

THE EVOLUTION OF ECONOMIC POWER IN THE AGE OF GLOBALIZATION: THE RISE OF TRANSNATIONAL CORPORATE ELITE NETWORKS

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NOTE: The Flexible Grants for Small Groups application form may have been updated since this proposal was submitted.

Abstract

This project seeks to bring together for the first time a diversity of scholars for a one-day workshop who work on economic power, transnational corporations and elite networks. Despite the global ubiquity of transnational corporations, basic empirical and theoretical questions concerning their nature remain unresolved. How should we study corporate elite networks and how should they change our theoretical understanding of world order? As their operations have expanded across many nations, are they also controlled and owned transnationally, or are they still national corporations with transnational operations? Do they form a transnational corporate elite that is at least partially beyond the reach of any particular nation-state, or are they still a manifestation of national economic power in globalization? And what are the implications of the rise of transnational corporate elite networks on geopolitics, especially American/Western hegemony and the rise of China? Is there increasing integration with China, or do distinct elite power blocs remain? The workshop has two main aims: First, we want to ensure that the participants work towards producing a common theoretical and methodological basis for the analysis of the political economy consequences of the rise of giant transnational corporations worldwide, as well as debating our differences. Second, the meeting should provide the foundation for a long-term collaboration based on the joint publication and the debated working areas of the research, bringing together these scholars from Asia, Europe, North America. We seek a fast follow-up preparation and publication of a special issue that consists of the revised contributions to the workshop – either in the Review of International Political Economy or in New Political Economy.

The Research Idea *The innovative thesis of the project*

Giant transnational corporations (TNCs) have straddled the globe for decades, and are the most visible aspect of our age of globalization since the late twentieth century. There are by now very few corners of the world in which one cannot spot a Toyota vehicle or a Coca Cola beverage, a Nike “swoosh” or Nestle coffee. Hundreds, if not

thousands, of TNCs have the power to impact our lives everyday, including indirectly, such as affecting government policy and the environment in which we live.

Yet despite their global ubiquity, basic empirical and theoretical questions concerning their nature remain unresolved. How should we study corporate elite networks and how should they change our theoretical understanding of world order? As their operations have expanded across many nations, are they also controlled and owned transnationally, or are they still national corporations with transnational operations? Do they form a transnational corporate elite that is at least partially beyond the reach of any particular nation-state, or are they still a manifestation of national economic power in globalization? And what are the implications of the rise of transnational corporate elite networks on geopolitics, especially American/Western hegemony and the rise of China? Is there increasing integration with China, or do distinct elite power blocs remain? These questions are not merely academic, as how we understand these giant TNCs and their corporate networks will shape how we interact with and attempt to influence them – no small concern considering how they shape so many aspects of our lives.

Background *Current research reference points and their limitations*

There is a burgeoning literature and diversity of scholars working on one aspect or another of the relation between the rise of transnational corporate elite networks and power in world order. Some of the earliest research in this area identified an emerging “transnational capitalist class” (TCC) rising above the confines of the nation-state (Sklair, Robinson, Robinson and Harris). There was also an attempt to map transnational corporate board interlocks (Fennema, Carroll). More recently, Heemskerck is the principal investigator of a major research project called “CORPNET: Uncovering Networks of Corporate Control” (<http://corpnet.uva.nl/>), one of the first to mine big data to map transnational corporate elite networks.

Other scholarship places more emphasis on the continued importance of nationality, especially American hegemony. Starrs draws upon the Forbes Global 2000 and Bloomberg Professional databases to demonstrate the continued dominance of American corporations as they have globalized. Schwartz also draws upon the Forbes Global 2000, among others, to demonstrate continued American infrastructural power. Fichtner, also a member of CORPNET, draws upon the Orbis database to demonstrate the continued global centrality of Anglo-American finance. And others have employed

network theory to global financial linkages (Wincoff et al 2013), and investigated to what extent Western corporate elite networks have integrated with China (van Apeldoorn and de Graaff, Lin 2016).

This project marks the first time many of these scholars will come together to debate differences in empirical methodology and theoretical implications, which we believe will greatly contribute to moving these debates and investigations forward.

