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Master Thesis Topic:

The impact of Multinational Enterprises (MNE’s) and their Role in Economic Development: Case of the Gambia

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Contents
1. INTRODUCTION ......................................................................................................................... 6
  1.1 Research Structure .................................................................................................................... 7
  1.2. Rationale of the study, Objective and expected results .............................................................. 8
2. LITERATURE REVIEW .................................................................................................................. 11
  2.1 Introduction ............................................................................................................................... 11
  2.2 Multinational Enterprises (MNEs) ............................................................................................. 11
  2.4. The Gambia Economy - Brief Country Background ................................................................. 13
  2.5 Prospects and Challenges of Gambian Economy ....................................................................... 15
  2.6. The Telecommunication Industry in Developing Economies (Africa) ..................................... 17
  2.7. Innovation practices of firms in Foreign Markets ...................................................................... 18
3.0. RESEARCH METHODOLOGY .................................................................................................. 21
  3.1 Research methods and design ..................................................................................................... 21
4.0. DISCUSSIONS AND FINDINGS ................................................................................................. 24
  4.2 The Gambia Private Sector as an Engine of Economic Growth .................................................. 25
  4.3 Contribution of the Private Sector to the Economy .................................................................... 26
  4.4 The Gambia Telecommunication Industry ............................................................................... 27
  4.5 The Gambia Ministry of Trade, Industry, Regional Integration and Employment .......... 28
  4.6 The Gambia Telecommunications Industry ............................................................................ 29
     4.6.1 Multinational Enterprises (MNE’s) I - Africell ................................................................. 30
     4.6.2 Multinational Enterprises (MNE’s) ii- Comium .............................................................. 31
  4.7 Competitive services of the Telecommunication ....................................................................... 32
     4.7.1 Mobile Internet Access in the Gambia .............................................................................. 32
     4.7.2 Mobile Internet can be accessed from places with data signal coverage, using: .............. 32
  4.8 The Future of Telecommunication industry in the Gambia .................................................... 33
5.0 TABLE AND FIGURES OF FINDINGS ....................................................................................... 34
  5.1 Outcomes of the Multinational Enterprises (MNE’s) in the Gambia - Investment .......... 34
  Figure 1: Investment in the Telecom Sector ...................................................................................... 35
  Figure 2: Employment in the Telecom Sector ................................................................................. 35
  Figure 3: Employee share in the Telecom Sector ........................................................................... 36
  Figure 4: Mobile Subscriber Market Share 2015 .......................................................................... 36
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.0 LIMITATION &amp; CONCLUSION</td>
<td>37</td>
</tr>
<tr>
<td>6.1 Limitations of the study</td>
<td>37</td>
</tr>
<tr>
<td>6.2 Conclusion</td>
<td>38</td>
</tr>
<tr>
<td>REFERENCES</td>
<td>40</td>
</tr>
<tr>
<td>INTERNET SOURCES</td>
<td>44</td>
</tr>
<tr>
<td>APPENDIX I</td>
<td>45</td>
</tr>
<tr>
<td>APPENDIX II</td>
<td>47</td>
</tr>
</tbody>
</table>
Abstract: This study was conducted to look at the impact of Multinational Enterprises (MNE’s) and their Role in Economic Development as in the case of the Gambia and specifically the telecommunication sector. Results of the study show that contribution by the Multinational Enterprises (MNE’s) in economic development of the country goes beyond enhancing the level of competition. The Gambia Telecommunication sector had got a robust way of partnership between competing companies which has gone a long way in increasing the productivity of the telecom companies’ service delivery, fast innovation, adapting newer technologies in order to stay relevant in the competition. Multinational Enterprises (MNE’s) as are a huge development partner to the Gambia government as a matter of fact it makes them a reality that will stay within the country for a foreseeable future as means to complement government efforts whiles the environment remain conducive.

We are in the generation where countries that have been taken advantage of to start working on improving the way they do business for the rapid economic development and the faster they do it the better it is. The world have globalized and investors have no barriers to where they will invest as far as there are business opportunities and for that reason multination companies have penetrated across the globe and developing markets has been a concentration for those companies in recent times and the Gambia is not an exception. This would lead them into further grazing their way into the inner workings of weak governments and increase their socio-politico-cultural influences.

However, the growing trend of the of multinational companies shouldn’t be given a blind eye as they have both positive and negative impacts in those developing economies. Instead policies have to be put into place to better utilize them as those developing countries sees them. Foreign capital is one amongst the first catalyst of encouraging development. The influence of Multinational Enterprises (MNE’s) has always been a topic of discussion in Africa especially to the Gambia because of the role they play in economic development of those countries. Developing nations need to grow more indigenous ventures that can compete on a worldwide scale, in a market loaded with many foreign players.

This is impossible if local businesses are considered infant ventures and given subsidies so they could play safe, rather they ought to be compelled to reveal the best of them, which would empower them to build their ability. Less developed nations should concentrate inside and enhance fundamental zones, to better go up against multinationals and keep them from commanding the market. This can only be done if they are made to come to economies of scale and plan on operating on a global scale, rather within the confines of a few local markets.

Keywords: Developing Economies, Network, Multinational Enterprises, Gambia,
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Modou B. Leigh
1. INTRODUCTION

The number of Multinational enterprises (MNE’s) has been increasing their presence in developing countries where they have new markets they can explore and many business opportunities for them. And this go a long way in enhancing and changing how businesses operate in those new markets or developing countries. The emergence of Multinational enterprises (MNE’s) significantly impacts socio economic development of those countries especially developing economies. (Porter, M. E. (Ed.). (1986).

While businesses focus on global market expansion across different continents, it is proving ever important to understand the actions behind their internationalization quest. However there is always controversy for governments when it comes to the formulating and regulating their competition policies - whether to favor Multinational Enterprises (MNE’s) or put in stringent measures that will minimize level of competition against local and indigenous businesses, hence most governments in developing economies aim at building sustainable indigenous businesses. The rising growth of businesses across borders is hindered by the growth of nationalists’ movements.

Foreign markets continue to spot on market potentials due to the benefits rendered by governments of developing economies such as promotion of localization of businesses, favorable competition atmosphere, and rising population. These incentives further provide incentive for Multinational enterprises (MNE’s) towards such markets. Despite the potential rise on rivalry and competition which is due to the internationalization of foreign companies offer employment opportunities to the growing labor force, provide adequate supply of products and services and several other benefits to the Gambia.

The telecommunication sector of the Gambia comprised of important players that dominate the level of competition, product and services varieties, and geographic market expansions. This emergence of multinational companies thus intensifies rivalry and quality products and services in the market.

The research is aimed at analyzing the impact of Multinational Enterprises (MNE’s) and their Role in Economic Development as in the case of the Gambia specifically the telecommunication industry which has been dominated by foreign players.
1.1 Research Structure

The thesis begins with background, opens with the theoretical background that will includes the main theory that supports the foundation of the research study, and concepts, connected to Developing Economies, competition and innovation of Multinational Enterprises (MNE’s) in the developing economies like the Gambia. The methodology of the research includes a qualitative method which involved interviews as a data collection method and interviews structure. Further, the findings and analysis is presented and followed by results and conclusions. This paper has six chapters and the chapters are as follows:

The introduction highlights the background of the study and the research problem. The chapter also further explains the reasons for writing this paper and importance of the study. Finally, makes an assessment of the Multinational Enterprises (MNE's and competition.

Chapter two looks the analysis and studies of Multinational Enterprises in comparison of studies carried out by some scholars on the impact on Multinational Enterprises (MNE’s) on developing economies.

The third chapter explains how the study was conducted, the data collection method, sampling method and size, and the data analysis method used during the study.

Forth chapter takes an in-depth analysis of the data collected using qualitative analysis of the data collected and presenting the findings.

This chapter shows a strategic analysis using selected tools, strategic positioning of Multinational Enterprises (MNE’s) in developing economies as in the case of the Gambia.

