Transnational corporations in twenty-first century capitalism
An interview with Grazia Ietto-Gillies

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Abstract
Purpose – The purpose of this paper is to discuss economic and social issues of contemporary capitalism through the views and works of Grazia Ietto-Gillies who has a long experience of research in these fields. The issues relate to strategies of TNCs, to globalization and transnationalization, to internationalization indices, to linkages between innovation and internationalization, to uneven development, and, finally, to issues related to the economics profession and the dissemination of research in the twenty-first century.

Design/methodology/approach – In-depth interview; use of relevant literature to support statements by interviewer and interviewee; qualitative analysis of issues discussed.

Findings – The article links together under the same theoretical umbrella the following issues: a theory of TNCs based on strategic approach towards labour, governments and suppliers; the development of an internationalization index based on the geography of TNCs' networks; and the possible impact of internationalization on innovation. Uneven development is linked to current problems in Europe. The need and opportunity to reconsider the economics profession and the peer review system in the digitalization era is presented.

Research limitations/implications – The article is based on the views of the interviewer and the interviewee. Their views are backed by their own previous research as well as by research by other scholars cited in the article.

Practical implications – The interview draws policy implication in relation to TNCs and other actors who interact with them such as labour and governments. There are also policy implications in the economic and social spheres regarding the implications of TNCs' strategies and the aftermath of the 2007/2008 crisis.

Originality/value – At the methodological level the article highlights the advantages of in-depth interviews. Specifically, it allows the interviewee to give an overall perspective on her research and to show how the various strands are connected and how they developed through the decades of her research. It allows both interviewer and interviewee to link the issues to a variety of literatures in the economics, sociology and politics fields.

Keywords Globalization, Transnational corporations, Internationalization indices, Peer review systems, Uneven development, World Economic Association

Paper type Viewpoint

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Introduction

The last few decades have seen a very large amount of literature on the internationalization of capitalism and on one of its main actors, the so-called multinational or transnational corporation (MNC or TNC). The study of TNCs has been the subject of research by economists and sociologists. One research group that has taken a deep interest in it is the international business (IB) community: a worldwide, multi- and interdisciplinary group of researchers and teachers. Grazia Ietto-Gillies (GIG) is part of the IB community to which she contributes as a political economist. She has written extensively on TNCs and related topics. Within the IB community, she is one of the few to have consistently taken a progressive perspective in her writings and she has been associated with CPoIB from the birth of the journal.

She has published many articles in leading academic journals and is the author of the worldwide successful book Transnational Corporations and International Production: Concepts, Theories and Effects (Ietto-Gillies, 2012a); this second edition is published by Edward Elgar, and in Japanese by Dobunkan Shuppan; the first edition, in 2005, was published both by Elgar in English and by Carocci in Italian. Her other authored books include Transnational Corporations: Fragmentation amidst Integration (2002). She is also the co-editor of European Integration and Global Corporate Strategies (2000) and The Growth of Global Business (1993; second edition 2013).

Some of her key research includes:

4. Her thesis (Ietto-Gillies, 2002, ch. 9), through Keynes' theory of *causa causans*, that the liberalization and privatization policies of states have not been the essential ingredient of the globalization process and that they can, therefore, be reversed. Rather that the key elements of globalization must be sought in technological and organizational innovations[1].
5. Technological innovation has also been one of the starting points for her critique of research evaluation systems and specifically the peer review system (Ietto-Gillies, 2008, 2012b, c).

Her work on (5) has led to her involvement in alternative, transparent, more open and more socially interactive ways of research evaluation and thus to her involvement in the founding of the World Economics Associations (WEA).

In the interview below, I elicit her views on transnational corporations (TNCs), their relation to the ongoing economic crises, and how she sees these phenomena in relation to societal and historical transformations and on some of the themes that have appeared throughout her decades of research. I press her on the conceptualization of internationalization and transnationalization and the connection of her approach to Marxian political economy. The interview touches also on wider issues of changes in research and in the relationship between researchers in the twenty-first century. Writing on the 10th anniversary of the journal CPoIB the interview also reflects on the development of critical thinking on international business and economics in general.
over the past decades and on how to look forward to future areas of research for critical thinkers in the field.

Interview

JS (Question 1)
I would like to start this interview with you providing a brief overview of your theory of transnational corporations and international production.

