40. *Africa Magazine* No. 66 Feb. 1977 p. 14.
41. *West Africa,* June 9, 1986. p. 40.
42. *ARB* 9, 4, 1972 p. 2453. This point is significant because the General strike marked a water shed in the development of Namibian Society against the colonial regime and its homeland surrogates. See Africa Report 17, February 2,1972 pp. 30–2; M. Kooy "The contract labour system and the Ovambo crisis of 1971 in South Africa" *African Studies Review,* XVI, April 1973; "Namibia" in *ICJ Review* No. 8 June 1972; Serfontein, op. cit., pp. 217–221; *ARB* 9, 2, 1972 p. 2388.
43. A good example is Zimbabwe. See *ARB* 23, 12, 1987 p. 8323 for an instance of this.
44. South Africa's attempts to ossify these tendencies was reflected in the idea of a Southern Africa Economic Community which she advertised in the mid 70s. This was to be a "Constellation" of dependent states that would serve as a captive market for the South African Economy. The idea was roundly rejected by most of these states.
45. For a full text of the SADCC Declaration, see *Africa Currents* No. 21/22 July/August 1980 pp. 52–6.
46. *West Africa,* 22 May 1983, p. 1221. The restructuring of the dependency relationships between SADCC states and South Africa is one of the key issues examined in Chandra Hardy, "The prospects for growth and Structural Change in Southern Africa". *Development Dialogue* (Uppsala) 2, 1987 pp. 33–58.
47. For this controversy, see *West Africa,* December 15, 1975 p. 1515; *Africa Magazine* No. 2, 1971 p. 14.
48. This is well documented see F.n. 15 & 9.
49. Aluko, op. cit., p. 67.
50. Isesele, op. cit., pp. 89–9.
51. The Actual negotiations which took place between 1978 and 1982 to work out the modalities for the practical implementation of the UN plan led to a complete multilation of the original Plan set out in RES 435. The proposals on ceasefire, the campaign period and the voting/electoral system were carefully tailored to suit the interests of South Africa. The Western Contact Group which sponsored these talks were pro–South Africa through their appeasement policy, hence several concessions were wrenched, as it were from SWAPO and Africa. See C. Coker, "Peacekeeping in Southern Africa. The United Nations and Namibia", *Journal of Commonwealth and Comparative Politics XIX,* 2, 1987, *Africa Confidential* Vol. 21, 3, 1980; p. 7; Vol. 22, 25, 1981, p. 2 Vol. 23, 3, 1982, p. 7, Vol. 22, 10 1981 pp. 7–8, *Africa Magazine* No. 124, Dec. 1981, p. 31, No. 127, March, 1982, p. 1982, p. 29, No. 130 June, 1982.

The Anatomy of the Africa Multinational Conglomerate Enterprise Strategy in International Development

*J.A. Harris, Sir**

When Julius K. Nyerere, President of the United Republic of Tanzania, received the 1981 Third World Prize, he declared in his *Third World Lecture* delivered in New Delhi, India, in February 1982 that:

> "The Third World Prize is thus a declaration of pride in ourselves, and gives notice of our intension to become controllers of our destiny.[1]

President Nyerere proposed the establishment of a technically efficient and highly dedicated Permanent Secretariat for the Group of 77 that would design and provide the framework for (a) achieving justice in negotiating with the Western industrialized countries, and (b) reducing the already substantial level of the Third World dependence on the industrial North, especially the increasing dependency on importing Western technology.

Most importantly, his declaration emanates from a key principle which is that the formation of South–South cooperation must include a sustained and persistent series of Third World owned and controlled multinational conglomerate enterprise combinations and centralized management consolidation processes; namely multiple Third World plans, numerous Third World international agreements, many and various Third World multinational banking conglomerate enterprises, joint ventures, consortia, syndicates (joint accounts), cartels, bilateral agreements, regional agreements, multi–lateral agreements, and management centralization as processes of concentration that are designed and implemented for perpetuating collective self–reliance.

The principal theme of this paper centres on the analysis and formulation of the Africa multinational conglomerate enterprises strategy in international development as an integral segment of the *South–South Option,* which is occuring vis–a–vis the global conglomeration movement.

Some authors who have examined the vast and intricate multinational conglomerate enterprises combination movement in the past include, among others, Neil Hood and Stephen Young in *The Economics of Multinational Enterprise;* Robert Liefmann in *Cartels, Concerns and Trusts;* Rudolf Hilferding in *Finance Capital: A Study of the Latest Phase of Capital Development;* M. Fennema in *International Networks of Banks and Industry;* an analysis of international business diplomacy presented by George W. Stocking and Myron W. Watkins in *Cartels in Action;* the U.S. Pujo Committee Report of 1913 (see note 2 at the end of this article); the U.K. Board of Trade, *Survey of International Cartels and Internal Cartels, 1944–1946;* and Fritz Stern's *Gold and Iron.*[2]

The view expressed by President Nyerere in his *Third World Prize* lecture is global in context, analysis, and policy. Some past practices, agreements, and policies, as the preceding references reveal, have provided evidence that establishes

* Adjunct Assistant Professor of Management, New York University School of Continuing Education, New York, U.S.A.

the concentration of power and control over resources in Africa as residing in conglomerate types of combinations that are located, and continue operating, outside of the African continent. This type of centralization and concentration of power and control builds from and on the processes (and institutions) of concentration, for example, international cartels and agreements, patent and licensing arrangements and agreements, international joint ventures, and multinational enterprise mergers, acquisitions and banking conglomeration.

