

Multinationals in West Africa: massive fraud and environmental degradation



In West Africa, tax evasions by multinational corporations are costing billions in local currencies to the Economic Community of West African States (ECOWAS) countries. According to several estimates they exceed international development assistance. So these losses affect government budgets and public spending on basic social services. This, in turn, affects poor and low income families.

The Facts

- From 2002 to 2011, MNCs illegally took out nearly \$210 billion out of ECOWAS (OSIWA). The amount of fraud increased by 23% during the same period.
- In 2011, MNCs allegedly took out \$18 billion, while development “aid” to the region was only \$12 billion.
- Tax exemptions granted to multinationals by governments in West Africa, can reach 40% of some states’ budgets and 10% of their GDP.
- From 2002-2011, Nigeria acquired \$142 billion of tax losses making it the most affected country.
- Between 1970 and 2008, illicit capital flows from Africa were estimated at \$854 billion.

List of ECOWAS countries:

Benin	Guinea	Niger
Burkina Faso	Guinea-Bissau	Nigeria
Cape Verde	Ivory Coast	Senegal
Gambia	Liberia	Sierra Leone
Ghana	Mali	Togo

The Consequences

- Countries affected by Ebola will have insufficient means to cope with their needs.
- Most public services (education, health, sanitation, water, etc.) in the region will degrade.



- In some countries, governments try to renegotiate contracts in the mining sector in order to get more tax revenues, leaving massive environmental degradation.

Advocacies and Campaigns

- Cooperate with like-minded organizations to change investment policies
- Expose the names of corporations engaged in fraud and tax evasions
- Pressure governments to change their policies on foreign investments
- Negotiate better contracts to extract more tax revenues
- Eliminate or limit tax exemptions
- Shut down tax loopholes to limit or eliminate tax evasions
- Criminalize illicit flows
- Compel MNCs to invest part of their benefits in the areas where they operate

Global Peoples' Surge

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