GLOBAL ECONOMY AND INTERNATIONAL RELATIONS. A THEORETICAL FRAMEWORK FOR THE ACTIVITY OF MULTINATIONAL CORPORATIONS

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Abstract. The exterior political, social and economical environment has a major impact on the functionality and reliability of an international company, starting with the ideas and axiological frame which circumscribes the decisional activity of organization leaders, continuing with the coherency and internal synergy and ending with the flux of the personnel, influenced in a great extent by work conditions, concurrence and the prestige of the corporation in a competitive environment. This paper proposes a analysis of the main economical theories and their influence upon the competitive international environment in the contemporary period, focusing broadly on multinational corporations, market-state relation in the globalization era, Marxism, neo-Marxism, or liberal economy. Towards the end of the article, realism, idealism, constructivism and behaviorism, the most important theories of international relations, are assessed based on their main principles as a possible developmental frame for international companies.

Rezumat. Economie globală și relațiile internaționale. Un cadru teoretic pentru activitatea corporațiilor multinaționale. Mediul exterior, politic, social și economic, are un impact major asupra funcționalității și fiabilității unei companii internaționale, începând cu ideile și cadrul axiologic care circumscrie activitatea organizațională a liderilor organizației, continuând cu coerența și sinergia internă a acesteia și erinând cu fluxul personalului, influențat în mare măsură de condițiile de muncă. Lucrarea propune o analiză a principalelor teorii economice și a influenței lor asupra competitivului mediu internațional contemporan, axându-se în general asupra corporațiilor multinaționale, relația piață-stat în era globalizării, marxism, neomarxism sau economie liberală. La sfârșit, realismul, idealismul, constructivismul și behaviorismul, cele mai importante teorii ale relațiilor internaționale, sunt evaluate în funcție de relevanța lor pentru eficiența companiilor multinaționale.

Key words: reliability, economic theories, international relations theories, multinational corporations, global society.

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1. INTRODUCTION

This study is centered on pointing out the influence which economical theories, along with the international relations theories, exercise upon international corporations. The stake of the article resides on identifying complex connections between the mentioned theories and the agents of international capitalism, the great companies, more exactly of the ways in which their efficiency and reliability can be correlated with the main economical and political tenets prevailing at one time.

Along this article I intend to point out a series of questions: What are the place and the role of multinational companies in the international system? Is the decisional weight of the states sublimated in comparison with the great corporations decisional weight? Why do some economical and international relations theories limit the activity of multinationals, while others favor it? Which is the most appropriate political and economical model for international commercial actors and why?

2. RELIABILITY. A SOCIAL-POLITICAL EXTRAPOLATION

At first, to set the premises of a valid and consistent theoretical analysis, one must define, as much as possible, the basic concepts on which the structure of the research is called on. Therefore,

'reliability expresses the property of any system to resist time degradation, preserving its performances within the projected limits. The notion of reliability was embedded implicitly in that of quality, as long as the traditional technological processes ensured maintaining the initial properties of a system on a period of time long enough when compared to the human scale. The development of modern technologies, complex and dynamical, led to the creation of sophisticated systems, with superior performances, but fragile, subjected to a fast degradation' (Mihalache, 1994, p. 57).

The stake of the concept and its applicability consists in securing these very competitive, but also precarious systems. Globalization dynamics entails an economical and social dynamic with at least the same intensity, which risks, - together with the fast request and offer changes, - creating problems in some less developed states, by inducing economical instability and disadvantaging their infrastructures.

In industrialized countries, reliability has an ideological dimension, because its efficiency is proportional with the degree of political and economical freedom existent in those societies. In other words, inside “closed systems”, almost hermetical from political and economical points of view, reliability, without an exterior support, is subjected to a corrosive action conditioned by the entropy level which exists inside that system, while in “open systems”, which obey the logic of interdependency and international cooperation, reliability is assisted through “corrective or preventive maintenance” (Mihalache, 1994, p. 58).
3. MEANINGS OF CORPORATISM

In the *Oxford Dictionary of Sociology* (1994, 1998), the term *corporation* appears with the following definition: „a legal form of organization, both of capitalist enterprises, and of the ones from the public sector, in which control apparently or really passes in the hands of a managerial elite, designated on the basis of a specialization obtained along with the diploma” (Marshall, 2003, 138).

In the *Blackwell Encyclopaedia of Political Thought* we can read that „the most common modern meaning of the term «corporatism» is centered on the role of the interest organizations which hold an intermediary position between the state and the civil society” (Miller, 2000, p. 143). Inside the international environment, corporations represent an actor not necessarily intermediary, but different, both from the states and from what is starting to be called the international civil society. Today, big corporations are *ipso facto* a political factor and a new strong actor on the international stage.

For Max Weber, the modern international organizations „are ways of coordinating human activities or man made goods, in a manner stable in space and time” (Giddens, 2000, p. 314). After ascribing to the well known German sociologist from the beginning of the XX’st century this definition, Anthony Giddens’ reasons that

‘half of the one hundred largest economical units existing in the world today are national, while the other half is transnational corporations! The operation extent of these companies is amazing. The first 600 large transnational companies own more than a fifth from the total production, industrial and agricultural, in the global economy. Approximately 70 from these giant companies ensure half of the total global sales (Dicken, 1992). The incomes of the first 200 big companies have grown 10 times from the mid ’70 to the ’90. Over the last 20 years, the activities of transnational companies have became more and more global; only three from the 315 largest companies in the world in 1950 had production plants in over 20 countries, compared to more than 50 in the present’ (Giddens, 2000, p. 325).