Within a multinational operations framework, these types of social institutions engage in a multiplicity of networks of production, banking, exploration, mining, marketing, financing, etc. These activities are maintained through centralized management and syndicate (joint account) direction of consortia that operate within and among other larger consortia, multinational corporations and banking conglomeration, thereby, re-igniting and dominating the powerful international conglomeration movement.

It is within this powerful paradigm that President Nyerere posed his *South–South Option* which is based on the requirements of *The Declaration on the Establishment of a New International Economic Order; The Charter on the Economic Rights and Duties of States*, and the *Arusha Programme for Collective Self–Reliance and Framework for Negotiations*, adopted by the Fourth Ministerial Meeting of the Group of 77, held at Arusha (United Republic of Tanzania) from 6 to 16 February 1979.

Institutinalization of the Africa Multinational Conglomerate Enterprise Strategy

Multinational conglomerate enterprise strategy development, currently, means more than what has been referred to as just providing the basic needs for a nation's people and concentrating on the kind of economic production and investment which could be sustained by the resources and capacities of the Third World alone, and recognizing each nation's right to conserve its own cultural identity, or implementing endogenous development that is instigated by the people themselves.[2]

The meaning of multinational conglomerate enterprise strategy development emanates from plans of action for the establishment, ownership, control, and centralized management of conglomeration institutions that have been designed to concentrate, consolidate, institutionalize agriculture and agri–business, and centralize the processes of power and control over multinational transformation, social–cultural relations, and the total processes of multinational enterprise conglomeration. In a penetrating examination of "Conglomerates: A 'Nonindustry'," Willard F. Mueller declared:

> The large modern corporation typically is not confined to a single industry but embraces many lines of business and its operations extend to all parts of the earth. We call such a firm a conglomerate enterprise.[4]

The *Minerals and Metals of Africa Matrix* that is presented in Table–A demonstrates the necessity for overcoming and neutralizing the traditional conflicts involving African national and geographical borders, and characterizes some of the key elements required in the fundamentals of the growth and development of the Africa multinational conglomerate enterprises strategy in international development.

Table—A Mineral and Metals of Africa Matrix

	Minerals and Metals																							
	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
Country	Li, Be, Nb, Ta, Th, Mi-ca (m), Terres Rares (Rare Earth)	Sn, W, Mo	V	U	Au, As, S, Py-rite	Ni, Cr, Co, Pt	Ti, Zr	Dia-mond (dm)	Ba, F, Sr	Pb, Zn	Cu	Sb, Hg, Ag, Bi	Al	Fe	Mn	As-best-os (ab)	Phos-pha-tes (p) Apa-tite	Evap-orit-es	Coal (c) Lig-nite (lg)	Gra-phite (gr)	Hydro-car-bon Indi-cat-ions	Hydro-car-bon Pro-duct-ion	As-phalt De-posit	Phos-phous P
1. Morocco		x				x				x		x		x	x		x							
2. Algeria						x				x				x			x					x		
3. Libya														x	x						x	x		
4. Egypt							x			x	x			x	x		x		x			x		
5. Rio de Oro																								x
6. Tunisia														x			x					x		
7. Mauritania	x										x			x			x				x			
8. Mali					x	x		x					x					x						
9. Niger		x		x	x									x			x		x		x			
10. Chad				x	x													x			x	x		

Table—A (Continued) Mineral and Metals of Africa Matrix

Minerals and Metals

Country	A Li, Be, Nb, Ta, Th, Mica (m) Terres Rarés (Rare Earth)	B Sn, W, Mo	C V	D U	E Au, As, S, Pyrite	F Ni, Cr, Co, Pt	G Ti, Zr	H Diamond (dm)	I Ba, F, Sr	J Pb, Zn	K Cu	L Sb, Hg, Ag, Bi	M Al	N Fe	O Mn	P Asbestos (ab)	Q Phosphates (p) Apatite	R Evaporites	S Coal (c) Lignite (lg)	T Graphite (gr	U Hydrocarbon Indications	V Hydrocarbon Production	W Asphalt Deposit	X Phosphorus P
11. Sudan					X	X				X	X			X	X			X						
12. Ethiopia	X	X			X	X				X	X	X		X				X						
13. Somalia		X					X																	
14. Senegal							X										X				X			X
15. The Gambia							X																	
16. Guinea-Bissau																			X		X			
17. Guinea					X			X					X	X							X			
18. Sierra Leone						X	X	X					X	X										
19. Liberia					X			X					X	X							X			
20. Ivory Coast	X				X		X	X						X	X						X	X		

Table—A (Continued) Mineral and Metals of Africa Matrix

Minerals and Metals

Country	A Li, Be, Nb, Ta, Th, Mica (m) Terres Rarés (Rare Earth)	B Sn, W, Mo	C V	D U	E Au, As, S, Pyrite	F Ni, Cr, Co, Pt	G Ti, Zr	H Diamond (dm)	I Ba, F, Sr	J Pb, Zn	K Cu	L Sb, Hg, Ag, Bi	M Al	N Fe	O Mn	P Asbestos (ab)	Q Phosphates (p) Apatite	R Evaporites	S Coal (c) Lignite (lg)	T Graphite (gr	U Hydrocarbon Indications	V Hydrocarbon Production	W Asphalt Deposit	X Phosphorus P
21. Upper Volta					X		X				X				X									
22. Ghana					X			X					X		X						X			
23. Togo						X							X				X							X
24. Dahomey					X	X																		
25. Nigeria	X	X	X		X				X	X				X			X		X		X	X		
26. Cameroon		X			X								X	X								X		
27. Central African Republic				X	X			X						X										
28. Equatorial Guinea																					X			
29. Gabon		X		X	X					X				X	X						X	X		
30. Congo (Brazzaville)					X			X		X	X		X	X			X	X			X	X		X