The final chapter highlights the limitation of the study, recommendations and conclusions.
1.2. Rationale of the study, Objective and expected results

The primary goal of the study is to look at the impact and the contribution of Multinational Enterprises (MNE’s) in developing economies as in the case of the Gambia. MNE’s play a very key role in this part of the world where there is low technological advancement and not adequate human resource but the trend is continuously increasing. Several studies dispute that the emergence of Multinational Enterprises (MNE’s) in Africa boost the economic development initiatives in the countries they operate in terms of new technological innovation, rising competition thus bringing competence in the use of meager resources available in such markets (e.g. Love and Roper, 2013; Luo 2007). However, these trends are not without challenges to the existing domestic or local business organisations.

While Small and Medium Enterprises (SMEs) are vital to economic development employment generation and improved economic growth, often times, the emergence of Multinational Enterprises (MNE’s) pose serious challenge and threat sustainability of domestic SMEs and thus rises government restriction on those businesses in such markets (Love and Roper, 2013). Also, this study will explore output factors derived through the presence of Multinational Enterprises (MNE’s) in Gambia according to the review of relevant literature. One among these factors is how innovation drive from the presence of MNE’s contributes to the overall market development in the Gambia.

According to Acs and Audretsch (1988) defined innovation as a mechanism or a system/process that begins with an invention, and next is to development the invention by working on it in different processes, and the outcome in the introduction of a new product, process, or service to the marketplace. Each stage of these processes has potential to further improve the economic productivity of market players.

Also, Damanpour (1992) posits that innovation is like adoption of an idea or behavior, whether a system, policy, program, device, process, product, or service, that is new to the adopting organization. Furthermore, Avlonitis and Salavou (2007) also noted that introduction of any form
of innovation practice by any given market player therefore causes a sort of chain reaction among market players towards more innovative practices. This trend has potential to increase overall productivity and quality of products, and services; something that African economies aspire as a key priority area in their effort to attained economic resilience and self-dependence.

This paper also looks at the degree of economic roles played by one Multinational Enterprises (MNE’s) in relation to others in the Gambia. Based on review of relevant literatures on internationalization, developing economies, the different network approaches to internationalization among others.

Common development initiatives derived from the presence of Multinational Enterprises (MNE’s) in developing economies have been noted and their economic impact measured. This result is anticipated to highlight strategic areas of economic contribution while least development areas are noted for future Multinational Enterprises (MNE’s) initiatives in such developing economies.

Finally, this study will further help international management practitioners and academics as guide towards investment drive of Multinational Enterprises (MNE’s) in developing economies in Africa, especially in The Gambia.

An emerging feature of International Business organizations among businesses is the rising level of competition and simultaneous partnerships between multinational competitors. Accordingly, several strategic and economic reasons account for this trend: first, the interdependence between multinationals has never been as noteworthy and necessary (Luo 2007) looking at the rising chance of encouraging influence of mixed business organizations and competition on open innovation-led operations through management the dissemination of knowledge and ideas across different organizations (Chesbrough & Bogers, 2014, Gast et al. 2015). Secondly, this competition and business organizations led initiatives between global firms became greater than only another form of research alliance, enhancing the potential for growing inter-organizational cooperative connections between rival companies/firms. This stream of international relationship between firms enables rising stream of this kind of studies in its own right on the intersection of strategy in several research fields such as e.g. innovation, management, entrepreneurship etc. (Bouncken et al. 2015). Accordingly, this relationship of increased competition and partnership at inter-organizational level continues to significantly heighten economic, technological, and
transactional inter-connections between global rivals (Luo 2007).

Businesses increasingly realized that collaboration is an important means by which to better compete globally. This cooperative behavior seeks the positive-sum, efficiency-enhancing effects of competition and partnership (Luo 2007) and allow freedom of competition. Brandenburger and Nalebuff (1996) noted that firms join forces in a cooperative way through mutual aim of “bake the largest possible pie.”

This collaboration between Multinational Enterprises (MNE’s) provides tippling effects in terms of economic and financial performance in the telecommunication sector of the Gambia. Therefore this study explores the influence of Multinational Enterprises (MNE’s) and their overall strategic contributions to the economic development of the Gambia.

Gambia is categorized as a member of developing economies by world bank. A country that has seen a slow but steady growth in economic indicators such as employment, standard of living, GDP coupled with a rapid population growth of 12% since 2008 (World Bank country index, 2015).

There are number of Multinational Enterprises (MNE’s) operating across the several sectors of the economy, however Telecommunication industry continue to dominate in terms of presence of Multinational Enterprises (MNE’s). The country remains very attractive for foreign companies due to its rising key economic indicators as well as peaceful political climate the country has ever enjoyed. The December, 2016 presidential election gave birth to a new political dispensation that promised hope, investment, liberal competition and innovation, and open collaboration with investors both locally and internationally. These are seen as a dawn of new Gambia that has the potential to turn this smallest African nation into a more vibrant and industrialized economy open to investments from around the sub region of Africa and beyond.

Although the economy has seen tremendous decline in its currency against major foreign currencies, the new political climate promised to maintained financial discipline in the public sector, promote policies for more industrial enterprises and garner private sector-led development initiatives in all sectors of the economy. Recently there is rising number of potential foreign companies going to this small West Africa country with a population of less than 3 million is a
manifest of the country’s potential for economic growth and stability.

2. LITERATURE REVIEW

2.1 Introduction
This part of the project deals with the literature review of relevant scientific papers that support this study. The chapter attempts to discuss theory and definition of key concepts of the study with reference to several points of views in extant literature. It further looks at similar studies done in this area and tries to relate them to the prevailing conditions of the Gambia.

2.2 Multinational Enterprises (MNEs)
Global market is one that opens up easy access to both domestic and foreign markets to multinational enterprises. Such avenue provides simultaneous and spontaneous use of resources - where resource utilization is enhance through value addition. Studies show that global market place does not only enhance availability of economic, social material goods, but an important place for exchange (Edwards, et al. 2017) as well as minimize scarcity in one geographic area and avoid excess supplies in other parts of the globe (Goncalves, 2017). When businesses go abroad to scout for business opportunity, new dynamics of competition prevailed in their effort to reach consumers in a much larger range. Meanwhile, decision choice of multinational goes beyond creating access but a mean to expand to global market arena and to leverage the associated risk of market concentration in their domestic country of operation (Petersen and Pedersen, 1999). Studies noted that diversification of MNCs into other markets abroad allows for widening revenue stream, lessens risks of operating in one domestic market, and enhances the firm’s ability to access global human resource supply (e.g. Petersen and Pedersen, 1999; Neal, 1994). Different size of business organisationss will follow several patterns as they expand to other part of the global market other than their own market geography. Accordingly, operation of multinationals especially in most part of developing economies attracts enviable reputation (Neal, 1994).

Over the recent past there has been an upsurge of MNCs from highly dense developed economies to less concentrated emerging markets of the world. According to studies this trend will continue to rise even further leading to growing competition and ultimately increased performance across markets (Edwards, et al. 2017; Kolk, et al. 2017). Furthermore, global market competition is not an
end of itself, but a mean to maximize profitability and competitiveness. Several studies showed that different reasons account for business organisations’s decision to go abroad: location choice, scale of production, and scope (Kolk, et al. 2017; Goncalves, 2017; Petersen and Pedersen, 1999).

Despite the growing prospects in global market operation, adequate amount of resource commitment is needed for achieving success. However, limited supply of management talents, little knowledge of global market dynamics, and influence of consumer psychic distance among several others remind surmounting challenges in operations of MNEs. Such expansion requires its managers to approach the conditions of the foreign market as one that is distinct from the country of origin and requires increasing expertise overtime and during the process. This thus, reduces risk and uncertainty of internationalization and thus builds on its learning curve. According to Goncalves (2017) rapid internationalization of business organisationss is a knowledge-intensive activity that involves explicit and tacit knowledge of managers.