GIG
In the late 1970s and the 1980s I became interested in transnational corporations and their impact on the British economy. The interest may have had its origin in the fact that I had moved to Britain from Italy, a country where the activities of TNCs – domestic or foreign – were few and the economy was dominated by small and medium-sized companies. I started reading both academic works as well as the general press. I soon realized that there was a disconnection between the two. Most media concentrated on issues related to conflicts between TNCs and labour. This was an area which the academics seemed to ignore. I wanted to delve more into it and started thinking how multi- and transnationality affected the TNCs’ conflict with labour and possibly their strategies towards labour. This problem became the seed of my theory which sees the nation-state as a key element in the strategies of TNCs and therefore as the reason why we need specific theories of the TNC over and above theories of the firm.

The theory[2] starts by characterizing nation-states by their regulatory regimes in terms of the sets of rules and regulations regarding:

- labour and social security systems;
- fiscal systems;
- currencies;
- industrial policies including incentives to businesses; and
- environmental and safety standards.

The differences in these regulation regimes allow companies that can truly organize, manage and control their operations transnationally to develop strategies that exploit these differences to their benefit. Their transnationality puts them in a position of advantage towards actors – with whom they interact – who are not able to operate transnationally, or not to the same extent. Such actors include: labour; governments of national and regional states; suppliers. Moreover, their international operations allow them to build up also advantages in terms of risk spreading and of acquisition of knowledge from the various localities in which they operate.

The TNCs’ strategies of location of production result in a strategy of fragmentation of labour by national geographies. Moreover, in the last 30 years there have also been strategies of organizational labour fragmentation. Outsourcing strategies lead to labour working for a variety of companies rather than a single one; this organizational fragmentation weakens its bargaining power. Outsourcing can take the international route via offshoring strategies. The organizational fragmentation of labour can, in this case, combine with geographical (by nation-state) fragmentation.

Thus a full study and understanding of TNCs require them to be placed in the context of nation-states. Moreover, it requires their analysis to be made in terms of
strategic rather than efficiency/equilibrium behavior. Strategic behavior has, at times, been considered in the literature on firms and TNCs. But it is usually in the context of strategies towards rival firms[3]. These are certainly very important. However, it is worth stressing also advantages towards other players in the economic system from labour to governments to suppliers. Advantages towards any of those will result in higher profits and thus in advantages also towards rivals.

JS (Question 2)
Some years ago you developed an index (the Network Spread index, NSi) that looks at the degree of internationalization of corporations through the number of countries in which a company has direct business activities (Transnational Corporations, Jettó-Gillies, 1998, 2009). Is there a connection between this approach to indices and your theory of transnational corporations?

GIG
Yes, there is a connection. Indices are usually developed to give us a statistical measure of characteristics that we see as relevant for comparisons across companies, industries, countries and/or across time. Ultimately they may be useful for policy decisions at the micro, meso or macro levels. Whether we openly acknowledge it or not, the development of indices is guided by the underlying theory we have. So is my NSi. In my theory (see Question 1) I claim that there are advantages in operating in and across several countries. This means that I consider relevant the dimension of geographical – by nation states – spread of a TNC’s activities. The relevance is in relation to a variety of actors and issues as mentioned above.

JS (Question 3)
In trying to characterize the process of internationalization several approaches have been developed. UNCTAD has looked – in various World Investment Reports[4] – at the share of foreign activities in the total of a TNC’s activities. Others have looked, for example, at the domicile of corporations or nationality of corporate boards or board interlocks, to make various claims about the national, international, multinational, or transnational nature of corporations and capitalists (Ruigrok and van Tulder, 1995; Carroll, 2010; Staples, 2006, 2007). This information is very useful, but have not scholars also drawn out macro theoretical claims based on limited data sets or one single aspect of the phenomenon that undergirds global capitalism? Do we not need to be careful in using one set of data (such as on boards or domiciles) in constructing a one-track theory of global capital? Calling for a more nuanced research agenda for understanding the novelty of global capitalism alongside the deep social changes that are taking place, political economist William I. Robinson, for instance, has argued that we must take into account the numerous mechanisms and processes:

[...] that cross-penetrate and transnationalize capitals, such as: flows of foreign direct investment; cross-border mergers and acquisitions; the spread of stock markets around the world; the increasing transnational ownership of capital shares; the spread of TNC affiliates; new forms of organizing and aggregating capitals that lend themselves to transnationalization, i.e. the panopoly of secondary derivative markets and of mechanisms for securitizing, bundling and managing capitals from across the globe, such as mutual and hedge funds and holding companies (and in particular the role of giant global financial conglomerates in drawing in
individual and institutional investors from around the world as they circulate unfathomable amounts of capital into productive, commercial and service circuits; vast global networks of outsourcing, subcontracting, strategic alliances and joint ventures of all sorts, the global integration of national financial systems, and so on (Robinson, 2012, p. 8).