Table—A (Continued) Mineral and Metals of Africa Matrix

Minerals and Metals

Country	A Li, Be, Nb, Ta, Th, Mica(m) Terres Rarës (Rare Earth)	B Sn, W, Mo	C V	D U	E Au, As, S, Pyrite	F Ni, Cr, Co, Pt	G Ti, Zr	H Diamond (dm)	I Ba, F, Sr	J Pb, Zn	K Cu	L Sb, Hg, Ag, Bi	M Al	N Fe	O Mn	P Asbestos (ab)	Q Phosphates (p) Apatite	R Evaporites	S Coal (c) Lignite (lg)	T Graphite (gr)	U Hydrocarbon Indications	V Hydrocarbon Production	W Asphalt Deposit	Flo pho P
31. Zaire	X	X			X	X		X		X	X	X	X	X	X				X		X			
32. Uganda	X	X								X	X													
33. Kenya					X		X			X	X					X								
34. Rwanda	X	X																						
35. Burundi		X	X	X	X	X					X													
36. Tanzania					X		X	X		X									X		X	X		
37. Angola			X	X	X			X		X	X		X	X	X		X		X		X	X		
38. Zambia	X		X	X	X	X				X	X				X				X					
39. Malawi				X													X				X			
40. Mozambique	X	X	X				X		X					X					X	X	X			

Table—A (Continued) Mineral and Metals of Africa Matrix

Minerals and Metals

Country	A Li, Be, Nb, Ta, Th, Mica(m) Terres Rarës (Rare Earth)	B Sn, W, Mo	C V	D U	E Au, As, S, Pyrite	F Ni, Cr, Co, Pt	G Ti, Zr	H Diamond (dm)	I Ba, F, Sr	J Pb, Zn	K Cu	L Sb, Hg, Ag, Bi	M Al	N Fe	O Mn	P Asbestos (ab)	Q Phosphates (p) Apatite	R Evaporites	S Coal (c) Lignite (lg)	T Graphite (gr)	U Hydrocarbon Indications	V Hydrocarbon Production	W Asphalt Deposit	X Flo pho P
41. Malagasy (Madagascar)	X			X	X	X	X		X	X	X		X	X					X	X	X			
42. Zimbabwe	X	X			X	X					X					X			X					X
43. Botswana					X	X		X							X	X			X					
44. Namibia	X	X	X	X	X	X	X	X		X	X	X			X									
45. South Africa	X		X	X	X	X	X	X		X	X	X		X	X	X					X			
46. Swaziland		X												X		X			X					
47. Lesotho								X													X			
48. Benin																					X			
Total	13	15	5	11	25	15	11	15	3	17	16	5	11	24	14	5	12	5	13	2	23	11	0	8

SOURCE: Data were compiled (1) UNESCO, Mineral Map of Africa, (2) U.S. Department of State, Background Notes, (3) National Geographic Society, National Geographic Atlas of the World, (4) Business Week, August 8, 1983, p 37, and (5) Worldmark Encyclopedia of the Nations, 5th Edition, New York: John Wiley & Sons, Inc., 1976

The preceding Table A contributes to delineating the policy recommendations that were established by President Nyerere in his *Third World Prize* lecture, and formulating some essential parameters that represent an integral part of the growth and industrialization of Africa's own conglomerate enterprise development strategy and multinational conglomeration movement. Table A provides the foundation for the permanent reconstruction of the African trade routes:the Trans–Sahara Highway and the Trans–Africa Highway System that will criss–cross the Africa continent from Botswana to Tunisia, and from Kenya to Senegal.

The minerals and metals of Africa provide the multiplicity of combinations and diversification of resources which require the formation of multinational conglomerate enterprises within an overall Africa multinational conglomeration development strategy.

Starting with columns A–X in Table A, particularly columns, E, H, U, and V, which provide Africa's own techniques that are essential in the internationalization of African capital and productive resources, the Africa multinational conglomeration enterprise strategy possesses its own internal sources of financing for multinational development. Columns E, H, U, and V of Table A have served in the past as sources of the mobilization of capital and financing.

More specifically, a framework that would include a set of African conglomerate enterprises is presented in Table B, *Types of African Conglomerate Development Combinations Extractable From the Minerals and Metals of Africa Matrix*. Table B is a subset of Table A.

Table B: Types of African Conglomerate Development Combinations That Emanate From The Minerals and Metals of Africa Matrix

Column–A

Li=Lithium; Be=Beryllium; Nb=Niobium
Ta=Tantalum; Th=Thorium; Mica–(m);
Terres Rare (Rate Earth) (TR)

Country

1. Mauritania
2. Ethiopia
3. Ivory Coast
4. Nigeria
5. Zaire
6. Uganda
7. Rwanda
8. Zambia
9. Mozambique
10. Malagasy
11. Zimbabwe
12. Namibia (SWAPO)

Column–B

Sn=Tin; W=Wolfram; Mo=Molybdenum

Country

1. Morocco
2. Niger
3. Ethiopia
4. Somalia
5. Nigeria
6. Cameroon
7. Gabon
8. Zaire
9. Uganda
10. Rwanda
11. Burundi
12. Mozambique
13. Zimbabwe
14. Namibia (SWAPO)
15. Swaziland