While there is growing popularity of foreign direct investments (FDIs) in most part of the world’s emerging economies, the challenges of MNEs become increasingly unprecedented. The role of MNEs in socio-economic development has been very disputable in the extant literature. While other scientists dispute that their negative social and environmental externalities while they portrayed themselves as provider of economic solutions (Kolk, et al. 2017). Furthermore, Neal (1994) noted that frequency of MNEs in developing economies over the past decades has observed increased level of exploitative practices to industrial workers, environment, eroding traditional cultures, and propping up undemocratic regimes. Workers become exploited due to subsistence wages and denying common rights such as overtime, age restriction, and compensation for industrial accidents (Hoskisson, et al. 2000; Neal, 1994). In addition, MNEs are largely popularized as parasites for draining weak economies by taking away all business organisationss’ profits using it to build stronger and exploitive tentacles (Edwards, et al. 2010). These associated attributes makes MNEs widely attributed as “hoodlum of development” in developing economies (Kolk, et al. 2017; Neal, 1996).

Despites these allegations, MNEs have had a central role to enhancing sustainable economic transition in a more viable and smoother manner (e.g. Goncalves, 2017; Kolk, et al. 2017). Nonetheless, Kolk et al. (2017) noted that MNEs have potential to contribute towards a country’s sustainable development goals, not as an individual actor alone, but through partnerships with relevant stakeholders such as intergovernmental organizations, national governments, cities, the
whole range of nongovernmental organizations including grassroots organizations and trade unions, the media, small and medium-sized local firms, and sustainable entrepreneurs. As popularly described by many, MNEs are employment providers to more 35% of young talents in developing economies (Edwards et al. 2010). This provides avenue for integration of workers and talents across specific geographic borders or country of origin (Neal, 1994). Studies also show that MNEs are significant contributors to alleviating poverty, and foster peace in the poorest areas of the world and thus promote installation of democratic governments in these countries (E.g. Kolk, 2017; Neal, 1994). However, these arguments are not without criticism.

2.4. The Gambia Economy - Brief Country Background

The Gambia is the smallest inland country located along the West African coastline of Africa. The country is mainly surrounded by on all three sides by Senegal, except the part facing the Atlantic Ocean. The country has a total population of 1.7 million people (population census, 2003).

The Gambia has a liberal market-based economy characterized by traditional subsistence agriculture, with a heavy reliance on groundnut for exports. In addition, Gambia’s private sector continues to lead several development initiatives supported by government’s resolve for private sector investment and promote freedom of competition. Meanwhile, Agriculture characterize the main drivers of the economy, from domestic consumption to export and commercial re-export services through ocean port, import duties, administrative duties, flexible exchange rate and rising growth in tourism sector of the economy. These features support the country’s growth in GDP, especially during the period 2007- 2012. This can be mainly attributed to increase in value-addition in agricultural value chain, rising distributive trade, hotel and restaurants, banking and telecommunications. Despite these high dependence on agriculture sector, the country has limited amount of manufacturing primarily hindered the country’s effort towards a more industrialized agricultural economy. Only a small number of other forms of small-scaled manufacturing activities are done including soap, soft drinks, and clothing.

Over the years, the United Kingdom and other EU member countries constitute the major Gambian domestic export markets, as well as significant development partners. However, in recent years United States, China, Japan, Senegal Guinea-Bissau and Ghana are equally important
trading partners.

The behavior of the economy in the past showed decreased in aggregate value of export up to 2.3 per cent since 2012 (Monitory policy trade figures, 2012).

However, the report also projected that aggregate export value of groundnut, other domestic exports, including fish and fish products; horticultural exports are projected to increase to D282.7 million against D269.0 million; while re-export is estimated at D2.9 billion, compared to D3.0 billion in previous year. The value of oil imports is estimated at $40.3 million compared to $29.5 million and $14.0 million in 2004 and 2003 respectively, showing a sharp rise in oil prices during the period under consideration.

In a press briefing issued in January 2008, the monetary policy committee of The Central Bank of the Gambia notes that average growth rate of the economy from 2003 to 2006 stands at 6.4% in real terms. In 2007, the GDP growth rate of the economy was 6.9% supported by 11.3% in value-added component of the services sector. It can therefore deduce that the level of economic growth of the country is greater than the global growth rate which stands at 4.5% compared to the forecasted value of 5.0%. This is a reliable indicator that the economy has been remarkably resilient over the period under consideration.

According to World Bank (2012), Gambia experienced annual growth in GDP at a pace of 5-6% annually since 2006 to 2012. Under the performing economic conditions, investment climate boost by over 6%, and proliferation of banking and telecommunications sectors were recorded high in terms of branch network, daily transactions, annual turnover and number of employees (Sanyang, 2008). According this scientist, microeconomic fundamentals remain strong and the appreciation of the Dalasi curtailed inflationary pressures.

The private sector of The Gambia consists of 99.9% of MSME (Micro, Small and Medium size Enterprises). This sector of the economy made up of The Gambia’s economy engine of growth and accounted for about up to 34% of GDP (Trade ministry, 2013). Moreover, the sector generates employment sources of up to 60% of the urban labor force.
The Gambia’s economy is generically mixed and Agriculture mainly groundnuts and cashew nuts comprised of the major source of the country’s consumption basket. In 19s to the early 20s the country exports more than 45% of GDP.

Tourism and hospitality sector continues to show a rising contribution in the economy in terms Gambia’s tourism attraction centers, offerings, and travel peculiar destination for global tourists.

2.5 Prospects and Challenges of Gambian Economy

Despite the fluctuating economic conditions as a result of both domestic and global economic recession, the Gambia’s investment climate particularly financial and telecommunication sectors still stand to be robust and strong. However, these prospects are not without challenges pose by the economy. The following are some of the prospects and list of challenges characterized by the economy:

The gradual influx of new businesses –both local and foreign, stand to create more employment opportunities for Gambians leading to though slow, but, steady growth in personal wealth and reduction in poverty. Like many other countries of the world, the country still bears the brunt of global economic slowdown which has caused many job losses across sectors. However, the level of severity differs significantly across sectors. Example tourism sector has experience up to 36% of job lose while telecommunication sector remain relatively low compared to other sectors like banking, and transportation.

Another prospect of the economy is the favorable political climate. Following the December 1st 2017 presidential elections leading to ushering a regime, is promoting freedom of competition and operation of business organisation devoid from political and central government interference. This message is resonating with both local and foreign investors to the smallest West African nation. According to reports (gov.gm.com, 2017) there is a lineup of companies undergoing the processes involve in issuing trade license to invest in the Gambia. Studies show that economic vibrancy depends up to 6% on political climate of a country (Sanyang, 2008). Chamber of Commerce of The Gambia has announced that since the new government has taken over there are increasing number of potential investors who very keen to start business in The Gambia.

Furthermore, there is an increased foreign direct investment through massive influx of foreign banks, telecommunication and insurance companies in the country. As more foreign companies are established in The Gambia, the country will be open to wider global market supply chain which will
enhance the country’s access to foreign exchange and increased sustainable infrastructural development.

The establishment of more financial institutions will provide incentive for investment and access to capital. It is thus noted, that more banks in a particular country promote access to more credit availability, more spending and development Sanyang, 2008).

Although the overall economic outlook seems fairly favorable, it still has several challenges that continue to inhibit its performance and among these are the following:

The economy is experiencing a threat of unregulated competition. Many experts are of the opinion that the nature of competition between businesses has potential to promote cannibalization of small firms by bigger business organisationss –causing loss of jobs and government revenue.

Small size of the country’s population is another deterrent for many potential investors to the Gambia. The small size of the population constitutes the market for both domestic and imported products and services. This limits the investors’ desire for expansion in terms of output and strategic alliance among business partners.

There is a continuous absence of venture capitalist and securities markets with required trading systems. Such systems provide the basis for acquiring reliable investment capital and promote strategic alliance and exposure of businesses to outsiders.

A large mass of Gambian consumers have less knowledge of domestic businesses and their products and services. However, there exists a growing popularity of foreign or imported products among these consumers as they hold a view that “imported products are of higher quality.” If the product or company is into complex design and unfamiliar approach, consumers tend to have negative associations to them. The existence of several mass media houses like radio, and the prospects of new entrants in the Televisions sub sector, the businesses can capitalize on these media to increase awareness and influence buying behavior.

