Politicization and political contests in and around contemporary multinational corporations: An introduction

Stewart Clegg, Mike Geppert and Graham Hollinshead

Abstract

This article looks at core arguments in International Business, Organization Studies and surrounding academic fields that focus on the study of politicization and political contests in and around multinational corporations (MNCs). Two evident streams of debate are identified. Equally evident is that these streams hardly connect. One stream is mainly interested in studying politicization from the outside while the other is mainly interested in politicization from within. As a way of connecting both streams, we introduce the circuits of power framework. Next we introduce the contributions of our Special Issue, followed by concluding comments which distinguishes five emergent themes. First, we show how the application of the circuits of power framework sheds new light on the study of political contests of MNCs. Second, we highlight that the role of nation states has not lost its significance as, for example, political CSR approaches would have us believe. Third, dominant ideologies play an important role in establishing and controlling circuits of power in and around MNCs. Fourth, it is vital to take labour issues into account in this field of study. Fifth, there is increasing evidence that asymmetric and hierarchical forms of organizing do not disappear in new MNC network-forms.

Keywords

Circuits of power, employment and labour relations, political contests within and around multinational corporations, politicization of multinational corporations, transnational social spaces

Introduction

In positioning this Special Issue, it is not possible to proceed as if it is 'business as normal' in the global economy. The recent shock waves to structural and normative orders bring to the fore, perhaps more unequivocally than ever before, the realization that the context for the existence of international organization and conduct of international business can scarcely be conceived in rational and orderly terms. The backcloth for scholarly deliberations in this field is characterized by its inherent politicized complexity and the fragmentation of social and political orders according to dispersed vested interests that are frequently opaque.

Given the evident turbulence in the context for the field that forms the focal point for this special issue, it is indeed curious that mainstream International Business (IB) studies hardly consider issues of politicization and political contents when studying the internal and external affairs of multinational corporations (MNCs) (Geppert and Dörrenbächer, 2014). What is more, in institutional theory, in the 'biggest church' in contemporary organization studies (OS) that is the most influential stream for the study of MNCs, notions of power and politicization have been subjects of serious neglect, suggesting a positively conservative stance when it comes to such issues (Munir, 2015; Geppert, 2015). As Clegg (2010) argues, the legacy of much institutional theory has been an overriding emphasis on shared meanings, institutional processes and institutional conformity. What is lacking is a full recognition of the significance of struggle and conflict, which also, significantly, calls into account the role of the state. Arguably at a time of institutional volatility at various levels of institutional and organizational analysis, it is becoming even more pressing to inject notions of contestation and politicization into salient scholarly discourse. The point of departure for this Special Issue, therefore, is to acknowledge that the terrain for multinational organization is one that is inevitably subject to crisis, change and contestation and to explore various contemporary manifestations of politicized developments in and around the MNC.

At the outset, it is worth bringing to the fore our assumptions concerning contemporary MNCs which served to frame the contributions to this Special Issue.

First, that existing lines of enquiry into MNCs and International Business need to be broadened to encompass the dominant external social and economic relations that contribute to the formation of normative and structural orders framing the institutional field of international corporations. Accordingly, it is necessary to embrace in discussion not only the identities and ideologies of actors constituting the primary stakeholders within MNCs but also those agencies notionally outside their organizational boundaries yet who are necessarily implicated it its policy formulations and affairs.

Second, our view of the nature of power within the MNC is that it is primarily *relational* in character, manifested as a product of continuously socially constructed relationships between key actors and flowing through different circuits (Clegg, 1989; Clegg et al., 2006). Such an approach departs from previous contributions in the field that have tended to regard power as static and reified, ‘stored up’ in external institutional or internal organizational structures. From such a point of view interrelationships within and around MNCs need to be seen as ‘contested terrains’ which can be more or less politicized (Edwards and Bélanger, 2009).

Third, we would concur with novel social-political trajectories which pay attention to the interests, ideologies, identities and careers of key actors represented within the social fabric of the MNCs power relations as well as of those outside its formal boundaries (Geppert and Dörrenbächer, 2014). Recent theoretical developments in the study of MNCs (Morgan and Kristensen, 2006; Becker-Ritterspach et al., 2016) refer to the micro-political determinants of their social construction and depict MNC organization as essentially comprising a conjuncture of potentially conflictual 'social spaces'.