Does it not appear that a much greater amount of research needs to be done?

**GIG**

Yes, internationalization is a multi-dimensional concept and this makes its analysis and its measurement very complex. In terms of dimensions, which are relevant for its measurement, I see the following (see also Dorrenbächer (2000):

- The home versus foreign dimension which is the one on which the UNCTAD index of multinationality concentrate.
- The number and variety ofographies and nation-states in which the TNC's activities spread. This is what my Network Spread index tried to capture. Other scholars concentrate on the region as the main locus of TNCs' activities (Rugman and Oh, 2010).
- Then there is the dimension related to the type of foreign activities we concentrate on: such as assets or sales or employment. The UNCTAD multi-variables index considers all these three variables and takes the averages to arrive at its final index.
- There is the dimension of the organizational structure that the company has in place for dealing with its international activities. This involves analysis of external and internal networks with suppliers, contractors or distributors and customers. In terms of internal networks the degree of decentralization of the organizational structure may have a bearing on how independent the subsidiaries are.

In other words, the problem is complex, but as a researcher, I would say the following. First, there is not necessarily a right or wrong approach. It depends on what the researcher is trying to do. I developed the NSI as a byproduct of my theory that operating in a large number of countries gives advantages to the corporation. Other aims and contexts may call for a different type of measurement. Second, though we know that there are many dimensions and variables and types of interaction in the real world of TNCs, trying to take account of them all together will just lead us into a complicated blind alley in which we shall not see the tree within the forest. Researchers necessarily have to select and concentrate on what – on the basis of their theories and their declared purposes – they consider the most important elements. They must then interpret their results bearing in mind the limitations of their indices.

**JS (Question 4)**

A running theme in your work has been your interest in innovation and its link to internationalization and in particular to TNCs. How important is the diffusion of innovation and of various other socio-economic processes through subcontractors and companies operating different branches around the world? For example, subcontractor relationships or joint ventures have served as important channels through which domestically oriented and smaller capitalists have linked into circuits of global capital accumulation. We can see then many important mechanisms for class integration, for example, from the variety of diverse collaborative arrangements and interfirm
partnerships. What are your arguments for the relationship between internationalization and innovation and for other integrative processes?

GIG
The collaborative work (with Marion Frenz and also, more recently, with Andrea Filippetti) (Frenz and Jetto-Gillies, 2007, 2009; Filippetti et al., 2011, 2013) on innovation and internationalization takes the starting point from the evolutionary theory of the TNC (Cantwell, 1989) in which firms generate their own competitive advantages via innovation activities. Operating in many countries allows units of the company to learn from the local environment. Each unit incorporates the acquired knowledge and also spreads it to other units of the company via its internal networks, i.e. the network of subsidiaries in all the countries in which the TNC operates. Moreover, each subsidiary is involved in external networks within the local environment, i.e. in business contacts with suppliers, customers, distributors, local universities etc. These external networks help the subsidiary in its learning process and in the acquisition of local knowledge. The locality may also benefit as some knowledge from the subsidiary – and therefore from the TNC – spills over to the local community. The extent to which these processes operate depends on a variety of elements and in particular:

• On the degree of decentralization of the organizational structure of the company; a decentralized structure allows the subsidiary greater interaction with the local actors and thus the possibility of more acquisition of knowledge from the locality as well as more spill over of knowledge to the local context (Forsgren et al. 2005; Ghoshal and Nohria, 1997).

• The extent of such spillover will also depend on the degree of embeddedness of the subsidiary into the locality. At the industry and country levels the capture of spillovers depends on the absorptive capacity of firms, industries and countries. Ultimately, operating in many countries helps the acquisition and spread of knowledge; it helps the company as a whole; it may also help the localities and countries in which TNCs operate.

