

# **Companies without Borders: Transnational Corporations in the 1990s**

Published by International Thomson  
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## **Companies Without Borders**

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# Companies Without Borders

This collection presents a selection of key articles on transnational corporations which had previously appeared in UNCTAD-DTCI's journal *Transnational Corporations*. As well as looking closely at the current global context and developments in current international business theory, articles cover:

- the changing relationship between transnational corporations and governments;
- foreign direct investment and international migration;
- the promotion of transnational investment;
- foreign direct investment and economic development;
- trade and foreign direct investment policies;
- the North American Free Trade Agreement and foreign direct investment;
- East-Asian investment and trade.

Making available state-of-the-art research from leading thinkers in international business this collection will be invaluable for students and researchers of the subject.

Contributors: Manuel R. Agosin, Geoffrey Bannister, John H. Dunning, Persephone Economou, Michael Gestrin, John M. Kline, Carl H. McMillan, Padma Mallampally, Charles-Albert Michalet, Maurice Odle, Sylvia Ostry, Terutomo Ozawa, Francisco J. Prieto, Carlos A. Primo Braga, Alan M. Rugman, Karl P. Sauvant, John M. Stopford and Raymond Vernon.

*Transnational Corporations* is a refereed journal published three times a year by the UNCTAD Division on Transnational Corporations and Investment. In the past, the Programme on Transnational Corporations was carried out by the United Nations Centre on Transnational Corporations (1975–1992) and by the Transnational Corporations and Management Division of the United Nations Department of Economic and Social Development (1992–1993). The basic objective of this journal is to publish articles that provide insights into the economic, legal, social and cultural impacts of transnational corporations in an increasingly global economy and the policy implications that arise therefrom. It focuses especially on political–economy issues related to transnational corporations. In addition to articles, *Transnational Corporations* features book reviews. The journal welcomes contributions from the academic community, policy makers and staff members of research institutions and international organizations. Manuscripts can be submitted to the editor, Karl P. Sauvant, or to the associate editors, Fiorina Mugione and Persephone Economou.

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# Note

The UNCTAD Division on Transnational Corporations and Investment serves as the focal point within the United Nations Secretariat for all matters related to transnational corporations. In the past, the Programme on Transnational Corporations was carried out by the United Nations Centre on Transnational Corporations (1975–1992) and the Transnational Corporations and Management Division of the United Nations Department of Economic and Social Development (1992–1993). In 1993, the Programme was transferred to the United Nations Conference on Trade and Development. The objectives of the work programme include to further the understanding of the nature of transnational corporations and of their economic, legal, political and social effects on home and host countries and in international relations, particularly between developed and developing countries; to secure effective international arrangements aimed at enhancing the contribution of transnational corporations to national development and world economic growth; and to strengthen the negotiating capacity of host countries, in particular developing countries, in their dealings with transnational corporations.

The term ‘country’ as used in this publication also refers, as appropriate, to territories or areas; the designations employed and the presentation of the material do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. In addition, the designations of country groups are intended solely for statistical or analytical convenience and do not necessarily express a judgement about the stage of development reached by a particular country or area in the development process.

Mention of any firm name, experience or policies does not imply the endorsement of the United Nations.



The following symbols have been used in the tables:

- Two dots (..) indicate that data are not available or are not separately reported. Rows in tables have been omitted in those cases where no data are available for any of the elements in the row.
- A dash (–) indicates that the item is equal to zero or its value is negligible.
- A blank in a table indicates that the item is not applicable.
- A slash (/) between dates representing years, e.g. 1988/89, indicates a financial year.
- Use of a dash (–) between dates representing years, e.g. 1985–1989, signifies the full period involved, including the beginning and end years.

In addition

- Reference to 'dollars' (\$) means United States dollars, unless otherwise indicated.
- Annual rates of growth or change, unless otherwise stated, refer to annual compound rates.
- Details and percentages in tables do not necessarily add to totals because of rounding.
- The material contained in this study may be freely quoted with appropriate acknowledgement.

The views expressed here are those of the authors and do not necessarily represent those of the United Nations.

# Preface

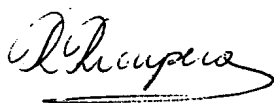
In today's world economy, the market system is widely accepted as the principal mechanism governing economic transactions. This requires paying closer attention to the actors interacting in that system and the implications of their actions. Increasingly, those actors are privately owned firms, a great number of which are transnational corporations. Over the past twenty years, considerable progress has been made in understanding the behaviour of these corporations and its implications for economic development. Today's world economy, however, raises new challenges and opportunities for both governments and transnational corporations and provides a new background against which the contribution of these corporations to economic development can be maximized.

To shed new light on these developments, the Division on Transnational Corporations and Investment of the United Nations Conference on Trade and Development – the focal point within the United Nations system for all matters related to foreign direct investment and transnational corporations – has brought together in this publication, entitled *Companies Without Borders: Transnational Corporations in the 1990s*, a collection of articles previously published in *Transnational Corporations*, the refereed, triennial journal of the Division. In addition to those articles published in a celebrational issue of that journal on the occasion of the twentieth anniversary of the then Commission on Transnational Corporations, the book contains other notable contributions already published in *Transnational Corporations*.

The chapters of Part I highlight the changes in the international economic system and the role of transnational corporations as lead actors in that transformation. Against this background, the chapters of Part II focus on the role of transnational corporations in salient features of today's world economy – privatization, regional integra-

tion, migration and the transition from a centrally planned to a market-based economic system. With the recognition of the positive contribution of transnational corporations for growth and development, the chapters in Part III look at the redefined role of governments in aiding the conduct of international business transactions by private firms and the issues arising from a growing policy interdependence.

The volume was prepared by Karl P. Sauvant, Persephone Economou and Fiorina Mugione.



Rubens Ricupero  
*Secretary-General*

*United Nations Conference on Trade and Development  
Geneva, November 1995*

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# Part I