In 2005, transnational and multinational corporations reached and even exceeded the astonishing number of 60.000. This multinations are involved in more than 800.000 branches of activity. Clearly, international companies have a very strong impact upon global economy, but they don’t create it. The frame of the international economic relations is still ensured by national states and economies, as I intend to prove in the following pages.

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4. WHAT ARE AND WHAT ARE NOT INTERNATIONAL CORPORATIONS? THE CENTRAL ROLE OF THE STATE IN THE GLOBAL ECONOMY

What are corporations? Linda Weiss understands them “as basis of a social partnership system centered on periodical political negotiation, practiced stable and on a long turn.” Further we find out that “this system focuses on the relations between the organized interests existent within a state.” In general, corporatism has a tripartite structure “which involves power splitting arrangements between firms, labor force and state” (Weiss, 2002, pp. 43-44). Extrapolating these informations inside the international political environment, we can affirm the existence of transnational and international corporations, functionally circumscribed inside the following parameters: the other international corporations, international labor force and statal actors. The reason for which the actual transnational and international corporations seem so strong is because the state’s economical role was hypertrophied in the past, thus appearing very fragile in the present days (Weiss, 2002, pp. 235-237). National economies and the state will have keep their major role on the international stage, because they can restrict direct external investments and protect their internal market and the local companies against the (sometimes) destabilizing intrusions of multinationals, phenomenon which might diminish their political autonomy and economic security in favor of the states and mother economies of the multinationals (see Japan’s case in Gilpin, 2004, pp. 144-146).

5. THE STATE’S EVANESCENCE AND THE AMPLIFYING POLITICAL ROLE OF THE GLOBAL MARKET?

A position radically different than the one presented above belongs to the British researcher Susan Strange. She strongly argues that the contemporary markets have a decisional weight superior to the one of the states in economical international relations, despite the growing role of the state in economic policies, tendency which started with the appearance of the American New Deal and continued long after the Second World War. According to her, states still have difficulties overcoming their fundamental issues: monetary stability, civil violence, juridical efficiency and social assistance (Strange, 2001, p. 21). The gap between political authority and international markets authority begins after 1970 and expands in the favor of the last:

‘Where the states were once the rulers of the markets, the markets are those which, in many essential problems, are the rulers of the states governments. And the decline of the states authority is reflected by an overgrowing diffusion of authority towards other institutions and associations, regional structures, and also by an overgrowing asymmetry between bigger states, with structural power, and weaker states, without this type of power’ (Strange, 2001, p. 20).

The multinational or “transnational societies” eroded the state’s central political position from a variety of directions. First, states retreated gradually in fields like industry, “services and commerce, and even on guiding research and innovation in technology.” Second, these transnational societies contributed more to the development of economical
and social infrastructures of the Third World’s states than the international intergovernmental organizations like the UN did. Third, the interest conflicts, especially those between the employed and the employers exclude, in a growing extent, the participation of the governmental authority. The administration and the settling of conflicts like this is becoming more and more an internal matter. Another major hit received by etatist supremacy consists in the partial elusion of the taxation process, done by including “inside governmental delegations for negotiations held under the GATT aegis (Global Agreement on Trade and Tariffs) and its successor, WTO (World Trade Organization), 1995) some representatives of the big corporations” (Neguț, 2004, pp. 188-190). In this way, multinational companies can protect and negotiate their interests from a very high level, and also undermine states interests whenever they can obtain a benefit from it.

Susan Strange’s position has certainly strong points, like emphasizing the growing political share of transnational markets and the strong social implications of the multinational companies, but her conclusion about the state’s fading role on the international stage seems to be a bit rushed. National governments also contributed substantially in the process of helping Third World Countries develop a sustainable economy and a strong society. More important, intergovernmental organizations massively support peace enforcing and peace maintaining operations in the less developed regions of the world; one cannot say the same regarding global corporations. As we are about to see, states aren’t necessarily competing with multinationals. Instead, they can provide a very profitable security matrix for the agents of globalization.

6. STRONG MULTINATIONALS AND STRONGER STATES. BENEFITS OF COLLABORATION

A more temperate and in the same time judicious approach is presented by Robert Gilpin in the book mentioned above. For this author, the multinational corporation (MNC) represents “a firm of a certain nationality which organized its production, distribution and other activities in a way in which they excel the country’s borders” (Gilpin, 2004, p. 127). So, the identity of a multinational corporation is strongly anchored in the national environment, not in the international one, and only its activities have a transnational or international? According to this position,

‘A multinational enterprise doesn’t relinquish nation A for nation B. It extends beyond the national borders, remaining in the country where it has its main headquarters, while reaching out in numerous receiving countries. What surpasses the political borders (of the origin country and of the receiving country) is management, government, the organizational skill of the package the firm has to offer...’ (Wilkins in Held et.al., 2004, p. 276).

Paul Hirst also affirms the national character of the great international corporations, as well as the advantages they obtain from state’s preeminence in the international relations field:

‘Companies keep their national basis for several reasons. First, they benefit from national systems of production and innovation. Also, they have the advantage of a distinct managerial culture, of a regulations set and of a tacit
knowledge which reduces the instructions and supervision costs. Moreover, national localization helps companies maintain a corporative identity: brands are based, most of them, on specifically cultural associations. On the other hand, the growing importance of international commerce for companies paradoxically confers a growing significance to national localization. Contracts, property rights and patents are more firmly protected by the juridical systems of the main developed countries’ (Hirst, 2003, p. 102).

