For instance, in 1995, Lockheed Corporation was charged for paying $1 million to an Egyptian official to facilitate the sale of aircraft to Egypt. Lockheed Corporation pleaded guilty and was fined $24.8 million, a figure representing double the amount it made on the transaction. One of the corporation's executives pleaded guilty and was fined $125 000 and jailed for 18 months. Conglomerate Baker Hughes Incorporated pleaded guilty to three charges of corruption and was fined $44 million for hiring agents to bribe officials in Nigeria, Angola, Indonesia, Russia, Uzbekistan and Kazakhstan. Also, that Baker Hughes paid approximately $5.2 million to two agents while knowing that some or all of the money was intended to bribe government officials of state-owned companies in Kazakhstan (Otusanya, Lauwo and Adeyeye, 2012: 9-10).

Cross Road Magazines (2012) in its report entitled "Corruption: A controllable Disease?" states that in the 1990s, Vladimiro Montesinos, the heads of Peru's intelligence service managed a web of corruption, which involved drug trafficking, arms trade and other transgressions. A large payment of the proceeds from his illegal scheme was laundered through shell companies and transferred to banks outside Peru. Montesino's fate was sealed when he caught bribing an opposition legislator on Videotape, which aired on a local station. He fled Peru in 2000. When Montesino was captured in 2001 by Venezuelan authorities working with US and Peru law enforcement agencies and was convicted by a Peruvian Court," and more than $18 million and asset were recovered from Montesinos (Cross Roads Magazine, 2012: 12).

However, one aspect of the negative impact of MNCs on Africa economy is corrupt practices perpetrated by MNCs in Africa. Although, Heywood (2007) posits that supporters of MNCs have "highlighted their efficiency and capacity to spread prosperity and opportunity around the globe" on the contrary, critics of MNCs viewed them as "agent of corporate global domination, exploiting the vulnerable, subverting democracy and spreading mindless consumerism (Heywood, 2007: 149). Corruption is another means of influence over host governments, and cannot be overlooked. Nobody knows the full extent to which MNCs use payoffs, kickbacks, gift, and similar methods to win the approval of individual government officials, may be more desperate for income, but corruption also occurs regularly in rich industrialised countries. For example, in the early 1990s the Bank of Commerce and credit International (BBCI) was found to have operated a vest illegal worldwide network of money laundering, fraud, and corruption (Adams & Frantz, 1992; Goldstein & Pevehouse, 2008).

A British company called Mabey & Johnson (M & J), an engineering company, specialises in supplying and building bridges in over 100 countries such as Ghana, Madagascar, Angola, Mozambique and Jamaica. Mabey & Johnson supply of bridge equipment consist of standardised and interchangeable component that can easily be transported after manufacturing site is located at Lydney in Gloucestershire, England with 160 employee and manufactures an estimated 20,000 tons of bridging components yearly. The corrupt case involving M & J was described by British serious fraud office (SFO) as “a landmark case”. Mabey & Johnson, on 25 September 2009, pleaded guilty, at the Southwark crown court in London to Charges of bribing government officials in Ghana, Madagascar, Angola, Mozambique and Jamaica (New Africa, 2009; Momoh, 2015b: 150).

According to Otusanya, Lauwo and Adeyeye (2012), Balfour Beatly, a leading UK-based construction company, agreed to pay a penalty of £2.25 million in relation to certain payments irregularities in respect of a major project in Egypt. Also, Aon, an insurance company, made suspicious payments to third parties amounting to approximately $2.5 million and €3.4 million. After investigation, Aon was fined £5.25 million by the UK Financial Services Authority (FSA), for failing to establish and maintain effective systems and controls of countering the risk of bribery and corruption (Otusanya, Lauwo and Adeyeye, 2012: 9-10).

In addition, the Mabey & Johnson company received fines amounting to 6.6million ponds and was ordered by the presiding Judged of Southwark Crown Court in London on 25 September 2009, to pay “reparations” amounting to 658,000 pounds which has been described as rarely in recent time, especially on cases of corruption involving developed countries and developing country (New African, 2009: 12). Furthermore, the Ghana and Jamaica contracts were the contract that serious fraud office (SFO) used to indict the Mabey and Johnson company whose overseas contracts were secured by the UK’s Export credits guarantee Department (ECGD), a statutory body whose role is to benefit the UK economy by assisting exporters of UK goods and services win business overseas, and help UK companies invest abroad by providing “Insurance and reinsurance against losses”.