The diffusion of knowledge will help large TNCs; it may also help other actors in the various countries in which the TNCs operate. You raise a connected question: the impact of these interlinkages to class integration. This relates to what we discussed in Question 1. My view is that, currently, labour is fragmented across nation-states lines. However, in the longer run I am more optimistic. The new technologies and related social media as well as the awareness of what technology and knowledge can achieve are gradually moving us towards more integration at the level of labour and class.

JS (Question 5)
How do you identify the differences between national corporations, international corporations, multinational corporations, and transnational corporations? Some literature – particularly on the sociology and political economy side – makes a sharp difference between international and transnational. I would argue that whereas international processes occur across borders, transnational processes, in addition to this, occur through functional integration. These processes can occur through various subjective and objective ways, and of course are not just limited to economic interaction. In the IB literature, the distinction between international and transnational is not so clear-cut. What are your thoughts on this?
I see national corporations – sometimes referred to as unnational corporations – as those that operate in a single country within which they may have one single business unit or several branches. The other adjectives identify companies that operate in more than one country. In the IB literature, the terminology is used more or less interchangeably. However, I prefer to use the term transnational corporation[5] because it better reflects the fact that most of these corporations operate across nation states and not just in several of them. In other words, the term transnational expresses better the fact that these corporations can plan, organize and control activities across several countries. They have organizational structures as well as the necessary communication technologies that allow them to do so. It is this feature that gives them specific advantages when they deal with actors who cannot operate and coordinate so effectively across national frontiers such as labour or even governments. This feature is essential to my theory of the TNCs mainly in terms of differences – and therefore bargaining power – between actors that can manage and plan across borders – the TNCs – and actors who cannot or not yet, such as labour, governments or suppliers. The issue of organizational structure of corporations and of the degree of functional integration across countries is, therefore, very important as you point out. It is linked to the ability of the company to control its operations across the world as I discuss in Jetto-Gillies (2012a, ch. 1). This is why I tend to use the adjective transnational. However, you are right, like many IB authors I tend to use the terms interchangeably and this may create confusion. I sometimes justify my lack of consistency with the fact that when I refer to other authors I have to use their terminology, but this excuse applies only part of the time.

JS (Question 6)
I have the feeling that scholars in the IB field could, fruitfully, consider the work on transnationality being done by sociologists and political economists. Not only could this enliven thinking on social and class relations in the field, but it could also improve our understanding of institutional dynamics. For example, IB studies on TNCs and the state or on TNCs and law (such as De Jonge, 2011) could take into account works looking at the emergent transnationality of many state apparatuses and the technocratic state elites operating through them (Jayasuriya, 1999, Robinson, 2001, 2004, 2010; Sprague, 2010, 2012). While taking up a different approach, Faulconbridge (2010) has similarly suggested more cross-pollination between the fields. What multidisciplinary research do you find useful and what are your views on these issues?

GIG
I agree with you that multi- and inter-disciplinarity does help to understand economic and business problems. This is what I like about the IB community: the fact that it is a community of researchers from a variety of fields from management and organization to economics to marketing to accounting to sociology and, increasingly, to political science. There is much research in IB into the sociology of organizations and on how they operate and the effects of different organizational structures. Kogut and Zander’s (1993) evolutionary theory of the TNC is, to a large extent, sociological in that it examines how knowledge is socially developed and shared within organizations. The link between organizational structure and knowledge transmission is analysed in Hedlund (1986), Bartlett and Ghoshal (1989), Hedlund and Rolander (1990), and Gupta and Govindarajan (2000). In my work (with Frenz and, more recently, also with Filippetti (Frenz and Jetto-Gillies, 2007, 2009; Filippetti et al., 2011, 2013)) on the links
between innovation and internationalization I take the starting point from these authors. My view of determinants of international production starts from what could be seen as a sociological point: the control and power of TNCs vis-à-vis labour. The work of a sociologist (Zetlin, 1974) was relevant to this development. Could we interact more with other disciplines? Yes; not only we could, I would say we should. I am very keen that economics should not be an ivory tower and in developing the World Economics Association (see Question 11) we made sure to call on researchers from other disciplines – such as sociology and politics – to join us.