The author concludes that

‘the advantages gained by the companies after the juridical and physical protection offered by territorial states are evident. A world kept safe by the important states is cheaper and more efficient for companies than a world in which these should ensure their own commercial environment in a chaos generated by the state’s decline’ (Hirst, 2003, p. 103).

Permanent negotiations are being hold between states and multinationals, each trying to obtain as much concessions as possible from the other; usually, after investment states are the ones who profit more, because they learned or they are learning how to collaborate with global corporations in order to achieve their own goals. On the other hand, weak and undeveloped states cannot afford the same attitude towards multinational corporations like strong and prosperous states: they will be most certainly ignored or simply exploited by multinationals, which can have in this case a destabilizing effect over weak economies.

Beside the economical gains they bring, corporations are susceptible sometimes to make unloyal competition to the local firms and also to partially subordinate the government of the host country towards the mother state of the multinational. Another critic aims the irresponsible policies of the international companies, centered exclusively on profit and which can endanger the mother state’s national security by facilitating the host country’s access to dual technology (both economical and military). These kinds of information are vital for a state’s security and can sometimes be classified as state secrets (Gilpin, 2004, p. 139).

To resume, multinational corporations bring major benefits to the host economies, as well as to the mother economies, but, like every immense concentration of wealth and power, they sometimes tend to display an arrogant attitude and to develop inequitable and irresponsible behaviors towards the social environments in which they exercise their activities. This is why the vigilance of the political sphere is more than necessary to prevent abuses located inside or emerging from the economical environment (Gilpin, 2004, p. 147).

7. COMPETITIVE THEORIES UPON INTERNATIONAL ECONOMY

In this part of the paper I will try to focus on the main economical doctrines of the XX’st century (Marxism, neo-Marxism, capitalism or economical liberalism and Keynesianism), and in the next one on the most important approaches of the international relations (realism, idealism, behaviorism, constructivism), and how they could interfere with the agents of the global capitalism. Marxism and neo-Marxist theories can be considered
political in the same extent as they are economical. Moreover, the concepts of international
economy and international politics are bounded indissolubly, representing basically the two
faces of the same coin, thus a successful analyses of them cannot occur if one doesn’t take
into account the complementarities and interdependencies generated by the junction of
politics and economics inside the international environment.

For neo-Marxists, international corporations represent the agents of capitalist
oppression. The economical and social benefits these companies bring are not recognized
and even their existence is frequently questioned. The neo-Marxist alternative for global
capitalism generally consists in restoring the economical power to the local, small
communities, in order for them to establish equitable and fruitful commercial relations
without being systematically “robbed” by multinational corporations. In the next pages I
will try to assess the veracity and feasibility of this theoretical position.

8. MARXISM, NEO-MARXISM AND GLOBAL CAPITALISM

The Marxist doctrine points out the existence of four major political and economical
stages the world has encounter in its development until present day: the primitive commune,
inside which the delimitation between exploiters and exploited did not exist, the slave-
owning empires of the antiquity (even if slavery did not represent the economical
infrastructure of any antic empire), feudalism, based on an agricultural economy where the
relation between senior and vassal was a central one, and, finally, capitalism, facilitated by
the ascension of a new social class – the bourgeoisie – and of a new type of production
relations – capitalism - based on the transition between an economical agricultural system to
an industrial one and on a unprecedented social mobility, ingredients which undermined the
economical and social scaffolding of the Middle Ages. Each of these distinct historical
stages bears inside „the germs of its own self-destruction” (memory quote from Karl Marx),
and their succession is ensured by a infallible law mechanism, by historical laws which
enlighten the past in order to exactly anticipate the future. Armed with the historicist
prophecies (Popper, 1998), Marx predicted the unavoidable destruction of capitalism.
Capitalism would deepan the cleavage between the poor and the reach, amplifying in a great
extent class tensions; this oppressive and inequitable system will disappear in the moment
when the world proletarians would gain a class conscience strong enough to transcend

Capitalism could not be reformed, because its internal logic, voracious and
exclusively profit oriented, did not allow that. If from two entrepreneurs which find
themselves in a competitive posture, one decides to reduce the working day, to improve
medical assistance, to increase salaries and to build social residences for his employees, he
will need - in order to keep its business going – to enhance the costs of its products. The
entrepreneur who didn’t create such facilities for his workers remains, in his immorality,
much more efficient than his competitor, because he will afford to sell its merchandise at a
lower price. In this way, the businesses of the „moral” employer will gradually disappear,
engulfed by the business of his less moral competitor, perfectly adapted to the inequitable
capitalist production system. This is why capitalism cannot be reformed; only destroyed, in
order to destroy, along with it, the objective causes that make it possible. This ending
represents a social necessity, and only after its surpassing the world can truly enter in the
age of liberty. The Marxist predictions were strongly invalidated during the First World
War, when the socialist parties, instead of collaborating for the destruction of world capitalism, supported their national capitalist states. A new appraisement of the Marxist theories was needed, and Lenin was, from this point of view, Marx’s most important continuer.