Column–C

V=Vanadium

Country

1. Nigeria
2. Burundi
3. Angola
4. Namibia (SWAPO)
5. Mozambique
6. Zambia

Column–D

U=Uranium

Country

1. Niger
2. Chad
3. Central African Republic
4. Gabon
5. Burundi
6. Angola
7. Zambia
8. Malawi
9. Malagasy
10. Namibia (SWAPO)

Column–E

Au=Gold; As=Arsenic;
S=Sulpur; Pyrite

Country

1. Mali
2. Sudan
3. Ethiopia
4. Guinea
5. Liberia
6. Ivory Coast
7. Upper Volta
8. Ghana
9. Dahomey
10. Nigeria
11. Cameroon
12. Central African Republic
13. Gabon
14. Congo (Brazzaville)
15. Zaire
16. Kenya
17. Burundi
18. Tanzania
19. Angola
20. Zambia
21. Malagasy
22. Zimbabwe
23. Botswana
24. Namibia (SWAPO)
25. Chad

Column–F

Ni=Nickel; Cr=Chromium; Co=Cobalt;
Pt=Platinum

Country

1. Morocco
2. Algeria
3. Mali
4. Sudan
5. Ethiopia
6. Sierra Leone
7. Togo
8. Dahomey
9. Zaire
10. Burundi
11. Zambia
12. Malagasy
13. Zimbabwe
14. Botswana

Column–G

Ti=Titanium; Zr=Zircon

Country

1. Somalia
2. Senegal
3. The Gambia
4. Siera Leone
5. Ivory Coast
6. Kenya
7. Tanzania
8. Mozambique
9. Malagasy
10. Namibia (SWAPO)
11. Egypt
12. Upper Volta

Column–H

dm=Diamond

Country

1. Mali
2. Guinea
3. Sierra Leone
4. Liberia
5. Ivory Coast
6. Ghana
7. Central African Republic
8. Congo (Brazzaville)
9. Zaire
10. Tanzania
11. Angola
12. Botswana
13. Namibia (SWAPO)

Column–I

Ba = Barium;
F = Florine;
Sr = Strontium

Column–J

Pb = Lead; Zn = Zinc

Country

1. Nigeria
2. Mozambique
3. Malagasy

Country

1. Morocco
2. Algeria
3. Egypt
4. Sudan
5. Ethiopia
6. Nigeria
7. Gabon
8. Congo (Brazzavile)
9. Zaire
10. Uganda
11. Kenya
12. Tanzania
13. Angola
14. Zambia
15. Malagasy
16. Namibia (SWAPO)

Column–K

Cu = Copper

Country

1. Egypt
2. Mauritania
3. Sudan
4. Ethiopia
5. Congo (Brazaville)
6. Zaire
7. Uganda
8. Kenya
9. Burundi
10. Angola
11. Zambia
12. Malagasy
13. Zimbabwe
14. Botswana
15. Namibia (SWAPO)
16. Upper Volta

Column–L

Sb = Antimony; Hg = Mercury;
Ag = Silver; Bi = Bismuth

Country

1. Morocco
2. Ethiopia
3. Zaire
4. Namibia (SWAPO)

Column–M

Al = Aluminum

Country

1. Mali
2. Guinea
3. Sierra Leone
4. Liberia
5. Ghana
6. Togo
7. Cameroon
8. Congo (Brazzaville)
9. Zaire
10. Angola
11. Malagasy

Column–N

Fe = Iron

Country

1. Morocco
2. Algeria
3. Libya
4. Egypt
5. Tunisia
6. Mauritania
7. Niger
8. Sudan
9. Ethiopia
10. Guinea
11. Sierra Leone
12. Liberia
13. Ivory Coast
14. Nigeria
15. Cameroon
16. Central African Republic
17. Gabon
18. Congo (Brazzaville)
19. Zaire
20. Angola
21. Mozambique
22. Malagasy
23. Swaziland

Column–O

Mn=Manganese

Country

1. Morocco
2. Libya
3. Egypt
7. Ghana
8. Gabon
9. Zaire

Column–P

(ab)=Asbestos

Country

1. Kenya
2. Zimbabwe
3. Botswana
4. Sudan
5. Ivory Coast
6. Upper Volta
10. Angola
11. Zambia
12. Botswana
13. Namibia (SWAPO)

Column–O

(p)=Phosphates–Apatite

1. Morocco
2. Algeria
3. Egypt
4. Swaziland
4. Tunisia
5. Mauritania
6. Niger
7. Senegal
8. Togo
9. Nigeria
10. Congo (Brazzaville)
11. Angola
12. Malawi

Column–R

Evaporites

Country

1. Mali
2. Chad
3. Sudan
4. Ethiopia
5. Congo (Brazzaville)

Column–S

(c)=Coal; lg=Lignite

Country

1. Egypt
2. Niger
3. Guinea–Bissau
4. Nigeria
5. Zaire
6. Tanzania
7. Angola
8. Zambia
9. Mozambique
10. Malagasy
11. Zimbabwe
12. Botswana
13. Swaziland

Column–T

(gr)=Graphite

Country

1. Mozambique
2. Malagasy

Column–U

Hydrocarbon Indications

Country

1. Libya
2. Niger
3. Ivory Coast
4. Nigeria
5. Equatorial Guinea
6. Gabon
7. Congo (Brazzaville)
8. Zaire
9. Tanzania
10. Angola
11. Malawi
12. Mozambique
13. Malagasy
14. Botswana
15. Lesotho
16. Mauritania
17. Benin
18. Liberia
19. Guinea–Bissau
20. Guinea
21. Senegal
22. Ghana
23. Chad