JS (Question 7)
Some in the IB field have pointed out the disconnection between global production and consumption, where the “lack of social relations and understanding excludes any meaningful interaction of those in the zone of consumption with those in the zone of production” (Cairns, 2005, p. 51). You have also written (Jetto-Gillies, 2010) on the disconnection between production and consumption in the global capitalist economy (and in relation to the financial/economic crisis). This disconnection between production and consumption leads us back to Marx’s theory of alienation. He argued that through capitalism a systematic estrangement of labour was taking place, where workers’ labour was increasingly coerced. Alienated from the immediate necessities of one’s life, one’s labour now belonged to another under capitalism. This reification of all human relations, as Marx argued, begins with the alienation of the factory worker, but then spreads outward to the whole capitalist society, infecting all human relations, even the most intimate (Marx, 1992, pp. 165-166). How do you see such phenomenon as occurring today through the globalization of capitalism? Can you elucidate on this?

GIG
I see two types of disconnection: at the micro and macro levels. At the micro level, there are two new elements of disconnection that should be added to the Marxian concept of alienation. The globalization process now means that in many cases the workers are unable to see, conceive or experience the final product of their labours or find out what it looks like and what sort of people can buy it. This is because the international vertical integration of production has led to the disintegration of the production process with various components and stages of the value chain now located in different countries[6]. The workers and their families may occasionally see the products of their labour on a TV screen and be encouraged to buy them. These products are presented to them as far-away, dream objects and yet the very same workers may have contributed to produce them.

At the macro level, there is a disconnection between the potential of economic systems which is currently very high – because of new technologies as well as advances in sciences and in education – and the reality of daily life for the majority of people all over the world. For them living standards have fallen, unemployment has risen and a whole generation of young people is becoming lost to society: in most advanced countries this is the first generation for over a century to be worse off than their parents. This sad state of affairs is linked to another disconnection at the macro level: the one between aggregate demand, aggregate supply/capacity and distribution. The origin of the imbalance between these three fundamentals of the macro economy I see as rooted in the stagnationist tendency of advanced capitalist economies (Jetto-Gillies, 2010). Lack of profitable investment opportunities in the real sector coupled with the generation of large surpluses leads to the search for opportunities in the financial sector. The latter opportunities are artificially created via a variety of new
products and they are – on the whole – much more profitable than investment in the real sector. One of the effects of the change in the structure of the economy away from the real sector has been to contribute to the shift in income and wealth distribution in favor of the rich. The maldistribution of income and wealth of the last three decades – now further exacerbated by the current austerity policies – leaves demand far below the potential supply creating a vicious downward spiral.

JS (Question 8)
In your latest book (Part II) as well as in some of your earlier work you mention early twentieth century Marxian political economy, including Lenin’s writings on international monopoly capitalism. You also discuss in Part III the more Marxist works of Stephen Hymer (1971, 1972, 1976, 1979). Connected with this, I want to ask you about your thoughts on the historical materialist conception of combined and uneven development. Traditionally this was used to describe the combined and uneven development of nation states and their socio-economic development with the expansion of world capitalism. Today with globalizing circuits of production and finance do we need a new understanding of combined and uneven development? Many political economists have long observed what is known as agglomeration dynamics, or the tendency for capital to concentrate in particular built environments. But does this require that these spaces must be nation-state spaces? Geographer Peter Dicken (2011) has argued for instance that to escape our traditional understanding of national states as boxes through which development occurs, we can think “in terms of production circuits and networks” that “cut through, and across, all geographical scales, including the bounded territory of the state” (Dicken, 2011, p. 13).

Do you think that, in the light of all this, we need to rethink the theory of “combined and uneven development”? Even as state apparatuses remain vital to the reproduction of capital, do we not need to rethink our understanding of the nation-state and its role in development?

GIG
The issue of uneven development has been addressed by several Marxist writers in the decades after the Second World War[7]. It is a theme partly forgotten in the decades of neo-liberalism but I think that it is now as relevant as ever. So is the role of the state in development. South Korea and other Asian Tigers (Chang, 2006) are witnesses to the positive role of a pro-active state in development[8].