Otusanya, Lauwo and Adeyeye (2012) in their study posit that in 2007, three wholly-owned subsidiaries of Vetco International Ltd. plead guilty for violating the foreign bribery provisions of FCPA in connection with the payment of approximately $2.1 in bribe. The company agreed to pay a total of $26 million in criminal fines. Paradigm B. V., Dutch Company based in Houston admitted that it and its subsidiaries made or promised corrupt payments to officials of state-owned gas and oil companies to obtain business in Kazakhstan, Mexico, China, Indonesia and Nigeria.

In a New African Magazine report (2012) entitled *“who promotes corruption in Africa?”* states that Mabey & Johnson company from December 1994 to 18 August 1999, used the Ghana Development Fund and associated accounts to pay bribes directly to named Ghanaian public officials amounting to 470,792.60 pounds. In Angola, M & J company gave bribe to Angola Official of Empresa Nacional de pontes (National Bridges Company) amounting to $1,257, 452. 22, two Land Rover defender four-wheel vehicles costing 28,646 pounds bought from the UK and shipped to Angola. Other payments to National Bridges Company were 50,145 dollar and 13,000 dollars. The other bribe paid to other public officials was 23, 000 dollars.

Similarly, Mabey & Johnson was equally said to have paid bribe to former Madagascar ambassador to the United States in a note from an M & J manager to another stated *“We have now been notified by the Order (for the bridge). The full FOB value will be 1, 131, 123 pounds. For his assistance, we wish to pay (Madagascar’s ambassador to the United States) $10, 000.”* In the same vein it was alleged that M & J bribed appointed public officials in Angola, Bangladash, Madagascar and Mozambique (New Africa Magazine, 2009: 15-16).

In South Africa, it was alleged that BAE system and other weapon companies were involved in the biggest arms deal which involve the sale of hawk and Gripen warplanes for 1.6billion pounds. The London Guardian Newspaper alleged that the BAE systems “secretly paid a $12million commission into a Swiss bank account” in a deal which led to Tanzania buying a controversial military radar system. Similarly, the London Guardian Newspaper also revealed that 500,000 pounds was discovered in Tanzania’s infrastructure Minister’s Jersey offshore account. Though, he denied that the Money came from BAE system, but he did not argue over its existence and was later forced to resign (New Africa Magazine, 2009: 16; Momoh, 2015b).

Moreover, effort by the South Africa Legislature to conduct an investigation into the alleged bribery Scandal Involving BAE systems and other weapons firms in South Africa was frustrated. The New Africa Magazine (2009) asserts that the investigation into the deal was blocked, according to a former ANC Members of the legislature, who claimed that he “was driven” out of the ANC for spearheading the legislative inquiry into the arms deal scandal.

In Nigeria, between 1994 and 2002, there was an investigation conducted that revealed that Halliburton Co-executive, Albert Jack Stanley pleaded guilty for “orchestrating more than $180 million in bribe to top government officials in order to secure contracts. In the Halliburton bribery scandal, it was alleged that some government officials like Late General Sani Abacha (40 million US Dollars), Dan Etete (2.5 million US Dollars), M.D. Yusuf (75,000 US Dollars), Grety Overseas UK Riser Brothers (120,000 US Dollars), Abdulkadir Abacha, (1,887,000 US Dollars), General Abdulsalami Abubakar and Chief Don Etiebet (37.5 million US Dollars), Prince N.A Bayero (600,000 US Dollars), Zertasha Malik Grety Overseas (Risers Brothers) (600,000 US Dollars), Edith Unuigbe (290,000 US Dollars), Messr Shinkafi and Aliyu Glosmer (Risers Brothers) (74 million US Dollars), Chief Olusegun Obasanjo, Atiku Abubakar, Gaius Obaseki and Funsho Kupolokun (74 million US Dollars), Bodunde Adeyanju (5 million US Dollars), Ibrahim Aliyu, Urban Shelter Intercellular (11,700,000 US Dollars) and M.G. Bakare (3,108,675 US Dollars) (Ajero, 2010: 42 cited in Osumah & Aghedo, 2013: 91-92).

According to the UNDP Thematic Program on Anti-corruption, Africa lost an estimated US $100 billion yearly to corruption. While the United States reported that Africa lost an estimated US $148 billion yearly to corruption; between US $20 to US $40 billion is lost due to the payment of bribes to government officials (Momoh, 2015a, 2015b). Similarly, Sullivan (2012: 9) asserts that the global prevalence of corruption is indicated by the world Bank's conservative estimates of the annual total of bribes paid worldwide ($ 1 trillion) and economic losses to developing and transitory countries due to corruption (between $20 billion and $40 billion a year).