Lenin – which differs from Marx in many respects, unimportant, however, for the aim of the present paper - theorizes imperialism as “the monopolist stage of capitalism”. The financial capital, owned by the great world banks at the beginning of the XX’st century, along with “the colonial policy of monopolistic rule over the globe’s territories” (Lenin, 1945, p. 95) creates a political and economical mélange which is devastating for the entire world. Imperialism will unavoidable succumb because of the harsh fight about to occur between the great colonial powers for new and new opening markets, an economical need generated by the continuous capital accumulation, which can be managed and further multiplied only in an aggressive-expansionist way.

Neo-Marxism sees the economical international organizations and the transnational corporations as agents of the much detested capitalism. David Korten, one of the well known analysts of the subject, reveals himself:

’...I believed that the world corporations could give an answer to the problems of poverty and human conflicts. However, (...) I realized that the forces which fuel the growth and the domination of the world corporations lie at the root of the human contemporary dilemma. I believe now that in order to avoid a collective catastrophe, we must radically transform the system which underlies the business world for restoring the power to the small ones and to the local communities’ (Korten, 1996, p. 19).

Judicious, moral, emphatic, ardent. But possible? Could someone really imagine or make operative “a radical transformation” of the economical system of nowadays? It is true this system can be improved and, in certain cases, should be improved, because it generates inequalities and, sometimes, huge benefits and profits disproportions – the present world crisis constitutes the best example in this regard - but who could truly assume the task of its total reorganization? The contemporary economical system represents an enormous coercive structure which decisively orientates the actions and options of statal, institutional, nongovernmental, transgovernmental or individual actors; basically, everyone has to deal with it. Its radical change is almost inconceivable, but its readjustment, making it more permissive for certain disadvantaged economical categories and more restrictive for others, holders of immense trusts and monopoles, could be a solution to the major economical and social problems that affect the less developed regions of the world. However, commerce and economical relations bring benefits to all the parts involved in it, but these benefits are not equal. Should they be? If we take into account that the parts do not contribute in the same extent, with capital and know-how, to these economical relations, the answer is probably no. Like Aristotle used to say, “Injustice appears when the equal are treated unequal, and, also, when the unequal are treated equal” (Aristotle in Bull, 1998, p. 75). This quote is not meant to justify the abuses of strong international or national economic actors over the weak ones, but to point out the limits of hyper-moral and ardent ideals that can result in a total destabilization of some markets, like those of the states who experienced and still experience Leninist forms of modernization.
David Harvey, another analyst of the phenomenon, reaffirms the old Marxist thesis of instabilities and tensions generated by the world capitalism fluctuations, but also adds to this thesis original elements:

‘... the geographic landscape of capitalist activity is powdered with contradictions and tensions, being permanently unstable in front of all technical and economical pressures exercised upon it. Tensions between competition and monopolie, between concentration and distribution, between dynamism and inertia, between different levels of activity, all of them come from molecular processes of continuous capital accumulation in space and time. And these tensions are embedded in the expansive and general logic of the capitalist system, inside which continuous accumulation of capital and the never ending race for profit are dominant. The cumulated effect is (...) that capitalism also permanently tries to create a geographical landscape meant to host its activities until a certain moment, just to destroy it and to generate afterwards another landscape, fully different, to satisfy its thirst for never ending capital accumulation. In this way the history of «creative destruction» is written, in the landscape of the actual historical geography of capital accumulation’ (Harvey, 2004, p. 99).

This quote also contains the Leninist thesis from *Imperialism, the highest stage of capitalism*, that capitalism creates social tensions in its ongoing run for capital accumulation, but, different from his mentor, Harvey affirms the inequitable and undesirable perenity of the capitalist system and the dialectic trough which it constantly recreates new products and new opening markets for them, - not its implosion, maybe because Lenin’s hypothesis, like Marx’s, were strongly invalidated by the history of the XX’st century.

Immanuel Wallerstein also uses this thesis to build its own theory about the modern world system. The modern world system, which appeared in the XVI’th century, expanded gradually until the second half of the XIX’th century, when “it was able to incorporate into its social division of labor all the geographic zones of the earth” (Wallerstein, 1994, p. 108). Capitalism represents its economical core. The huge capitalist machinery that runs the economical destiny of the world with the beginning of the modern age, simultaneously structures it in three different power and influence centers: the nucleus, represented today by USA, Europe and Japan, the semi-periphery, formed by Eurasia and Latin America, and the periphery, which includes Africa and the Third World countries. The nucleus stands for the economical elite of the world, and, through the instrumentality of capitalism, voluntary maintains the periphery underdeveloped and economically dependent by it. The semi-periphery is also dependent on the nucleus, even if not in the same extent as the periphery is (Miroiu, Ungureanu, 2006, 17, pp. 118-120).

Wallerstein’s theory was highly influenced by Fernand Braudel. This author claims that capitalism is a dishonest type of commerce, characterized by the absence of “transparency and control” (Braudel, 2002, p. 47) Its protagonists interpose between the producer and the buyer, manipulating them, and thus obtaining enormous profits. Starting with the modern age, the great merchants who would later become the capitalist class gradually took control over the routes of international commerce. They represented, like today, a very small class which didn’t specialize on some certain fields of activity because “the sector in which the best profit is obtained changes frequently” (Braudel, 2002, p. 53). Confiscating the state in order to gain more and more profits, capitalism is for Braudel
certainly not what Max Weber saw in it, “the promoter of the modern world” (Braudel, 2002, p. 57), but a very oppressive and unfair economical system.