Column–V

Hydrocarbon Production

Country

1. Algeria
2. Libya
3. Egypt
4. Tunisia
5. Ivory Coast
6. Nigeria
7. Cameroon
8. Gabon
9. Congo (Brazzaville)
10. Tanzania
11. Angola
12. Chad

Column–X

P=Phosphorus

Country

1. Rio de Oro
2. Senegal
3. Togo
4. Congo (Brazzaville)
5. Kenya
6. Tanzania
7. Angola
8. Zimbabwe

The growth and development of the Africa multinational conglomerate enterprise strategy in international development emanate from the productive capital resources included in Table A and Table B which thrust to the forefront the issues of centralized consolidation of management, and the processes of industrial concentration, power, and control of resources. Shared conglomeration has gained in priority as an instrument of the *South–South Option*.

African owned and controlled multinational conglomerate enterprise strategy is the *raison d'etre* of the Africa conglomeration movement because the multinational conglomerate enterprise transcends political frontiers and, as Richard Eells noted in *Global Corporations:*

> We enter the era of the multinational corporation which crosses national frontiers to do business in the face of enormous odds inherent in an international system of sovereign entities that stand guard at their frontiers. The world arena is dominated in law and, in the case of the superpowers, in fact by those who govern these sovereign entities. Their foreign affairs are *inter–national;* if each sovereign state was completely authoritarian and totalitarian, there would be no cross–border activities except at sovereign command or by sovereign permission. Cross–border business would, in that case, polities of the nations involved ... Transnational activity embraces all movement of things, persons, ideas and vibrations across official national frontiers. It comprises both the official activities of states in the international system and all non–state activities.[5]

Thus, the core of the *South–South Option* centers on the emerging sytem of African multinational conglomerate enterprise strategy, from the Africa perspective, in order to achieve what President Nyerere classified as "controllers of our destiny."

Anatomy of a Multinational Conglomerate Enterprise: Entreprise de Recherches et D'Activites Petrolieres (ERAP) and The "SNAP Group"

The distinctive characteristic of multinational conglomerate enterprises emanates from the numerous and varied lines of business and multiple industries conducted by these entities on a totally worldwide cross–border basis.

The government–owned Entreprise de Recherches et D'Activites Petrolieres (ERAP) of France is such a multinational conglomerate enterprise. ERAP owns 67 percent of the stock of Societe Nationale Elf Aquitaine (SNEA) which is the second largest oil company in France and the largest French producer of natural gas. SNEA was created in 1976 as a result of a merger between (1) the Elf – ERAP oil company that was wholly owned by the French government, and (2) the Society Nationale des Petroles d'Aquitaine (SNPA) gas, nickel and chemical company in which Elf–ERAP already owned 54 percent. SNPA has now changed its name to Societe Nationale Elf Aquitaine (SNEA).[6]

Today, the numerous lines of business and multiple industries in which the government–owned parent ERAP and its subsidiaries operate include the worldwide oil and gas exploration, development, purchase, transport, production, and sale of energy resources, i.e., crude oil and natural gas. Other lines of business and multiple industries that are conducted by ERAP include the manufacture and marketing of petrochemicals and sulphur products derivatives from crude oil and natural gas, as well as banking and finance, posphates, soda ash, potash, pharmaceuticals, light chemicals, coal, nickel, cosmetics, veterinary products, health and hygiene, building materials, refining distribution, mining, and refined product pipelines.[7]

From a structural viewpoint, ERAP has established itself as the number two oil company in France while it achieved the number one position as the French producer of natural gas. Its expansion and diversification have strengthened ERAP's structural characteristics because its sales and total revenue have more than tripled over the 1976 to 1982 period, which the following data show.

ERAP Sales and Revenue[8]
(In Millions of Francs)

	1982	1979	1976
Sales	114,808	56,019	33,442
Total Revenue	120,690	57,731	34,892

ERAP and Subsidiaries (The SNAP Group)

The Societe Nationale Elf Aquitaine which is 70 percent owned by its parent ERAP what itself is wholly–owned by the French government, consists of a reported 59 subsidiaries operating in the following areas:exploration and production – 18; trading – 2; transport – 2; refining and distribution – 18; chemicals – 7; building materials – 3; health and hygiene – 1; financial – 7; and mining – 1[9]

In 1981 this SNAP Group acquired 63.1 percent interest in Texasgulf, Inc., valued at $2.5 billion, which is a U.S. mining, oil exploration and chemicals company. The SNAP Group has already announced its agreement to acquire the remaining 36.9 precent ownership of Texasgulf from the Canadian government–controlled Canada Development Corporation.[10]

The subsidiaries of the SNAP Group have numerous worldwide locations in countries among which are the following areas.

The Congo	Guatemala
Italy	United States
Libya	The Netherlands
Cameroon	Norway
Gabon	Canada
Nigeria	Australia
Tunisia	New Zealand
United Kingdom	Belgium
Oman	Chad
Algeria	

Nowhere is the location of subsidiaries of the SNAP Group more concentrated than in the allocation of international territory consisting of the North Africa (Algeria, Tunisia and Libya), Chad, Cameroon, The Congo, Gabon, Nigeria, Martinique scheme. Thus, the SNAP Group is strategically located in Africa, thereby making any Africa multinational conglomerate enterprise strategy subject to a greater degree of external concentration of control, and external centralized consolidation of management.