The mobile platform connects more people globally than any other technology. It is a known fact even more so in The Gambia where mobile internet is the only form of connectivity available to most users. This vast reach of mobile networks has made mobile technology the preferred platform for creating, distributing and consuming digital content and services across the globe. Therefore,
there is a need for the MNE’s and SME’s to look for new ways on which they can work collectively to have a standard and rapid technological economy.

To achieve this, however, MNEs need to increase their engagement with the SMEs and create the right working relationship, with the necessary resources for a win-win situation for all the competitors.

The Small and medium size enterprises ecosystem also need to create a vigorous business value proposal that can enable collaboration, thereby making sure both parties interest are taking into consideration for a win-win relationship. There is a vast potential for growth in the telecommunication industry because there is a high number of people living in the rural communities of the Gambia who still lacks access to basic amenities. However the mobile technology is a platform so where by so many products and services can be extended to other parts of the country. New mobile technologies has enable people to pay for services using the mobile phone.

2.6. The Telecommunication Industry in Developing Economies (Africa)

The telecommunication sector in Africa has been steadily growing in a very good rate compared to other sector/industries, several technological advancement has taken place in the telecom sector in Africa in the last two decades. This improvements have happened due to the technology innovations in the telecom industry and also the high level of independence in the telecom industry. (Aker &Mbiti, 2010 Aker, J. C. and Mbiti, I. M. 2010).

Governments of many African countries take the responsibilities of providing telecommunication services for its citizenry. Telecommunications in Africa was widely monopoly, meaning that they could be provided at the lowest cost by one company, for that reason many proposals to provide telecommunication services by the multinational business organisationss were rejected in many countries in Africa (Clarke et al., 2003 Clarke, G. R.G., Gebreab, F. A., & and Mgombelo, H. R. 2003)

It can be widely seen that, the telecommunication sector have become increasingly unified into the operations of companies, government departments and many organizations, as well as in the economic and social behavior of individuals and companies (Adam, 1996 Adam, L. 1996.

Electronic communications technology and development of Internet in Africa. Information Technology for Development. (Adam, 1996 Adam, L. 1996)

These developments have led to an unprecedented increase in access to telecommunication services,
making Africa the fastest growing region in the global telecommunications market. The sector has grown from less than 2 million people using mobile phones in 1998 to over 400 million in 2009.1 see www.worldbank.org/connectafrica)

While, Investment in telecommunications has headed to a significant growth in the telecommunications sector, which is among the major drivers of economic growth and a vital industry in African countries.


These technologies have generally been created through mobile telecommunications, fixed main lines and through the use of the Internet. However, despite the existence of studies involving developing economies in the case of Africa, in general, very few studies have investigated the impact of telecommunications on economic growth in Africa (Batuo, 2008 Batuo, E. M. 2008. The role of telecommunications infrastructure in the regional growth of Africa is of high importance to Africa.

2.7. Innovation practices of firms in Foreign Markets

Schumpeterian and industrial organization was the pioneer of the study of innovation and also on how the magnitude of technological advancement affected market structure and industries over a period of time. (Kelly and Kranzburg, 1978; Dosi, 1982). Multinational Enterprises (MNE’s) have played a very key role in enhancing the developing economies in many different ways among which includes the enchantment of competition which leads to innovation and the development of the developing economies markets. The alliances form by organizations was an important ways for them to survive a rapidly changing business environment coupled with fast changes and many uncertainties, so collaborating between organizations became part of their corporate strategies. (Renna&Argoneto 2012; Bouncken et al. 2014, 2015).

According to Ricardo, et al. (2002), network systems allow for partnership of companies that stimulates inter-organizational relationship which enhances innovation and competition in those markets. Studies argue that strategic alliance of firm’s way to look and analyze the level of environmental threats and as well see possible opportunities for the business to take advantage of. (Padula&Dagnino 2007).

Changes to environmental conditions can pose potential threat to individual companies, but a
collaborative network of alliance will minimize the threat of these environmental conditions on firms’ strategic behavior.

As a result of businesses becoming competitors, they will tend to have the same or similar knowledge base with each other compared to those businesses they are not competing with. The sharing of those knowledge and ideas between each other and the use of the knowledge often leads to new ideas, knowledge, products, service and even new ways of doing things. (e.g. Ritala and Hurmelinna-Laukkanen 2009; Enberg 2012).

Business rivals/competitors are often faced with similar market conditions as well as customer needs. The business collaborating to solve the uncertainty of problems often leads to changes in the future by developing new innovation which will be beneficial to all the parties involved. (Baumard, 2009). Studies have shown that competition and innovativeness have a very positive relationship because most innovations happen as a result of intense competition between businesses. (e.g. Gast et al. 2015). Rodrigues et al. (2009) according to its game-theoretical considerations have put it that a continuous corporations and partnership between MNE’s / global market players often leads to a win-win for the palyers involved, thereby encouraging a positive level of alliance among Multinational Enterprises (MNE’s).

Furthermore, Hamel (1991) also put it that a continuous partnership and competition among business rivals will not only mean for having access to each other’s skills which is referred to as quasi-internalization, on the other hand it can be a mechanism for knowing and understanding a partner’s skills which is referred to as de facto internalization therefore it boost the influence of their strengths and helps to improve their weaknesses.

Bengtsson and Kock (2000) have identified motives in firm’s network like the creation of value and value appropriation. There is a point where firms goal to boost their profits level and as well have bigger share of the market, at that specific point they can collaborate to achieve that goal of value creation and as soon as the value is created through their collective efforts, they will in turn start to compete with each other gain as much value as possible (e.g. Rusko, 2011) and thereby accomplishing a situation where all the parties achieve their individual goals as a result of them coming together (e.g. Liu 2013) are the prime reason for rival businesses into a continuous partnership and competitive relationship between each other.
As the modern business environment is quickly changing and rising uncertain in global market place (Ritala&Laukkanen, 2013), businesses are always on the pressure to work hard because of the uncertainties of the environment enabling them to stay relevant in the competition. A central advantage of continuous corporation and partnership in a competition among rival competitors often leads to a way to be able to solve problems and understand knowledge irregularities leading to innovation (Brolos, 2009). Competitors/rivals usually tend to have the same or similar knowledge base than non-competitors and this on the other hand will enable them to share those new knowledge and ideas which often leads to innovation. (Ritala&Laukkanen, 2009; Enberg, 2012).

Empirical studies has shown that there is a solid positive relationship between a continuous process of partnership, competition and innovativeness (Gast et al. 2015) based on game-theoretical thoughts to improve its synergy effects. It’s not cost that can be shared, the level of risk can be reduced and economies of scale achieved by working together as competitors (Luo, 2007; Gnyawali& Park, 2009; 2011) and these firms can also pro-actively pool their R&D activities (Walley, 2007) and get access to external knowledge and resources which they then can apply in their own company (Bengtsson&Kock, 2000). due to the collaboration and working together, the parties involved can develop a common knowledge using each other’s experience and expertise (Ritala&Laukkanen, 2009) that increases their innovation capacity (e.g. Garcia & Velasco, 2004; Bonel& Rocco, 2007; Ritala, 2012).

The advantages of such continuous partnership and competition improves the individual firms strength and its weaknesses as well thereby giving the firma competitive advantage (Afuah, 2000; Levy, et al. 2003; Ritala&Laukkanen, 2009) as the firm can create new products and service as a result of the collaboration it has with its competitors which shows that competition is very key to innovation. (Walley, 2007)
3.0. RESEARCH METHODOLOGY

3.1 Research methods and design

To achieve the research objectives and the goal of this study, a research method has been chosen. This methodology solicits views of business practitioners, experts and opinions of managers from the some of the telecommunication companies in the Gambia, regulators, and senior staff at the Ministry of Trade in The Gambia. The benefit of the methodology used addresses the impact of internationalization process of Multinational Enterprises (MNE’s) in The Gambia, in terms of overall economic impact and its contribution to the public and consumers in particular.