To conclude, parts of Marxist thesis regarding capitalism were proven wrong, while others were proven painfully right. Capitalism in itself changed consistently under the influence of social thinkers and movements, becoming less exploiting and generating less inequalities. Of course, contemporary Marxists will not agree with this thesis. This polemic, however, goes beyond the frame of the present study.

9. ECONOMICAL LIBERALISM

The argument of overproduction and of the inherent tensions inside capitalism is vehemently contested by the liberal economists. Friedrich Hayek is one of the most important exponents of this theoretical current. For him, capitalism is neither exploiting nor self-destructive and it doesn’t generate overproduction. The market contains a very efficient prophylaxis against this kind of economical biases: the relation between request and offer. If the request for a product or a type of products will sometime disappear, the national and international corporations will simply stop producing them, because of their own economical interests and competitive logic. In this way, the problem of overproduction is totally avoided. Hayek also insists on the necessity of an unrestricted economical system, not centralized and free from arbitrary political interferences. This is a basic premise for economical prosperity and also for social and political freedom (Hayek, 1997).

David Held presents economical reliability as founded on two major conditions: a historical one, based on the separate development, inside European modernity, of economy from politics, and a political one, centered on ideological and axiological consent. The first condition is about the development of modern capitalism without the arbitrary intrusions of politics (the monarchs preferred to cooperate with the great merchants and to tax them rather than trying to control them, an action without many chances of success or profitability). The second condition emphasizes the need for a “cosmopolite democracy”, meaning a congruence of values, practices and institutions which must underlie the political systems of states wishing for a prosperous economical and social environment (Held, 2000, pp. 283-314).

10. JOHN MAYNARD KEYNES AND THE CONTRACTIONS OF MODERN CAPITALISM. POLITICS SUPPORTING ECONOMY

Still, other authors are circumspect regarding total freedom for economical markets. John Maynard Keynes can be included in this category. He ascribes a constructive role to the state in the process of periodically revitalizing the economy. As a matter of fact, Keynes was the main architect of the New Deal policy initiated by the American president Franklin Delano Roosevelt after the Great Crisis from 1928.

How do crises appear in the modern economy? Until the XIX century, economization was another term for moderation, a much appreciated virtue in the contemporary conservative society. Anyway, this virtue was afforded only by aristocrats and the upper layer of the merchant class, the categories placed at the basis of the social
hierarchy being too poor to successfully save large amounts of money. In this way, the transformation of the accumulated capital in production means for the investments, which generated at their turns new incomes, represented a process totally controlled by the classes from the head of the economical pyramid, thus the emergence of economical crisis being almost impossible. However, after the second half of the XIX’th century, the European economy becomes more ample and more institutionalized and the possibility of economizations and investments did no longer represent the exclusive appanage of the elites, different social layers benefiting now from the economic growth and from the possibility of making economizations or investments on their turn. In this point, when economizations drift away from the investments – the relation between them being no longer under any elite’s control – the economical crises emerge (Heilbroner, 2005, p. 304).

The vitality of an economy resides in the incomes that are being produced and in ensuring a constant flux of those incomes inside the society. Ideally speaking, the consumers should give back to the economic flux all the money they earn, because only in this way the banks or other creditors can gather the necessary sums for investments, which, on the medium and long term, will raise the incomes and the living standard. When too much economization is being accumulated, it means that the spending becomes smaller than the incomes, the investment funds drop, and the relation between economy and society becomes dysfunctional, which is exactly what happened during the Great Crisis in America. On the other hand, when the economizations are too small and the investments too large, the inflationist danger appears, as a result of monetary devalorization. These fluctuations affect the contemporary capitalism periodically, but, despite this fact, the economic system created by it managed not only to maintain itself, but also to burst with unprecedented velocity in the last decades, albeit Marxist and neo-Marxist prophecies that insisted for over a century on its imminent self-destruction. The fluctuations and contractions of capitalism is the price we pay for a free economy; inside communist states, these mini-crises are absent, because both economizations and investments are planned by the state. But one should not forget that informational and technological capital represents an international good to which planned economies, in their hermetism and cecity, don’t have access to. The efficiency and especially the reliability of these kinds of economies can be calculated only on a short term.

The classical theory of the balance between economizations and investments sustains the rate of interest represents the mechanism trough which economy regulates itself: when the level of economizations is too high, the interests drop and the investments are encouraged; when the economizations are low, the interests grow in order to reestablish the balance between them.

The appliance of this theory in the 1928 economical circumstances didn’t produce the expected effect. This is when the Keynesian theory makes its appearance, fundamentally restructuring the economical thinking. In his work The general theory of employment, interest and money, the British economist invalidates the balance theory arguing that in times of crisis the incomes are not the only ones that disappear, but also the economizations do, because, receiving less money, people will spend all their savings in order to survive. The new problems were the periods of prolonged economical crises, which the balance theory could not deal with. Keynes proved that economy could maintain itself in states of prolonged depression because its internal mechanism remained intact. The flux of incomes didn’t disappeared, it was just considerable diminished. This took place because economy did not respond to the human needs and necessities, but to the effective requests; in this
way, the request-offer mechanism continued to function, even if it did so at a much lower level (Heilbroner, 2005, pp. 310-315).