Most of the crude oil reserves of the SNAP Group multinational entity are held largely in North Africa and West Africa, followed by the Middle East, Europe, and North America. The proliferation of its diversification is further illustrated by the SNAP Group's ownership and holding of interest in numerous refineries that are located in Europe, Africa, and Martinique. In addition, the SNAP Group owns interest in the crude oil and refined production pipelines that are located in France and Germany.

Conlomerate Financing and Banking

A vital segment of the ERAP multinational conglomerate enterprise hierarchy has responsibility for its conglomerate financing and banking consolidation in world financial markets. The 7 ERAP subsidiaries listed below are strategically important and provide a banking conglomeration function:

1. Societe Financiere Auxiliaire des Petroles–SOFAX.
2. Societe de Gestion des Participations de l'Entreprise de Recherches et d'Activites Petrolieres (71%).
3. Compagnie de Participations et d'Investissements Holding SA(67%)
4. Societe Finnaciere Internationale de Participation (67%)
5. SAFREP SA
6. SOCAP Ltd.
7. Rivunion

Its ownership and control of these 7 financial and banking subsidiaries has enabled the SNAP Group to conduct a multiplicity of multinational conglomerate enterprise financing techniques and to enlarge its diversification strategies.

Whenever the SNAP Group acquires another company or enters a merger or acquisition with some other enterprise, the SNAP Group is in a position to enrich itself as a result of the increase in available cash that is transferred to it from the purchased company. Alternatively, the debt of acquiring enterprise (SNAP) is transferred to the purchased company in exchange for the preferred stock as an illustration of the debt.[11] Therefore, the condition exists wherein one enterprises is merged or purchased with the sources and uses of funds of the purchased company.

This whole financial and banking consolidation process has the effect of facilitating the growth, expansion, and centralization of ERAP's overall multinational conglomerate enterprise.

The final role of the multinational conglomerate enterprise strategy in Africa has not been determined, but President Nyerere's *South–South Option* has generated the Africa multinational conglomerate enterprise strategy in international development and ignited an Africa global frame of reference.

"Scrambl for Africa:" Applications of the "Safe" and "Infiltration–Doublecross" Strategies

The "scramble for Africa" is the huge and powerful invasion and massive takeover of African territory by European powers in the second half of the 19th century. This "scramble for Africa" demonstrates a classic case of the strategies of "safe" and "infiltration–doublecross" as a plan of action utilized in order to achieve desired ends.

From the outset, the multinational conglomeration movement that was designed to accomplish the conquest of a segment of Africa involved, by 1876, numerous government representatives, and eminent explorers, scientists, and geogrphers of their day, for example, names such as, Cameroon, Grant, Frere Alcock, Buxton, de Borchgrave, de Brazza, de Lesseps, Banning, Rohlfs, Kennaway, Mackinnon, von Richthofen, Nachtigal, de Compiegne, and Moynier.

In 1876, King Leopold II of Belgium convened the Brussels Conference of 1876 and invited delagates, including those listed above, who represented countries such as England, France,Belgium, Austria, Italy, Holland, Germany, and Russia. The reason for the invitation was allegedly to create an international authority in Central Africa that would, according to Neal Ascherson in his book, *The King Incorporated:*

> . . . Set about the suppression of the slave trade, the process of civilization by norman commerce, and the systematic exploration and survey of the continent under conditions which could not easily be violated by the rapacity of European governments.[12]

In the year before this Conference was convened, the English explorer Lovett Cameron reported in 1875 that he had reached Luanda and found, in what is now known as Katanga, some deposits of coal, iron, gold, copper, rich crops of sugar, grain, fruit, and wild rubber.[13] King Leopold II had received reports of this type of information from his confidential advisor, Baron de Borchgrave.

On September 12, 1876, King Leopold II personally opened the Conference and presented his prepared agenda to the delegates.[14] The Conference reached a consensus on several points, among which were (1) the creation of a central international committee and various national committees that were formed to execute the order and instructions of the central international committee; (2) the establishment of the international authority itself: the Association Internationale pour Reprimer la traite et ouvrir l'Afrique Centrale (The International Association for the Suppression of Slave Trading and to Open Up Central Africa), which is generally referred to as Association Internationale Africaine, or more specifically, the "AIA".

At the centre of the International African Association (AIA) was the central international committee with King Leopold II as its Chairman, followed by an executive committee of four persons, and then the establishment of national committees which reported to King Leopold's central committee.

King Leopold's central international committee met only twice and the national committees became defunct within a very short period of time, thus leaving the control of the results of this Conference in the possession of the King himself because the national committees of the AIA had no life of their own. This action represented clearly the "Trojan horse ploy" of the King that thereby left the domination of Central African territory under the authority of Belgian aggrandizement or conglomeration.

Eight years later, on November 15, 1884, the Berlin Conference on Africa was convened on the initiative of France and Germany. King Leopold II continued with his interpenetration speeches filled with comments that alleged support of humanitarianism and suppression of slave trading in Central Africa, but Germany's Otto von Bismarck detested this duplicity and characterized King Leopold as "schwindel!."[15]

The Congo and the Berlin Act of 1885, which was signed on February 26, 1885, established a free trade zone that spread over the Congo basin reaching all the way to Africa's coast on the Indian Ocean in the area between the Zambezi river and the coast of Somali, but King Leopold already had infiltrated and established Belgian dominance within Central Africa.