Based on the qualitative methodology applied, the data collection has been done through semi-structure interviews and observation of general operations of existing Multinational Enterprises (MNE’s) in The Gambia. Senior staffs of companies and institutions responsible for enhancing business development in the country have been interviewed. The Gambia Ministry of Trade, Employment, and Regional Integration is the country’s chamber responsible for trade affairs, soliciting regional and global integration with relevant investors and employment matters of the country. This ministry therefore advice all foreign investors and draw appropriate policies for regulating and enforcing trade and employment related issues. Opinions from the ministry of Trade (Gambia) will constitute a reliable source of data for further analysis in this study. The Gambia Public Utilities Regulatory Authority (PURA) is the agency of the central government responsible for the enforcing regulatory trade and protectionist practices among public business organisationss and other SMEs in the country. This authority is mandated to provide operational audit of businesses in terms of the production, completion and other practices that affect public interest especially through consumer complaints. The Gambia Investment and Export Promotion Agency (GIEPA) is the national agency responsible for the promotion and facilitation of private sector investments in The Gambia.

Finally, so Telecommunication business organisationss in the Gambia (Gamcel, Africell, Comium and Qcell) constitute the main source of data for this study. Therefore, interview with at least three
senior staff of these companies and institutions is considered reliable and suitable for this study.

The following schedules and dates have been assigned for interview with respective individual staff of institutions and companies used in the study:

- Gambia Ministry of Trade: June 5\textsuperscript{th} - 45mins
- Public Utilities Regulatory Authority (PURA): June 6\textsuperscript{th} - 45mins
- Gambia Investment & Export Promotion Agency (GIEPA): June 7\textsuperscript{th} - 45mins
- The telecommunication companies in the Gambia: June 8\textsuperscript{th} – 12\textsuperscript{th} 2:30mins

Prior to the interviews, the potential interviewees have been sent e-mails that explain the purpose of the study and the relevant focus of interview. All interviewees agreed to have a brief discussion over the interview questions according to dates.

For the research purpose to be achieved, a dyadic method and comparative analyses method comprising the views of The Gambia government, experts and opinions of managers from some Multinational Enterprises (MNE’s) in the telecommunication industry were utilized. The primary reason for the methodology used is to address the question of what role the Multinational Enterprises (MNE’s) play in the economic development of the Gambia. The contribution of experts and personnel with in-depth knowledge and understanding (L. Wright, Lane, & Beamish, 1988) in the collection of data is to validate the reliability (Gummesson, 1991) of the research findings.

Data collection is carried out via semi-structured interviews and questionnaires. The institutions expert in the area of research and business development from Gambian Investment & Export promotion Agency, Mr, Suwaibou Cham Manager Research and survey with an oversight responsibility over Multinational Enterprises (MNE’s) internationalizing in the Gambia. The other manager of a government agency PURA were also interviewed. A copy of all the interviews conducted is attached as Appendix 3. On the interview question guide, there are two different sets of questions guide designed for interviewees. There were about fifteen random interviewees used.
in this study. The responses provided during the interview session has been recording and later collated and analyzed using graphical illustrations in tables, charts, and graphs.

**Below is a summary of the interview detail**

<table>
<thead>
<tr>
<th>Name of institution</th>
<th>Manager Interviewed</th>
<th>Date of the Interview</th>
<th>Duration of the interview</th>
<th>Pages of Transcribed Text</th>
<th>Mode of Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>1- Gambia Investment &amp; Export promotion Agency</td>
<td>Mr, Suwaibou Cham Manager Research. and survey</td>
<td>June 7\textsuperscript{th} 2017 (Gambia)</td>
<td>45 Mins</td>
<td>10 pages</td>
<td>Face to Face interview</td>
</tr>
<tr>
<td>2- Gambia Ministry of Trade</td>
<td>Aziz BalaGaye,Trade and Multinational Enterprises (MNE’s) Relation Manager</td>
<td>June 5\textsuperscript{th} 2017 (Gambia)</td>
<td>30 Mins</td>
<td>8 pages</td>
<td>Face to Face interview</td>
</tr>
<tr>
<td>3- Gambia Public Utilities Regulatory Authority (PURA)</td>
<td>MatarrTouray Regulatory Manager for Service utilities</td>
<td>June 6\textsuperscript{th} 2017 (Gambia)</td>
<td>45 mins</td>
<td>8 pages</td>
<td>Face to Face interview</td>
</tr>
<tr>
<td>4- Africell</td>
<td>Musa Cisse, Media Consultant</td>
<td>July 15\textsuperscript{th} 2017</td>
<td>N-A</td>
<td>5 pages</td>
<td>Via Email</td>
</tr>
<tr>
<td>5- Comium</td>
<td>EbrimaSohna, HR and</td>
<td>July 20\textsuperscript{th} 2017</td>
<td>N-A</td>
<td>3 pages</td>
<td>Via Email</td>
</tr>
</tbody>
</table>
4.0. DISCUSSIONS AND FINDINGS

4.1 Discussion and Findings of the Study

This study has adopted a primary data collection methodology through case study approach of telecommunication companies as source of data and analysis. The data collection was done through in-depth interview with key senior members of the Gambia business sector and senior managers of the telecommunication companies. These respondents are known to have acquired relevant industry knowledge and have earned themselves great respect and influence in the Gambia. According to studies, this approach allows participants to offer responds voluntarily and ensures full participations of respondents. Data collected from this method is often reliable and representative (Sekeran, 2003).

Selection of these respondents has been done based on random convenient sampling. The composition of respondents is as follows:

- Gambia Ministry of Trade
- Gambia Public Utilities Regulatory Authority (PURA)
- The Gambia Investment & Export Promotion Agency (GIEPA)
- The four telecommunication companies in the Gambia

Prior to the interviews, respondents have been sent invitation E-mails that explain the purpose of the study and the relevant focus of the interview. All respondents agreed to have a interview according to agreed dates. On the interview question guide, there are two different sets of questions guide designed for interviewees. There were about fifteen random interviewees used in this study. The responses provided during the interview session has been recording and later collated and analyzed using graphical illustrations in tables, charts, and graphs.

A total of 15 interviews were conducted and interview question guides were prepared prior to each
interview session. See the detailed interview question guide on appendix of this work. The economic impact of MNEs in Gambia’s telecommunication sector has been analyzed. The result of the study is been evaluated, reviewed in addition to the findings of the from literature review of relevant scientific journals.

4.2 The Gambia Private Sector as an Engine of Economic Growth

The Gambia has seen a stable and viable Private Sector that allows new investments and boost business activities and services in the country, creates employment and increases incomes, which in turn is important for improving quality of life. In addition, the new political dispensation provides potentials for increased growth in investment due to political and economic stability, rising population growth, and increased avenue for capital investment in relevant sectors of the economy such as in education, industrial sector and skills for quality workforce and economic growth. (A Gaye (personal Interview, June 5, 2017)

Private enterprise is the epitome of development particularly in developing economies. Responding to the profit motive, entrepreneurs invest in facilities and ideas and open up opportunities for people to employ their talents and improve their general well-being. Firms also provide goods and services that are necessary for sustaining and improving standards of living. (A Gaye (personal Interview, June 5, 2017)

The contribution by firms to tax revenue depends on factors that shape opportunities and incentives to invest productively, expand operation and create employment. All these factors cumulatively define the investment and economic climate of a country. By shaping the structure of incentives and opportunities, the business climate becomes a crucial building block for economic growth, development and overall prosperity.