Keynes’s contribution to the recovery of American interbellic capitalism was enormous. He supported the temporary intervention of the state in economy through gradual doses of capital to encourage investments and restore the economical mechanism’s functionality. In this way, once the investments will be back, the incomes will grow refueling the economizations and the balance is functioning once more.

The proposal Keynes made was seen at that time with distrust, both by economists and capitalists. President Roosevelt believed in it and, albeit both of them were initially accused of socialism, trying to politically regulate a domain – the economical one, where the intervention of the state should be absent or at least marginal – the method was successful and, gradually the American economy was relaunched. It must be insisted on the fact that, in Keynes’s vision, state should intervene in economy only, and only in times of crisis, and to redraw itself once the problem was solved.

Applying this method upon international corporations, we can affirm the benefic role this companies play in the states of the Third World trough the investments program put to work here, but, in the same time, in the developed countries, the multinationals could contribute, trough excessive investments, to the growth of the interests rates, and thus affect the populations’ capacity to invest.

In conclusion, what Keynes did was only to stress out that economy, if it is not sustained and also tamed from time to time by politics, it can generate dystopic behaviors.

11. CAPITALISM AGAINST POLITICAL OPPRESSION

In a work that has became already a classic, the famous economist Albert Hirschman offers motives for the success of the capitalist phenomenon even before its global amplitude. In this way, he assigns capitalism, beside its classical prerogatives like competitiveness which generates material benefits and the capacity to also generate political freedom, an important psychical role for those who took part in this process of capital accumulation and administration and nevertheless a prophylactic role in the field of international politics. Placing himself in opposition with a giant of sociology, Max Weber, who understood capitalism as a product of Calvinist ethics where the duty towards work’s efficiency and the accumulation of capital in order to serve God trough well done work and not to take personal advantages from it were central (Weber, 2003, pp. 116-192), Hirschman offers capitalism the role of an international instrument against arbitrary and despotic governments. Early capitalism was believed to have contributed to the well being and the sanity of its protagonists:

‘Weber and its followers, as most of its critics, were interested in the first place by the psychological processes trough which certain groups of people come to devote themselves exclusively, on rational norms, to the capitalistic accumulation. My own perspective accepts as an established fact that some people had engaged themselves in such activities, and it is concentrated upon the reaction towards the new phenomenon coming from members of what we would call today the intellectual, managerial and administrative elite. The reaction was favorable not only because lucrative activities taken as so were well seen, but because it was believed they have an important side effect: they kept the ones who were busy doing them «away from bad deeds», and, more precisely, they had the gift of imposing constraints to
caprices of the princes, to arbitrary government and adventurous external politics' (Hirschman, 2004, p. 143).

Hirschman’s argument is consistent, but one must not forget that capitalism, based, as Marxists argue, on a permanent run for profit, tends too often to ally itself with less or non-democratic regimes when the benefits of this gesture are lower than its costs. This was the case in fascist regimes, as well as in contemporary African, Latin American or post-Soviet states.

12. REALISM AND MULTINATIONAL CORPORATIONS

In an international environment where states are oriented towards realist behavior, the big corporations are not necessarily advantaged. In relation with the outside world, realists emphasize the role of the state as the undisputed major actor on the international scene and pay little attention to international organizations or companies. Of course, they recognize the existence and the importance of such non-statal actors in world politics, but they do not agree upon the state’s role being challenged by them. Realism argues that states are embedded in an anarchical international environment. International anarchy doesn’t mean chaos and violence, just the absence of a superior decisional authority for states in the outside world. The fact that states are sovereign and independent helps us comprehend anarchy as an inevitable corollary of these etatic characteristics. Realist states understand their priorities and interests as being rather individual than collective and they tend to collaborate with other states mostly within military alliances. Once the danger is over, so is the bind that holds them together. Furthermore, security descends from the power of the state, not from inter-statal cooperation. This situation can reach the point where every state arms itself just to feel safe, not to threaten other state, but this can lead to a chain reaction and generate tensions and even hostility which can result into war. Also, morality has an ambiguous place in realist theories. The international environment is sometimes seen as a “jungle” in which moral principles are useless, if not harmful. Political morality is instrumented in the exclusive interest of the state. Interests are the propelling force of international politics; like lord Palmerston (a British prime-minister at the half of the XIX’th century) used to say, “States have no permanent friends or enemies, just interests.” Realist states can start or be involved in wars, if they consider this an adequate mean to obtain what they wish for.

Neorealist theories concentrated upon the international structure as the key factor in explaining states behavior, and not like classical realists, upon a single state and the power it holds. Peace and prosperity are reachable more from the prism of transnational security than from individual power. The international environment is still anarchical, but, theoretically, there are different types of anarchy: immature ones, characterized by a high level of violence and by the fact that the actors do not recognize each other’s legitimacy, and mature ones, where states are engaged in economical cooperation, the immigration policies are low, certain values are accepted as being commune to all the actors and intergovernmental organization plays a major part in creating a stable and secure world (Buzan, 2000, pp. 180-187). The present anarchy is neither mature nor immature, containing elements from both types of anarchy.
To conclude, a realist world is mostly a hermetical and almost permanently prone to conflicts world, one in which international corporations wouldn’t find a favorable environment for their activities.