However, currently we are experiencing negative patterns: austerity policies may be un-developing some countries. In the Euro area we are moving more and more towards a two tier-two speed Europe: the peripheral countries – Greece, Italy, Spain, Portugal and Ireland - are un-developing. I here use the adjective “peripheral” to convey three meanings: the geography of these countries within Europe; their stagnating economies and their marginalization in terms of power to develop policies at the European level. The lack of a central bank as champion and support of each member country is preventing many European countries from growing by removing key policy instruments from them. This is why having institutions that intervene to support development and growth helps. The Euro zone countries have been deprived of key policy instruments while European institutions are forcing counterproductive policies. These are the austerity policies that are increasing the economic gap within Europe and its uneven development while creating further opportunities for international speculators in bonds. We need to move towards a more integrated and democratic
Europe where the interests of common citizens in all countries have a better chance than the interests of financiers and rentiers.

Anecdotally, I can report consequences of this un-developing process. When I moved to London it was quite common to be served in restaurants by Spanish or Italian waiters. They disappeared in the next decades as their countries developed and created job opportunities. In the last couple of years, I have seen a return to London of waiters from southern Europe, but with a twist: they are often graduates.

The remarks above emphasize the relevance of state institutions and their policies for development and growth. However, spatial issues also matter in a variety of ways and specifically because of transport costs and because of agglomeration economies. The latter economies can be internal to the firm, due to economies of scale. They can also be external economies accruing to the industry as a whole, the Marshallian type of economies. Agglomeration economies have always been a popular theme with geographers; in the last two decades it has become fashionable also among economists following the New Trade Theory literature (see in particular Krugman, 1985, 1991, 1998). In summary, I think that issues of spatial geography are very important for growth and development. But so are non-spatial issues specifically those related to nation-states, their regulatory regimes and their policies as well as their interaction with TNCs’ strategies (see Question 1).

JS (Question 9)
Alongside the shift from national/international economics to global/transnational economics, how do you view concomitant changes occurring among today’s social forces? Some have argued, for example, that dominant groups in many countries are in the process of “abandoning national programs of economic development and social solidarity in favour of international competitiveness and transnational engagement.” (Hoogvelt, 2001, p. 162) Are we seeing a remaking or contortion of the old class compromises that came about during the twentieth century, as the accumulation of capital has shifted from national and international processes toward transnational/global processes? How do you view these changes in connection to different social groups and classes?

GIG
Some elites are closely linked to national interests arising from their links to uni-national businesses or to spatially and culturally circumscribed professions such as the work of many lawyers. Regarding the transnationally-oriented elites I can see that some groups have interests across several countries. However, I think that, on the whole, they also want to be – and be seen to be – very close to specific countries where they can get special treatment as well as legal protection. The specific countries are likely to include also their country of origin. But this is not the only country. They use their economic position and clout to strengthen their ties and claims in the specific country(ies) and exercise influence to secure special treatment. I am here thinking, for example, of the media magnate Rupert Murdoch – an Australian. His business empire has a strong base in Britain where he exercises huge influence, which has led successive governments of the right and left to take actions beneficial to his empire. A similar situation can be found with the Agnelli family, the original founders and owners of FIAT. Their interests are now fully international but they have been able to secure special treatment from successive Italian governments in a way that they might not have been able to achieve
from governments of other countries. Transnational elites, yes; but while maintaining strong ties in whichever country gives them special treatment.

I think that the emphasis has always been on the social more than the geographic: whether you were a worker or a shopkeeper or a capitalist has always been more relevant for your position, culture, ideology than whether you were located in Sicily or Tuscany or California or Virginia. What has changed now? Those people whose interests are tied to large transnational capital are more powerful because their position is less geography-bound and because the corporations they are linked to can plan and control across countries. Other groups cannot do that and this puts them in a weaker bargaining position. This is why I see, at the moment, transnational capital leading to a weaker position for labour, small businesses and indeed national governments. It does not have to be always like this; things may change in the future.

*JS* (Question 10)

How would you like to see the research and pedagogy on TNCs develop in the recession and ongoing crisis of global capitalism and in future years?

*GIG*

I would like to see the development of theoretical perspectives with feet on the ground. I mean that issues of strategic behavior, class conflicts, linkages between TNCs and government policies and institutions should be more represented. All this would be helped by a more inter- and multi disciplinary approach to research. Sociology – of work and organizations – politics and management can help economics to better understand and represent the world we live in.