Although domestic markets are important channels for the easy access of goods and the also easy access to products and services that support welfare, expansion of business requires greater participation in export markets to remove the obstacles that are faced by a small domestic market. Exports concentrate investment in those activities with highest comparative advantage, thereby forcing firms to adopt international best practices for them to have standards to compete internationally, and generate learning-by-doing benefits. These are powerful tools for reducing poverty and encouraging economic growth. Micro, small and medium scale enterprises (MSMEs) are central to the link between the Private Sector and poverty reduction.
They are more labor-intensive and promote equitable distribution of income since they are owned by poorer entrepreneurs, a significant proportion of whom are women. They are therefore important instruments for both income distribution and equitable gender participation. If efficiently coordinated, MSMEs could graduate into medium and large business organisations with an influence that transcends national boundaries. (A Gaye (personal Interview, June 5, 2017)

4.3 Contribution of the Private Sector to the Economy

The private sector of The Gambia consists of 99.9% of MSME (Micro, Small and Medium size Enterprises). This sector of the economy made up of The Gambia’s economy engine of growth and accounted for about up to 34% of GDP (Trade ministry, 2013). Moreover, the sector generates employment sources of up to 60% of the urban labor force. However, there exists very limited data that shows the contribution of individual sectors of the economy such as Telecommunication industry, among several others. (PURA Annual Report 2015)

The Gambia’s economy is generically mixed and agriculture mainly groundnuts and cashew nuts comprised of the major source of the country’s consumption basket. In 19s to the early 20s the country exports more than 45% of GDP. Tourism and hospitality sector continues to show a rising contribution in the economy in terms Gambia’s tourism attraction centers, offerings, and travel peculiar destination for global tourists. (http://www.theodora.com/wfbcurrent/gambia_the/gambia_the_economy.html)

From a strategy point of view, an information platform would be necessary to generate the contribution of the private sector to the economy on a continuous basis to inform strategic prioritization of interventions to support and grow the sector and the economy. (PURA Annual Report 2015)
4.4 The Gambia Telecommunication Industry

The Gambia telecommunication industry is a very active market for multinational investors due to the fact that there are wide range of opportunities in The Gambia. The industry is comprised of up to four cell phone companies namely: Africell (foreign-owned), Comium (foreign-owned), Gamcel (state-owned) and Qcell (private, domestic). Amongst these companies, Africell controls over 62% of the market share in the telecom sector as of November 2016, whiles on the other hand Comium the second telecom operator to enter the market after Africell and Qcell the last to enter are all competing for the third places while Gamcel which is a national telecom company owned by the government of the Gambia is by far the smallest operator in terms of number of customers with about 10% share of the market.( PURA Annual Report 2015)

In addition to the core service of mobile communication, these telecommunication companies also provide internet to their subscribers. In a way, the internet service providers continue with increased access to internet content and facilitate communication across regions and around the world. However, the internet supply comprised of another major competition among sector as well as other non-telecommunication companies.

The growing proliferation of Multinational Enterprises (MNE’s) in the Gambia and most especially in the telecommunication sector has greatly increased the overall involvement of other players; efficiency and quality of services continue to be felt in the sector. The leading internet service providers are Netpage, Qcell, Gamcel, and Africell, most of which are Multinational Enterprises (MNE’s). Several facilities and services has greatly been enhanced due the competition of the operation of the Multinational Enterprises (MNE’s) among which includes, the launch of the Africa Coast to Europe (ACE) submarine cable in 2011, the quality of connectivity has significantly increased since then, lower prices with better services for the customers among others.( PURA Annual Report 2015)
The new political dispensation has led to the promotion of collaboration between the Gambia government and the private sector by identifying several priority sectors for long-term concessions. Among the partnership initiative is the telecom sector that is promoting private sector increased participation in setting up a national data center in a scheme. (PURA Annual Report 2015)

The private investor is expected to hold a stake of 51 per cent. Another potential project where the government is looking for a private partner is the GAMSWITCH project, which will involve the development of a switch for clearing electronic payments and transactions through ATMs. (PURA Annual Report 2015)

The launch of a second 3G mobile broadband service in The Gambia was in early 2012 and that has brought more competition to the internet sector also served by DSL, WiMAX and EV-DO wireless broadband. There are lots of development and greater competition that has happened in the telecom industry which is greatly because of the operation of the Multinational Enterprises (MNE’s) among others. (M Touray (personal Interview, June 6, 2017)

4.5 The Gambia Ministry of Trade, Industry, Regional Integration and Employment
The Gambia Ministry of Trade, Industry, Regional Integration and Employment (MOTIE) is responsible to formulate and implement trade, investment and industrial policies that promote investment in the productive sector for increased production and export, thus promotes trade as an engine of growth. It also formulates and implements employment, competition and labor matters, promulgates national standards and takes a lead role in trade negotiations in collaboration with other stakeholders for enhance competitiveness. (https://www.motie.gov.gm/content/about-motie)

In addition the ministry is also assigned to coordinate regional integration issues as well as multilateral organizations such as World Trade Organization (WTO), United Nations
Conference on Trade and Development (UNCTAD), the African Union (AU), International Trade Centre (ITC), International Labor Organization (ILO) and other trade related multinational organizations in collaboration with other sectors in the implementation of regional integration and multilateral programmes. (https://www.motie.gov.gm/content/about-motie)

The Gambia Ministry of Trade, Industry, Regional Integration and Employment (MOTIE) plays an important role in facilitating trade and in promoting employment generation and regional initiatives within the context of a globalized trade regime. MOTIE is also responsible for establishing the necessary setting for private sector development, improved economic growth, trade promotion, and a reduction in poverty. This responsibility is implemented by the creation and application of trade policy and programmes for the growth of trade and execution of policies that will promote commercial production to expand export trade, and the preparation of employment policies, programmes and strategies for the private sector in The Gambia. (A Gaye (personal Interview, June 5, 2017)

4.6 The Gambia Telecommunications Industry

The Gambian Telecommunications sector is perhaps one of the most competitive in The Gambia, There are 4 GSM operators offering a wide variety of platforms (2G, 3G and more recently 4G LTE). With this, there have been quite remarkable improvements particularly in terms of access to Mobile Technology. (PURA Annual Report 2015)

After ending 2016 with 1.4 million unique mobile subscribers, the Gambia has registered 67% mobile penetration, according to a Mobile Economy report on sub-Saharan Africa by the GSM Association (GSMA). This penetration level has positioned Gambia as the second highest in West Africa region, just below Ghana and one of the top five in sub-Saharan Africa.

The report also stated that subscriber base of Sub-Saharan Africa (SSA) is still growing faster than any other region and forecasted a compounded annual growth rate of 6.2% five years to 2020, compared to the 4.2% global average for the same period. There will be more than 500 million unique mobile subscribers in the SSA by 2020. (PURA Annual Report 2015)

Competition in addition to regulatory intervention has resulted in a downward effect on voice call tariffs from around D5/min to D3/min, representing a 40% decrease. Customers are particularly aware of the cost of services so any reduction in tariffs will be an added benefit. (M Touray
Rural communities have also benefitted from the accrued benefits of enhanced telecommunication networks. Where they were often neglected by the fixed line incumbent, most rural areas in the country have access to mobile technology. The largest mobile network has covered more than 94% of the country. (M Touray (personal Interview, June 6, 2017)

4.6.1 Multinational Enterprises (MNE’s) I - Africell

The company been in operation in the Gambia for over 16 years, it several branches/subsidiaries across the world including Africa. This is one of the multinational companies that has greatly influence innovation and competition in The Gambia, they have done it in several ways, with the introduction of advance technology and a proactive approach to doing business, They have not only influence the economic development of the Gambia but also forced their competitors to also raise their game. (M Cisse (personal Interview, July 15, 2017)

The provision of a quality service for the entire Gambian populace has been enshrine in the mission statement of Africell Gambia and the records at the Gambia Chamber and Commerce and Industry has it that, Africell remains the Best Service provider consecutively for the last 7 years which has been certified by the Gambian business community and authority, simply for delivering the best service in the telecommunication industry. (M Cisse (personal Interview, July 15, 2017)

Africell’s impact on the Gambia’s economy as an operation has largely been quantified as the largest tax payer in the country and the creation of jobs nationwide; leading to continuous investment as a service provider among other things.