13. IDEALISM AND MULTINATIONAL CORPORATIONS

Inside the idealistic theoretical frame (idealism in external politics is the equivalent of liberalism in internal politics; the term, containing the realist condescending labeling of their ideological rivals and domesticated in the relevant International Relations literature, is used in the absence of a better one), the corporatist phenomenon can fruitfully explore its entire potential. Liberals emphasize the role of international cooperation as a vital condition for peace and prosperity. Moreover, other international actors, like INGO (International Non-Governmental Organizations), IGO (Inter-Governmental Organizations) or multinational companies are accepted as very important parts of the international relations frame. A permanent interaction takes place between statal and non-statal actors. In opposition with realism, idealism is very prone to morality, seeing it as a very important part of a constructive and trustful inter-statal relationship. Yes, the international environment is still anarchical, but this is a stage of international relations that can and should be eventually overcome. Through cooperation, empathy and shared values, the international actors can gradually forge an international society in which their interests can benefit from a better representation. Liberal states do not firmly distinguish between their internal and their external politics; the reason they do that is a greater national and international transparency plus the will to facilitate commerce and cultural exchange. Statal actors tend to create international and sometimes, in the EU’s case, supranational communities. By doing so, they renounce a part of their sovereignty, gaining in exchange security and, through intense economical and social interconnections, welfare.

Liberals stress out the rationality, both of international actors and of individuals. Furthermore, individuals and states have convergent interests, and this makes them keen to cooperate. Welfare and profit are the aims of all international actors; tensions, conflicts and wars do not offer any support in achieving those goals, on the contrary, they obstruct the well being and the interests of the actors. In order to achieve political stability and security, the global environment must dispose of strong and capable international organizations.

Idealism offers an excellent frame for multinationals. Peace, stability and cooperation are the main coordinates for a healthy economical environment, the most suitable for transnational and international companies.

14. CONSTRUCTIVISM AND MULTINATIONAL CORPORATIONS

Constructivists stress out that the identity and the interests of the states are in a permanent dynamic, redefining themselves once the context in which they act is being changed. The world of international politics is nothing but a social construction composed of “inter-subjective meanings” and “subjective knowledge” (Toderean in Miroiu, Sebastian, 2006, p. 157). A very important concept in constructivist theories is that of perception. The international anarchy and the international relations are founded on how states and other international actors understand one another, and how they interact based on that understanding. International actors relate to each other through images; each actor has a
specific image of the other actors which guides its behavior whenever it has certain contacts with them. The sense of international politics is also socially constructed, being abstracted from the peremptory interactions of its actors. Different actors have different means of comprehending the unquestionable “material factors” existing in the objective world, and these means are developed through “complex social processes” (Toderean in Miroiu, Sebastian, 2006, loc. cit.).

The language is another key element of constructivism. Through it, realities and senses of the exterior world are built, more exactly, in the international environment. States and other actors should develop a mutual empathy in order to understand one another’s intentions and behaviors better; the lack of understanding is a much too frequent cause for conflict in world politics.

In its extreme forms, constructivism is associated with the theoretical program of the post-modern philosophy. Here, power and knowledge are inextricably connected; every theory and every discourse about it protects and projects certain interests, mainly political. In this way, every form of knowledge is nothing but a fight between different competitive theories and the interests on which these theories are grafted on.

With its protean character and extreme dynamics, I incline to believe that an international constructivist frame is rather ambivalent for multinational corporations, - in the sense that companies construct their own image on a certain international commercial area, and that particular market responds by creating its own perception over the company. However, these perceptions are not stable. The permanent interaction between the international market and the actors that populate it reveals the sense of the modern international economy understood through the constructivist conceptualization. Inside it, the images and ideas economical actors develop about the other is the premise and also the key factor for a continuous adaptation and successful development. To extend the argument further, constructivism is definitely interested, as a preponderantly left-wing orientation, by intellectual and social emancipation, but as a long term process in which actors and structures permanently interact. It is up to those possessing good faith to promote the education for communicative shared values in order to help create a less ‘realist’ world, a violent and unstable political jungle that benefits no one in the end.

15. BEHAVIORISM AND MULTINATIONAL CORPORATIONS

The behaviorist theories emphasize almost deterministically the behavior of the states, trying to extract from them prospective laws. Unlike realists, idealists and constructivists, the followers of this theoretical program sustain that the international environment is not an anarchical, but a hierarchical one, derived from economical power and technological capital owned by each state. Because the states are unequal regarding economy and technological capital, the international frame becomes, through the extrapolation of etatical power inside of it, a tenacious reflection of the capacities and the political importance of its members, the power being vertically, not horizontally distributed inside the international system (Kołodziej, 2007, pp. 281-288, 295-302, 303-315). However, multinational corporations need, in order to function in optical parameters, a horizontal distribution of power, especially globalized and globalizing networks.

To overbid international actors’ behavior, as the only or the main indicator of their intentions, can also harm international companies, because when initiating and stabilizing
firm commercial relations, the accent lies on the intuitive understanding and the axiological options of the interlocutory. To involve in economical and political interactions using the other actor’s behavior as the single barometer can lead to biased anticipations and misunderstandings which could prove regrettable for the protagonists.