The Berlin Act of 1885 did not refer to the International Congo Association that consisted of territories created by King Leopold II in the Congo, but sought to establish that no power that held authority in Central Africa (the Congo) could promote a monopoly or special commercial privileges, and declared the whole area to be neutral. Bismarck, who was Chairman of this Berlin Conference, "read the Congo States Declaration accepting the terms of the Berlin Act"[16]

However, the de facto domination and control of the Congo resided in the territory that had been infiltrated, absorbed, interpenetrated, and established in the Congo by King Leopold II, while the Congo and Berlin Act of 1885 and the Congo States declaration accepting it as read by Bismarck, had the effect of centralizing the consolidation of management and concentrating the ownership and control under the authority of King Leopold II.

At the present time, the legacy of the "Scramble of Africa" is prevalent as a consequence of the international industrial organization economics of the Union Miniere S.A. which was established in the old Belgian Congo on October 30, 1906 under the name of Union Miniere du Haut – Katanga for a period of 90 years.

The life of Union Miniere S.A. has been extended to December 31, 1997, and it was registered as a Belgian Company on June 23, 1960 as Union Miniere du Haut–Katanga S.A.; however, the present name was adopted on February 15, 1968.

Union Miniere S.A. is a multinational conglomerate enterprise. Its lines of business is diversified and include international arrangements and joint venture activities in mining exploration work in Canada, Australia, Belgium, Spain, Mexico, Brazil, the U.S., and other parts of the world.

Other business activities of Union Miniere S.A. include metallurgical, chemical, electrical, mechanical activities as well as civil engineering, electronic data processing, and Belgian non–ferrous metals.

The Union Miniere conglomerate enterprise has numerous subsidiaries and investments around the world while it formed, in the United States, Union Mines (90%), which owns Union Seas, Union Zinc, and Union Copper at 100%.[17]

In a 1974 agreement with the Republic of Zaire, which continued the legacy of the "Scramble for Africa," Generale des Minerais of Brussels (S.G.M.) which is a member of the Union Miniere Group, announced agreement with Zaire for revision of the agreement existing between them since 1967.[18]

This agreement specifies that the Republic of Zaire has decided to pay to Union Miniere from now on an amount of B.F. 4 billions (4,000 million B.F.) in order to definitely pay off the indemnisation that is due to Union Miniere before the delay in the annexes to the agreement of September 1969, and to the protocol of February 1967 between Gecamines and S.G.M. The B.F. 4 billions was fully paid at the end of 1976.[19] The critical issue in these arrangements involves the determination of "just compensation" under the conditions of nationalization under the Charter of Economic Rights and Duties of States.

Application of the "Safe" and "Infiltration–Doublecross" Strategies

It is clear that the "Scramble for Africa" was, and still is, a multinational conglomeration movement that originally was solidified in Central Africa through the interpenetration process and authority of the *Association Internationale pour Reprimer la traite et ouvrir l'Afrique Centrale* (The International Association for the Suppression of Slave Trading and to Open Up Central (Africa), or the International

African Association (AIA).

Under the guise of humanitarian pursuits, the International African Association under King Leopold's authority maximized the application of strategies such as infiltration (filter in, pervation and interpenetration), and doublecross (betray, deceive, and victimize) in the establishment of domination and control over the people, territory and natural resources of Central Africa. Currently, Africa's own multinational conglomeration movement, especially its *South–South Option* strategy, must implement a superior strategy *vis–a–vis* the external multinational conglomeration movement.

A model that demonstrates the mixed strategy emanating from the conventional multinational conglomerate enterprise practices of the International African Association (AIA) – *Conglomerate No. 1,* and the current multinational conglomerate enterprise practices of the *South–South Option – Conglomerate No. 2,* illustrates the outcomes from the viewpoint of the application of the "safe" and "infiltration–doublecross"strategies.

A Model of the Mixed Strategy of the Multinational International African Association and the South–South Option Conglomeration Enterprise Movements

In actual practice, this model is a two person non-zero sum non-cooperation game that include a "safe" and an "infiltration-doublecross" strategy of the following kind.

	Beta 1	Beta 2
Alpha 1	(2, 1)	(−1, −1)
Alpha 2	(−1, −1)	(1, 2)

Where the International African Association – *Conglomerate No. 1* and the *South–South Option Conglomerate No. 2* each have two choices, each can either join a super-international conglomeration movement (alpha 1 and beta 1) or diversify independently (alpha 2 beta 2); to both persons (sets of interests) it is more important that they have shared multinational conglomerate enterprises than what they each achieve of the preferred choices.

When *Conglomerate 1* acts to maximize its security level, it chooses a mixed strategy of the form,

$x^{(0)} = x_{(1)}^{(0)}$ alpha 1, $x_2^{(0)}$ alpha 2 such that
$x^{(0)}$ maximizes the minimum of the two quantities:
M1(x, beta 1) and M1(x, beta 2) associated with x.

After calculating into fractions, *Conglomerate 1* finds that its maximin strategy is (2/5 alpha 1, 3/5 alpha 2) resultiang in a security level of 1/5. Moreover, *Conglomerate 1* determines that if *Conglomerate 2* selects beta 1 the returns are (1/5, −1/5) and with beta 2 they are (1/5, 4/5). Thus, by taking its "safe" strategy $x^{(0)}$ *Conglomerate 1* can guarantee itself at least 1/5 unless *Conglomerate 2* plays it safe by deciding on beta 2 and get 4/5.

It is vital to note that the maximin strategies pair ($x^{(0)}$, $y^{(0)}$ is not in equilibrium.