*JS* (Question 11)

Beyond the obvious constraints (such as the way in which our society and academia are structured), what do you see as the most immediate hindrances to building up more critical research on contemporary capitalism? Many commentators think that the new technologies are destroying the old publishing industries. You seem to agree with this in your *Futures* article (letto-Gillies, 2010). Yet you also point out the opportunities given by the new technologies for the development and dissemination of research in terms of more openness, transparency and social interaction in the peer review process. How do you reconcile these elements?

*GIG*

The last three decades have brought profound economic, political and ideological changes. The supremacy of the market and liberalism has emerged as the dominant ideology. Economics has become almost a single paradigm subject. Schools other than the neo-classical one have been marginalized. This has had negative consequences for open debate and thus for the advancement of economic science in general; it has also had disastrous effects on economic policies. The current crisis affects not only the economy but also the economics profession. We need a shake up of the profession and the establishment of a healthy pluralism in the approach to economics.

The digital technologies can help here and this is what makes me positive. It has led to my work for the World Economics Association, WEA (www.worldeconomicsassociation.org), which I helped to develop and for which I have done a good amount of work since its launch in 2011. In some of my recent papers (letto-Gillies, 2008, 2012b, c) I consider the current criticisms and advantages of the
anonymous peer review (PR) system of research evaluation in academic journals. I also analyze its aims and functions and conclude that its main aim – supporting editors in the allocation of limited journal space – is now being superseded: the internet makes space availability a non-problem. However, other functions of the PR system remain relevant though not without problems, such as quality assurance and social interaction among researchers. I come out in favor of an open peer review (OPR) system in which both paper and reviews appear on line and are attributed rather than anonymous. This is the system adopted by the WEA for its journals and conferences. I hope that this new approach will gradually shift the focus of peer review from exclusion – no longer that relevant given the unlimited space on the internet – to social cooperation in research in which the attribution of comments encourages reviewers to put forward their ideas for the further development of a specific research topic. This was my first basis for contributing to the WEA project, the brainchild of Edward Fullbrook. The WEA aims include: plurality of approaches to economics; relevance for the real economy; openness of evaluation; full utilization of digital technologies in the WEA activities; and inclusivity in terms of paradigms, cultures and geographies. The last aim points to analogies between my work in economics/IB and my work for the WEA. I believe that exposure to different cultures, geographies and innovative contexts aids the acquisition and diffusion of knowledge within the TNC and beyond (Question 4). Similarly the critical input to a paper of researchers from a variety of theoretical paradigms, cultures and geographies may help to spot errors or ideological bias and in general may help to further develop the research piece. The activities of the WEA – all online – include three journals and a series of conferences. I am in charge of the latter. The reviewers/commentators of posted papers – whether related to journals or conferences – are asked to sign their reviews which are then posted. The authors are asked to respond to the reviewers’ comments. The WEA has attracted almost 12,000 members from over 150 countries since its launch.

While my involvement with the WEA continues, I am also very keen to continue my collaboration with Critical Perspectives on International Business. This journal has been at the forefront of the support and dissemination of innovative research. The innovative elements I particularly believe in – and common with some of the WEA aims – are the following:

• pluralistic approaches to international business both in the sense of plurality of paradigms/ theories and in the sense of disciplinary plurality; and
• critical analysis which is at the heart of innovative and forward looking research as well as at the basis of the work of this journal.

Notes
1. She argues that it is the technological and organizational innovations that are central (causa causa) to the operations of TNCs as well as other institutions in global capitalism.
2. The most updated and fuller version of the theory is in Jetto-Gillies (2012a: ch. 14).
3. Cowling and Sugden (1987) emphasize conflicts with rivals as well as with labour.
5. See also the analysis in Bartlett and Ghoshal (1989). UNCTAD also uses the adjective transnational. On the reasons for the UNCTAD’s move from the adjective multinational to transnational see Dörrenbächer (2006).

7. A recent paper by Radice (2014, in this issue) considers some of the related controversies and the role of the state.

8. This does not mean that state intervention should be the same everywhere. Adaptation to economic, social and political contexts is very important.

9. Here, I am thinking in particular about emerging transnational class relations that have been researched and discussed by scholars of the “global capitalism school” (see for example: Harris, 2009; Murray and Scott, 2012). Many of these scholars have come together under the umbrella of the Network for Critical Studies of Global Capitalism (NCSGC), which was founded in Prague in 2011. The group has a web site located at: http://netglobalcapitalism.wordpress.com

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Further reading


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