The Focus *How the research provides a fresh approach to real-life problems*

Over 25 years ago, Susan Strange called for a more systematic engagement with the role of big TNCs in order to answer the core question of International Political Economy: “What is power in the world system/international political economy? And who has it?” (Strange 1991, 246). Today, this call is more urgent than ever: rising discursive protectionism in the US and elsewhere, the resurgence of nationalist and often xenophobic social forces in Europe and Asia – leading to rising geopolitical tensions in the latter – as well as a general public distrust and insecurity towards the holders of economic power call for a better analysis of these issues. The question of declining US hegemony, the rise of “alternative” hegemonic forms of State Capitalism with China and the crisis of the European neoliberal integration model co-exist and leave the global political economy more confusing than in previous decades. Our workshop brings together scholars and their research on all of these phenomena (Starrs and Fichtner on US transnational hegemony; de Graaff and van Apeldoorn on Chinese elite integration and Heemskerk on the European Corporate Elite) in order to integrate their work into a comprehensive picture of who holds power in the current political economy. This contributes to the pressing question of changing world orders and their political and economic consequences for global societies. Since scholars usually work on their specialized topics in depth, this occasion provides the possibility to broaden the analytical scope and thus contribute to an integrative analysis of current developments.

Theoretical Novelty *What conceptual innovation the research is aiming at*

Questions of transnational corporate power have been discussed in rather limited settings. Studies on the global corporate elite focused on questions such as possible transnational class formation, changes in global corporate governance, the transnationalization of the European elite, the globalization of US corporate power or the rise of statist Chinese elites in the global economy. This implies that there is on the one hand a substantial body of empirical evidence of a variety of world regions and

different topics, but on the other hand a fundamental gap in theoretical hindsight: how can all those pieces of evidence come together in an integrative framework of changing transnational power relations? The workshop aims at filling this gap in our field of research and provide a comprehensive analytical oversight of the development, empirical insights and a forthcoming research agenda. The wide range of the mentioned research has shown that simplifications like the existence of “the” global corporate elite or uncontested corporate power cannot serve as a theoretically adequate answer to the question of transnational capitalism in the 21st century.

Important elements of this theoretical innovation will be an integration of the empirical work conducted by the workshop participants in their respective fields, a careful re-assessment of the national-transnational debate in theorizing global capitalism and a synthesis of the evidence for change in global political economy relations towards a (dis-)integration of US-led hegemony. The results will be a “map” of transnational power relations with a special emphasis on the role of transnational corporations.

Methodology *How different disciplinary inputs will interact in empirical inquiry – specific methodological examples are often helpful for non-specialist readers*

Our group is comprised of scholars not only working on different thematic aspects of transnational corporate power, but also applying different (but complementary) methodological perspectives on the subject. Sean Starrs and Herman Schwartz investigate the Forbes Global 2000 list in order to demonstrate the infrastructural power of American transnational corporations within global capitalism. Jan Fichtner and Will Winecoff employ network science to investigate global financial linkages and their relevance to continued American structural power. Furthermore, Eelke Heemskerk adds the board interlock-perspective in order to understand global business cohesion and linkages from a systematic standpoint. Nana de Graaff and Bastiaan van Apeldoorn use a critical political economy framework to understand US grand strategy and Chinese statist elite power. There are at least three aspects that link this variety of research perspectives into a cohesive body of transnational corporate power research: First, the scholars attending the workshop work broadly in the field of International Political Economy and are thus motivated by similar questions about the current state of world order. Second, a majority of the participants use a combination of network techniques and solid theoretical understanding of the conflict areas, power relations and relevant topics in the global economy. Third, a large part of the group already collaborated on

either published papers or other academic activities and is eager to intensify these linkages to create a multi-perspective framework on the relevant topics. The Amsterdam-based, multidisciplinary CORPNET-group provides an organizational and substantial hub for these activities, also for the future.

Work Plan *How the work will be organised over the award period and what outputs are intended.*

The one-day meeting in Amsterdam should result in one major achievement: we want to ensure that the participants work towards producing a common theoretical and methodological basis for the analysis of the political economy consequences of the rise of giant transnational corporations worldwide, as well as debating our differences. For this, a thorough preparation before the meeting should ensure the working area and points for discussion at the meeting itself. We also seek a fast follow-up preparation and publication of a special issue that consists of the revised contributions to the workshop – either in the Review of International Political Economy or in New Political Economy.

Outcome *What further steps and what longer-term outcome are envisaged*

The workshop should provide the foundation for a long-term collaboration based on the joint publication and the debated working areas of the research, bringing together these scholars from Asia, Europe, North America for the first time. For this, the Amsterdam-based CORPNET group will provide the main platform by organizing future events, facilitating and organizing communication within the group and hosting workshop participants beyond the January meeting, as we already do on a regular basis with fellow colleagues (see corpnet.uva.nl for more information).

Taken together, we aim to lay the foundation for a research agenda that both empirically and theoretically meets the standards necessary to understand the complexity of global capitalism and corporate power in the 21st century.