The company has the largest Corporate Social Responsibilities portfolio in the country with investment in Agriculture, Education, Health and sports, arts and culture to name a few. They also supporting the government in building police stations and schools, mosque etc. (M Cisse
Comparing the services delivered by the company to other telecommunication companies around Africa sees it that the provision of service by telecommunication companies largely depends on the environment and it is our desire to answer and provide to our customers all the necessary service in a modern GSM environment. Africell is currently growing in 4 different countries in Africa namely: Gambia, Congo DR, Uganda and Sierra Leone and the desire to grow with more operations in other African countries is eminent. (M Cisse (personal Interview, July 15, 2017)

4.6.2 Multinational Enterprises (MNE’s) ii- Comium

Comium Gambia Limited is a private limited liability company which started operation in The Gambia on the 26th of May 2007, thus making it operational in The Gambia for a decade. The company originated from Lebanon in the Middle East and most of the stakeholders come from that part of the world. (E Sohma (personal Interview, June 20, 2017)

Comium is the second multinational telecommunication company to enter in the Gambia telecom industry, this company has also enhance innovation and competition in the Gambia in many ways, since its inception in the Gambia, they pride themselves with the establishment of cheap and affordable means of communications, thus the bulk of their customers being situated in the poorer neighborhoods meaning the rural Gambia that wasn’t considered by other operators. When Comium first came to the market, a sim card used to cost D300 or D500 from the other two service providers. (E Sohna (personal Interview, June 20, 2017)

They started selling sim cards at a cost of D50 and forcing the hand of the rest to drastically reduce the cost of a sim card. The company brought about a major difference in the way GSM companies operate in The Gambia. (E Sohna (personal Interview, June 20, 2017)
Contrary to popular belief, Comium is the pioneer behind making communication cheaper to The Gambian populace. According to studies, Comium is at par with majority of telecommunication companies in Africa but there are a few that stand from therest. (E Sohna (personal Interview, June 20, 2017)

4.7 Competitive services of the Telecommunication

4.7.1 Mobile Internet Access in the Gambia

Many African countries including the Gambia have either experienced or are experiencing the mobile, other wireless and Internet revolutions in their markets. This has led to a high proliferation of mobile telephony users in the continent.

In The Gambia, one of the greatest influence the telecommunication companies did is enhancing innovation and more customer services because of the competition. The landing of ACE submarine cables on West Africa has brought about some growth in Internet Access penetration in the Gambia, which is expected to improve in due course. (PURA Annual Report 2015)

In many of these countries, however, the growth of fixed line telephony has to a large extent been marginal, if any. In the Gambia, access to Internet data is mainly through 3G or EDGE.

Third Generation (3G) mobile internet signals can still only be obtained in the Greater Banjul area, Farafenni, Kanilai and Basse areas. In all other areas, AFRICELL, COMIUM and QCELL are using GPRS and EDGE technology to serve their data customers. (PURA Annual Report 2015)

4.7.2 Mobile Internet can be accessed from places with data signal coverage, using:

- GAMCEL on 3G (Government Owned (Domestic))
- AGRICELL on 3G or EDGE (Multinational)
- COMIUM on GPRS (Multinational)
- QCELL on 3G or EDGE (Private Owned)

(Domestic) According to PURA:

- Access to Internet services has increased dramatically from the levels in 2010 to 2015.
- In 2010, only QCELL and COMIUM provided mobile internet services. In 2015, all GSM companies are providing mobile internet services, including GAMCEL and AFRICELL, with their 3G services.
- AFRICELL has made a quantum leap in the provision of mobile internet services, and as a
result, AFRICELL has the highest mobile data access subscriptions and geographic coverage.

- The Internet can be accessed from remote rural areas on AFRICELL, COMIUM and QCELL networks, which is in line with the PURA’s universal services requirements.
- All cell sites of AFRICELL, COMIUM and QCELL are enabled for data access.
- GAMCEL cell sites in the Greater Banjul Area have data access provisions, but apart from the Kanilai area, GAMCEL is yet to provide data services beyond the GBA.
- Communications have been made cheaper for customers in the areas with mobile data coverage because of the availability of OTT internet services which tend to be cheaper than voice calls (especially long distance and international calls). Thanks to the services of the telecom, customers with smart phones now use over the top services (Viber, Tango, Whatsapp etc) to communicate.

4.8 The Future of Telecommunication industry in the Gambia

The mobile platform connects more people globally than any other technology (Foster, V., & Briceño-G, C. (2011). It is a known fact even more so in The Gambia where mobile internet is the only form of connectivity available to most users.

This vast reach of mobile networks has made mobile technology the preferred platform for creating distributing and consuming digital content and services across the globe. (May, P. (2001). Therefore, there is an opportunity for mobile operators and start-ups to explore more ways to work together to advance the digital economy in the Gambia.

To achieve this, however, mobile operators need to increase their engagement with the Gambia start-ups and establish the right relationship, with the appropriate resources for collaboration.

The telecom industry also need to build a robust business value proposal for collaboration, thereby reflecting each on party’s strengths and needs, and the potential for mutual benefit. A large percentage of the Gambians rural areas still lack access to the basic services such as health care, electricity, clean water and financial services. (http://businessingambia.com/gambia-mobile-penetration-2016/)

However, several mobile technologies has developed as a means to extend these services to the poor communities in the Gambia. It is also an opportunity to develop product and services such as mobile money to increase financial inclusion or adopt platforms such as Pay-As-You-Go (PAYG) to supply clean solar energy system.
For example, in Uganda Fenix International ReadyPay Solar operates through a mobile-enabled PAYG model, which allows customers to pay for solar products in installments over a period of up to 36 months (for example, customers pay $0.15 per day over 36 months for an entry level solar home system valued at $160). (A Gaye (personal Interview, June 5, 2017)

The micro payments services, which are facilitated by MTN Mobile Money, make the products and services affordable for poor communities. Nonetheless, if Gambian is to benefit from their opportunities, the regulators such as a central bank, PURA, Competition commission have to adapt to changing conditions. These policy makers have to implement reforms that will protect competition and consumers without impeding social and economic progress. (A Gaye (personal Interview, June 5, 2017)

5.0 TABLE AND FIGURES OF FINDINGS
5.1 Outcomes of the Multinational Enterprises (MNE’s) in the Gambia - Investment

Through its dynamism as a sector, growth prospects in the telecommunication sector continue to improve on a yearly basis as a result of the existence of the multinational operators. This growth has to be anchored on a solid and robust Investment framework by network operators supported by a flexible regulatory regime. Total Investment in the sector witnessed a considerable rebound during the period under review up to D335 million dalasi representing a 29% increase over the corresponding period in 2014. The growth in Investment figures over the year was anchored by AFRICELL and COMIUM which both increased network investments by 78% and 124% respectively. Most of the investments during the period were related to Operator expansions in their networks through the additions of new towers and upgrades of existing infrastructure.

The National Fibre Backbone (ECOWAN) under GAMTEL provides to usher in a new and exciting era for the Gambian Telecommunication sector. It would serve to complement international capacity provided by the ACE cable. Through the provisions of Open Access Regulation, PURA would ensure that there is indeed a level playing field for all operators in
gaining access to such an essential facility for the sector. Furthermore, it is envisaged that GAMTEL would use it as a catalyst to diversify their products with a particular eye on “triple play offerings” and enhanced broadband coverage.

![Figure 1: Investment in the Telecom Sector](image1)

5.2. Outcomes of the Multinational Enterprises (MNE’s) in the Gambia - Employment

Employment in the telecommunications sector has remained relatively constant at 2,169 employees compared to the 2,177 employees reported for in 2014. Significant increases were witnessed over the period in terms of staff numbers by GAMCEL which increased by 32% over the corresponding period of 2014. Staff Numbers at QCELL also increased by a modest.

![Figure 2: Employment in the Telecom Sector](image2)
GAMTEL continues to dominate the employee share of the sector accounting for 51% of total employees. They are followed by GAMCEL with 22% of total sector employees. In total, the two state owned enterprises account for 73% of total employees in the ICT sector. In the private sector, AFRICELL holds 14% of sector employees followed by QCELL and COMIUM at 9% and 6% respectively. See figure 3 below for detailed representation of the above figures.

![Employee Share - ICT Sector](image)

**Figure 3: Employee share in the Telecom Sector**

**Figure 4: Mobile Subscriber Market Share 2015**

Subscriber numbers in the Gambian telecommunications sector continue to be very impressive. The mobile market continues to be served by four operators. The total subscriptions in the market as at end 2015 totaled 2,715,672 subscribers. One of the defining features of the market is the prevalence of multi-sims per person. This primarily owes to the proliferation of multiple sim phones and subscribers trying to take advantage of the various On-Net offers available on the various platforms. Significant inroads have however been made over the past year by network operators to further expand the geographical reach of their networks leading to the addition of new subscribers.