On the whole, a critical analysis of empirical evidence of corruption provided in this study shows that they are motivated by Multinational Corporations (MNCs) that operates in Africa. However, we did not dispute the facts that most Multinational Corporations (MNCs) have contributed significantly to economies of their host countries but their involvement recently in corruption across the African continent have shown that the time has come for both the home and host countries to revisit the activities as well as terms of operations of Multinational Corporations (MNCs) in their territory.

Conclusion

As demonstrated by the foregoing, Multinational Corporations (MNCs) emerged on the international scene since the 19th century. Although, the concept Multinational Corporations (MNCs) has been interchangeably used as Transnational Corporation or Multinational Corporation, in the literature, corruption perpetrated by Multinational Corporations (MNCs) is a global phenomenon. However, our focus in this study is on Africa in which huge resources are lost to corruption as both corrupt government officials and Multinational Corporations (MNCs) made economic fortunes out of illicit deals between the duos. We argued that Multinational Corporations (MNCs) indulge in corruption in Africa by offering bribes to government officials of the host countries in order to secure contracts. It is on the basis of our arguments that we offer the following recommendations as measures to curb corrupt practices involving government officials in Africa–and Multinational Corporations (MNCs)

Recommendation

One of the challenges affecting the fight against corruption at the international level is the attitudinal dispositions of some state actors. In this regard, we recommend that state actors must change their attitudes that encourage MNCs to engage in corrupt practices overseas, to one that promotes transparent transactions abroad. Also, the media and Civil Society Organizations (CSOs) has significant role to play in this regard by acting as whistleblowers of corrupt practices engaged by MNCs for public criticism and necessary legal actions taken by both the host and home countries.

Secondly, home countries of MNCs must ensure that they monitor and possibly review the activities and other dealing of their MNCs abroad in order to discourage their involvement in corrupt practices.

Moreover, local and international civil society organisations should pressurize their government (at the domestic level) to ensure that there is transparency and accountability in governance. This will in addition involve the government at the domestic levels to review the terms of contract and business activities engaged by MNCs annually in order to ensure that state officials as well as staff of MNCs do not indulge in corrupt practices.

Corruption is a phenomenon that is too big for any individual, group, organisation or country to tackle alone. Therefore, partnerships that are drawn from expertise and resources of all partners are vital in the global fight against corruption. For instance, collaboration between the Swiss and Nigerian government helped to recover the stolen Abacha loot. In 2004, US after forfeiting transferring Arnoldo Aleman's Nicargua former President stolen money and assets estimated at $ 2.7 million in the United States that was meant to be used for education project was refunded to the Nicargua government. Similarly, the UK partnership with Nigeria government led to the prosecution of Chief James Onanefe Ibori over allegations of corruption and was later jailed. The Xu Chaofan and Xu Guojun casino scandal with support from China, Hong Kong and US government and Vladimiro Montesinos corrupt case in Peru that involved the assistance of Venezuela, United States, Switzerland, Cayman Island, Luxembourg and Mexico was rewarding. Therefore, cross national synergy among countries should be encouraged by countries that are committed to fight against corruption.

Furthermore, international agreements, such as the United Nations Convention Against Corruption, the Organization Economic Cooperation and Development (OECD) Anti-bribery Convention, Africa Union Convention on Preventing and Combating Corruption among others will help create the required platform for countries across the globe to collaborate the attempt to reduce cases of corruption involving MNCs in Africa.

Anti-corruption conventions can help foster consensus against corruption and allow these countries to share best practices while putting pressure on government to act on their anti-corruption commitment. Sullivan (2012) asserts that for international cooperation to be effective, ultimately each country must translate broad anti-corruption goals into concrete polices and enforcement. Many governments are trying to overcome bureaucratic walls separating different agencies involved in anti-crime and anti-corruption efforts. Some countries have engaged in international cooperation and coordinated their anti-corruption efforts with others. More intra-and inter-governmental cooperation on all levels is needed (Sullivan, 2012:10). This initiative is highly commendable.

Finally, great responsibility lies with both the home and host countries of Multinational Corporations (MNCs) to annually or bi-annually review the activities and terms of operations of the various Multinational Corporations (MNCs) at home and overseas in order to ensure that they do not engage in illicit transactions. Similarly, bidding process for contracts by host countries especially in Africa should be made transparent as much as possible and government officials who indulge in corrupt practices should be punished.

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