Looked at another way, *Conglomerate 1* can compute the maximin strategy of *conglomerate 2,* which is $y^{(0)}$ = (3/5 beta 1, 2/5 beta 2), and the resulting returns, which are (4/5, 1/5) if conglomerate 1 decides on alpha 1 and (−1/5, 1/5) if it acts on alpha 2. Therefore, if conglomerate 1 expects conglomerate 2 to play the latter's maximin strategy, then conglomerate 1 should decide on alpha 1 for the return of 4/5. But if both conglomerates take the "infiltration−doublecross" strategies (alpha 1, beta 2), then the return is (−1, −1), which is all the more reason to play the "safe" maximin strategies, which is all the more reason to "infiltrate−doublecross" (as the International African Association did), and so forth.[20]

Strengthening Africa's Technological Capacity

There is an urgent need to strengthen and improve the production and diffusion of knowledge in accelerating economic cooperation among developing countries.

This principle is established in the Arusha Programme for Collective Self−Reliance and Framework for Negotiation when it noted that a comprehensive strategy is yet to be worked out and put in motion to bring about strengthening the technological capacity of developing countries while accelerating their technological transformation.

The strategy of establishing a University of Africa with various divisions located in every African country would be a positive step at the national, regional and subregional levels in strengthening the technological capacity, advancing academic excellence and institutionalizing even more economic cooperation and development countries.

In the Arusha Programme for Collective Self−Reliance and Framework for Negotiation the measures toward the urgent need to strengthen the technological capacity of developing countries and to move towards the acceleration of their technological transformation encompass such factors as (a) the formulation and implementation of a technology plan as one of the fundamental instruments of national development strategy for technological transformation, and (b) the establishment and functioning of institutional mechanisms, including technology centres, the establishment and strengthening of technological training of research centres for institutes and other arrangements at national, subregional, regional and sectoral levels.

The Africa multinational conglomerate enterprise strategy in economic cooperation among developing countries is one essential feature in the comprehensive set of collective and practical economic actions among developing countries formulated and implemented by them at subregional, regional and global levels.

FOOTNOTES

1. Julius K. Nyerere, "South−Sough Option," *South−South Strategy* Edited by Altaf Gauhar), London: Third World Foundation, 1983, p. 1.
2. Neil Hood and Stemphen Young, *The Economics of Multinational Enterprise,* New York: Longman, Inc., 1979; Robert Liefmann, *Cartels, Concerns and Trusts,* New York: Arno Press, 1977 (Reprint of the 1932 Edited) Rudolf Hilferding, *Finance Capital: A Study of the Latest Phase of Capitalist Development,* Boston, Ma.: Routledge & Kegan Paul, 1981 (Reprint of the 1910 Edition & Translated by Tom Bottomore); M. Fennema, *International Networks of Banks and Industry,* Boston, Ma.: Martinus Nijhoff Publishers, 1982; George W. Stocking and Myron W. Watkins, *Cartels in Action,* New York: The Twentieth Century Fund, 1975 (Reprint of the 1946 Edition by Kraus Reprint Co. of Millwood, N. Y.) U.S. Congress, House, Committee on Banking and Currency, *Report of the Committee Appointed pursuant to House Resolutions 429 and 504 to Investigate the Concentration of Control of Money and Credit,* New York: Arno Press, 1975 (Reprint of the 1913 Edition; U.K. Board of Trade, *Survey of International Cartels and Internal Cartels, 1944−1946,* Vols. I & II, 1946; Fritz Stern, *Gold and Iron: Bismarck, Bleichroder, and the Building of the German Empire,* New York: Alfred A. Knopf, 1977, Chapters 13 & 15.
3. Jean−Lois Reiffers, *Transnational Corporations and Endogenous Development,* (Paris: UNESCO, 192), p. 36.
4. Willardd F. Mueller, "Conglomerates: A 'Nonindustry'," in *The Structure of American Industry* Edited by Walter Adams, Sixth Edition, New York: Macmillan Publishing Co., Inc., 1982, p. 427.
5. Richard Eells, *Global Corporations: The Emerging System of World Economic Power,* New York: The Free Press, A Division of Macmillan Publishing Co., Inc., 1976, p. 224.
6. U.S. Department of Commerce, International Trade Administration, *Direct Investtment in The United States By Foreign Government−Owned Companies 1974−1981,* Washington, D.C.: Office of Trade and Investment Analysis, March 1983, p. 98.
7. Moody's Industrial Manual, 1983, p. 4349.
8. Ibid.
9. Ibid.
10. U.S. Department of Commerce, International Trade Administration, *Foreign Direct Investment in The United States − 1981 Transactions,* Washington, D.C., December 1982, p. 10.
11. John F. Winslow, *Conglomerates Unlimited: The Failure of Regulation,* Bloomington, Indiana: Indiana University Press, 1973, 1973, pp. 78−79.
12. Neal Ascherson, *The King Incorporated: Leopold II In The Age Of Trusts,* New York: Doubleday & Company, Inc., 1963, p. 93.
13. Ibid., p. 89.
14. Ibid., p. 94.
15. Ibid., p. 132.
16. Ibid., p. 135.
17. Moody's Industrial Manual, 1981, p. 6174.
18. Ibid.
19. Ibid.
20. James A. Harris, Sr., *International Industrial Organization Economics Of The Multinational Banking System,* Encino, California: Pacific Western University, 1983, pp. 147−149 (Unpublished Ph.D. Dissertation); see also R. Duncan Luce and Haward Raiffa, *Games and Decisions,* New York: John Wiley & Sons, Inc., 1957, pp. 90−94, for two person non−zero sum non−cooperation games.