It however needs to be noted that the market has virtually saturated hence the decelerating growth
being witnessed. Subscriber growth in 2015 was 6% compared to the 17% witnessed in 2014. New frontiers for growth as established in other markets must be explored particularly in the provision of reliable and adequate mobile internet services.

During the year, significant growth was witnessed by the last operator in the mobile market space in QCELL. Their subscriber base grew by 26% compared to the corresponding period in 2014. The development of innovative products like QPOWER linking electricity vending tokens to mobile phones have aided significantly to this growth. It is envisaged that this growth and inter-sectoral linkages be sustained for the continued dynamism of the sector. Furthermore, QCELL is expected to make the requisite investments to ensure that network performance and reliability are not hampered by an ever expanding subscriber base.

AFRICELL continues to have the largest share of subscriptions in the market with 1,452,711 subscribers followed by QCELL with 451,427 subscribers. COMIUM and GAMCEL had 437,307 subscribers and 374,227 subscribers, respectively. Their respective market shares are shown below:

**Mobile Subscriber Market Share 2015**

<table>
<thead>
<tr>
<th>Operator</th>
<th>Market Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>AFRICELL</td>
<td>17%</td>
</tr>
<tr>
<td>QCELL</td>
<td>14%</td>
</tr>
<tr>
<td>COMIUM</td>
<td>16%</td>
</tr>
<tr>
<td>GAMCEL</td>
<td>53%</td>
</tr>
</tbody>
</table>

6.0 LIMITATION & CONCLUSION

6.1 Limitations of the study

Despite the fact that there was lot of preparations, time and energy that was invested in achieving the aims and objectives of the research, The researcher has encountered lot of obstacles, problems (limitations) that in many ways has affected the expected results used in the analysis of the data collected.

Firstly, The target was to reach out to four government institutions in the sector of business and the four telecommunication companies in the Gambia, it was quite unfortunate they all couldn’t grant me the interview after series of email remainders.

Hence, only two government institutions and three of the telecommunication companies granted the interview.
On the other hand, the research questions were focused on few government institutions responsible for boosting business in the Gambia and the research also focused on only the telecommunication sector instead of looking at the theme of the topic in general.

The study would have been more effective if the researcher was able to look at the concept of multinational in a broader level than just the telecommunication sector as there are lot more other players in other sectors this was due to time and financial constraint which made it impossible for the researcher to look at the topic involving all or most of the sectors multinational companies are operating in the Gambia.

Some of the respondents did not give realistic answers because they feel it is not to their own interest especially the telecommunication companies who feel that the information may be used by their competitors.

6.2 Conclusion
This study was conducted to identify the impact of internationalization of Multinational Enterprises (MNE’s) in developing economies in the case of the Gambia telecommunication sector. Results of the study show that contribution by Multinational Enterprises (MNE’s) in economic development of the country goes beyond enhancing the level of competition. The rise in partnership among competing rivals, increased innovation and technological progress, as well fundamental economic contribution in terms of employment opportunities, rising income, infrastructural projects, and rising global business organizations with relevant investors.

Multinational Enterprises (MNE’s) are a huge development partner to the Gambia government as a matter of fact it makes them a reality that will stay within the country for a foreseeable future as means to complement government efforts whiles the environment remain conducive. Many developing countries have been exploited in the past and its high time for those countries to rise up and work with the existing resources they have to improve their economies as we are living in a global world every country can contribute in making the world a better place to live, As a result of this globalized world we can tend to see less trade barriers as well as investment barriers so MNE’s can easily tap opportunities wherever they can find it, thus the developing economies are places where there are still untapped markets.
This would lead them into further grazing their way into the inner workings of weak governments and increase their socio-politico-cultural influences.

Multinational Enterprises (MNE’s) has its pros and cons. However, they should not be ignored for fear of their adverse effects. Instead policies should be made to better utilize them as the host country sees fit. Foreign capital is one amongst the first catalyst of encouraging development.

The influence of Multinational Enterprises (MNE’s) has been a topic of discussion in Africa especially to the Gambia because of the role they play in economic development of those countries.

Developing nations need to grow more indigenous ventures that can compete on a worldwide scale, in a market loaded with Multinational Enterprises (MNE’s). This is impossible if local businesses are considered infant ventures and given subsidies so they could play safe, rather they ought to be compelled to rival the best of them, which would empower them to build their ability. Less developed nations should concentrate inside and enhance fundamental zones, to better go up against Multinational Enterprises (MNE’s) associations and keep them from commanding the market. This can only be done if they are made to come to economies of scale and plan on operating on a global scale, rather within the confines of a few local markets.


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APPENDIX I
Explanation of Terms and Acronyms

Public Private Partnership (PPP)
Africa Coast to Europe (ACE)
Automated teller Machines (ATM)
World Trade Organization (WTO),
United Nations Conference on Trade and Development (UNCTAD)
African Union (AU)
International Trade Centre (ITC) International Labor Organization (ILO)
The Gambia Ministry of Trade, Industry, Regional Integration and Employment (MOTIE)
Gross Domestic Product (GDP)
Small and Medium Enterprises (SMEs)
Foreign Direct Investments (FDIs)
European Union (EU)
Information and Communication Technology (ICT)
Research and Development (R&D)
Gambia Public Utilities Regulatory Authority (PURA)
Gambia Investment and Export Promotion Agency (GIEPA)
Micro, small and medium scale enterprises (MSMEs)
Automated Teller Machines (ATMS)
Digital Subscriber Line (DSL)

Worldwide Interoperability for Microwave Access (WiMAX)

Evolution-Data Optimized (EV-DO)

Global System for Mobile (GSM)

Sub-Saharan Africa (SSA)

General Packet Radio Service (GPRS)
Third Generation (3G)

Game boy advance (GBA)

Over-the-top (OTT)

Pay-As-You-Go (PAYG)
APPENDIX II

Questionnaire 1

NAME OF THE COMPANY OR MINISTRY:

Manager’s Name:   Position in the Company or Ministry:

1- How is the presence of Multinational Enterprises (MNE’s) in the Gambia?

2- Does your ministry or department have roles that encourages the coming of Multinational Enterprises (MNE’s) in the Gambia? if any what are they

3- How has multinational businesses influence the economy of the Gambia and in what ways? 4- What factors are responsible for the smooth operation of Multinational Enterprises (MNE’s) in the Gambia

5- How did the telecommunication (Multinational Enterprises (MNE’s)) sector improved that industry in terms of competition, more customer benefits and innovation?

6- What percentage of the economic activities are Multinational Enterprises (MNE’s) companies contributing in the Gambia?

7- What are the initial benefits that Multinational Enterprises (MNE’s) companies get when they invest in the Gambia?

8- What factors does Multinational Enterprises (MNE’s) companies have to look forward to when they want to operate in the Gambia?

9- What are some of the problems Multinational Enterprises (MNE’s) companies face in the country?

10- What is the government stand in terms of getting more Multinational Enterprises
(MNE’s) or support more local businesses?

Questionnaire 2

NAME OF THE COMPANY

Manager’s Name:    Position in the Company:

The telecommunication companies in the Gambia (Gamecel, Africell, Comium and Qcell)

1. How long has your company been in operation in the Gambia?
2. Does your company have branches/subsidiaries across the world or Africa?
3. From which region (continent) of the world did your business originated from?
   A. Africa
   B. Asia
   C. North and South America
   D. Other EU country
   E. Gambia
4. In what ways has your company enhance innovation and competition in the Gambia?
5. Why do you think Gambians should choose you as their trusted service provider?
6. From inception to date what is the main impact you think your company has made in terms of operations in the Gambia?
7. What experience do you have as a provider in the telecom industry that you will want to share with prospective providers?
8. What kind of standout services do you provide? For both corporate and individual clients?
9. What are your most important involvements in society (otherwise what are your corporate social responsibilities)