CONCLUSIONS

„To be local in a globalized world it is a sign of social inadequation and degradation” (Bauman, 1999, p. 6). The future is open for transnational and international corporations. However, globalization and corporations, which represent their intimate structure and motive power, don’t always have a rational economic behavior, and it depends on the ability of the legitimate political authorities and other social forces to avoid the transformation of international companies into international mafias. The present economic crisis “does not represent of civilization, neither of economy itself, but a consequence of the lack of social responsibility of corporations, of governmental decisions and of the evolution of markets” (Basarabă, Stan, 2009, p.148). International corporations are to be blamed in a great extent for the present economic state of affairs, but, undoubtedly, they are also the main driving force of overcoming the crisis. After all, there is a delicate balance between economic stability and economic competitiveness at the international level: all what international actors can do is try not to radically unbalance it. Unfortunately, in the case of global capitalism, disproportions between economic stability and economic competitiveness represent rather a rule than an exception.

Can we talk about international society today, one in which multinationals would prosper along the other international actors? Hedley Bull ensures us that its feasibility is progressively growing. An international society is based on axiological and economical consent and, very important, on common political institutions. If we apply these conditions to the international environment, we can observe that the idea of society is a constant presence, despite the numerous sinuosities it encountered throughout the entire modern history (Bull, 1998, pp. 22-48).

International or not,

‘every society learns to survive with a certain degree of dysfunctional or deviant behavior, but, in order for the last ones, through their cumulated effects, to not be able to reach a general decay, the society must be capable of directing its interior forces, which will make more and more irresolute social actors to return to the demanded behavior in order for that society to function properly’ (Hirschman, 1999, p. 33).

After all, we can affirm the prosperity and efficiency of multinational corporations as being substantially conditioned by political or economical international ideologies; actually, on the international level, the distinction between economy and politics is hard to identify, the two dimensions being rather complementary than separate. The capitalism-liberalism mélange is, for now, the most favorable for international commerce, but one must take into account that the ascension of this economical-political binominal, uncircumscribed rationally and unbalanced by the activity of states, international syndicates and of what is beginning to be called the international civil society, could lead (and sometimes really leads) exactly to the opposite of the values it postulates.
The axiological dimension of liberalism, and also its economical one, capitalism, are best contained inside democratic political regimes. In the international environment, rivalry tends to be often stronger than values like democracy, human rights, equality or freedom. Like Martin Wight, we can agree that „while in internal politics, the struggle for power is governed and circumscribed to the laws and institutions, in external politics the laws and the institutions are circumscribed to the struggle for power” (Wight, 1998, p. 13). The international environment is not so cooperative and peaceful as many of us would like it to be, even if „the element of society”, to once again quote Hedley Bull, has became a constant dimension of international relations starting with the modern period; anarchy, competitive and sometimes voracious behavior, based on pure, cynical interest and characterized by amorality – these are also constant components of international relations, appearing together with the first pre-statal and statal formations the world has ever known. I incline to believe also that the last international and national features have a constitutive share on international relations, while „the element of society” has only a regulative one. It’s true that starting with the great geographical discoveries, the ascension of modernity and the appearance of new and integrative economical forms – all of these led somehow to the rationalization of states behavior in order to maximize the benefits resulted from such behavior. But one must never forget that human nature, states behavior and the international system find themselves most of the times in a profound dissonance, which leads to opposite and unpredictable, often conflicting behaviors (Waltz, 2001). However, one should not forget that a world saturated by politics is a world that no one really benefits in the end; this is why realism, even if we must recognize its cultural and empirical power, should always be balanced by social measures and an education for universal values, by critical attitudes that could eventually prevent it to become a dogmatic, empty shell. Like Leszek Kolakowski argues, we can understand the world trough a permanent struggle between a given structure and the need for progress. The two are interdependent and the exacerbation of one leads to the disintegration of the other. In this way, everyone loses, but a perfect equilibrium between the two is impossible to find (Kolakowski, 2007). Here lies the dilemma of the modern world.

Francis Fukuyama, in a well known work, expresses his susceptibility regarding the capability of democracy to be more economically prosperous than an authoritarian regime. He reasons that even democracy is considered to be the most complex mediator inside the texture of dissonant interests generated by a modern economy, there are eruptive cleavages, like interethnic conflicts, which democracies cannot properly handle. Furthermore, even if generally the totalitarian and authoritarian regimes are outrun by technological progress which restructures the society, a society they no longer understand and no longer can control, Lenin’s revolution had also a strong innovative dimension from an industrial point of view: until the late ‘30’s USSR became a highly industrialized country. More than that, an authoritarian regime can dispose of numerous extra-funds to consolidate economic growth, by drastically reducing the budget assigned to social assistance, education, and so on. Fukuyama, even if he eludes the social and moral costs of the industrialization that followed the Russian revolution in order to sustain its argument, - conveniently forgets that Russia was not a democracy before 1917. At last, even if sustainable economic growth leads to the appearance, in time, of a new societal category, the bourgeoisie, which will become aware of its political rights and, as a consequence, claim them, Fukuyama argues that there is not an inextricable bound between economical prosperity and democracy, and the middle
class can be gradually „educated” to appreciate more economic stability and safety than economical freedom and the risks that accompany it (Fukuyama, 200, pp. 112-125).

With all these arguments, and even if on short term the authoritarian regimes can prove to be more efficient than the democratic ones, on long term they become dysfunctional and usually are either replaced by more or less violent means, either they renounce their ideology and adopt the mechanisms of market economy. And an international environment founded on authoritarian and/or totalitarian regimes would be very unlikely to create a functional global economy, so much less to facilitate the development of multinational companies.

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