Following from these three points we emphasize the 'asymmetric' (Clark and Geppert, 2006) and 'hegemonic' (Levy, 2008) nature of international hierarchy. MNC headquarters are typically embedded in the nerve centres of the global economy. Their employees at head office are imbued with the qualities of cosmopolitanism, extra territoriality and financialized orientation, members of a global elite rather than being deeply rooted in local communities. By contrast, subsidiaries are prone to be populated by more localized and territorially constrained members of the global working population, particularly in emerging and developing economies.

As this Special Issue will demonstrate, even if the nature of multinational organization is tending to shift from solid to more liquid forms, from constrained and enveloped bureaucratic relations to open network relations, the architectonics and dynamics of power remain predominantly intact. There is a clear hierarchical disposition of regional spaces and organization nodes, albeit one that is fluid, as new regions of the global economy become incorporated and subsumed. In accord with Levy (2008) we would argue that the Global Production Networks (GPNs) that have proliferated in the era of transnational development are legitimized through neo-liberal discourses. Not only what is consumed but also the ways in which these goods and services are produced increasingly become subject to a global rational instrumentalism. Labour is disciplined and managed according to the fundamentals of 'scientific' management of the labour process wherever the GPNs occur. Frequently the rationale underlying the organization of GPNs may be perceived as contradictory and ambiguous, overtly exploitative orientations perhaps co-existing with espoused concerns for the environment, sustainability and the like. However, on close scrutiny, it becomes evident that the agenda underlying the inception and operation of GPNs invariably concerns the use of labour in a highly instrumental fashion, with an overriding emphasis being placed on ‘performativity’.

In a rapidly shifting global order, and within newly emerging ‘transnational social spaces’ (Morgan, 2001), power relations are being constructed through the interplay of various transnational actors, elites, devices, discourses and languages. Urgent consideration of the role of key actors is required in terms of their conflicting perceptions, intra- and inter-organizational political contests and approaches to sensemaking, the powerful boundaries that they construct to constrain social and economic relations, manage resistances to change, channel the powers of knowledge flows and deploy dominant ideologies.

Politicization and political contests in and around MNCs

In the next two sub-sections we will discuss the following questions: What does politicization mean in the context of contemporary MNCs? Why and how does it matter? What is the focus of key conceptual approaches dealing with the politicization and political contests in and around MNCs? In what ways does applying the circuits of power framework help to demonstrate how internal and external political contests and politicization within the transnational social space of the MNC are intertwined?

Politicization of multinationals in mainstream international business studies: Neglect and lack of consideration based on flawed theories

The politicization of MNCs in the IB literature is usually seen as a result of increased globalization of management, organization and employment since the 1960s. The opening salvo was Servan-Schreiber’s (2014) *Le défi américain,* which was a profoundly French response to the challenge posed by American multinationals. The book argued that the United States and Europe were engaged in an economic war of management techniques, technological tools and research capacity that America was winning hands down. The book was instrumental in creating a resurgence of French nationalism and drew attention to the importance of US multinational penetration of France and other European economies. The penetration quickened pace: for instance, it was only in 1974 that McDonald's initiated its European operations in Woolwich, East London. McDonald's openings are good index of US globalizations' increasing spread[1]: in 1990 the first McDonald's opened in the People's Republic of China in Shenzhen. As MNCs that largely originated from the US started to enter into developed and then, latterly, increasingly into developing countries, local political concerns were apparent.

The growing significance and role of MNCs in 'world politics' began to be observed with some consternation by prominent onlookers from the1960s onwards. Emerging political actors began to perceive MNCs as representing 'an important threat' for national governments and their companies (Nye, 1974). Politicization was presented as a challenge to the established 'rules of the game' within formerly protected national market economies and by associated key players, including local companies and other important national-level stakeholders, especially the government. A key area of controversy concerning the emergence of MNCs as political actors was seen in the increased 'managerial autonomy' of these new powerful players coupled with apparent lack of democratic forms of control (Nye, 1974) both nationally and, perhaps more significantly for our purposes, transnationally. While these concerns animated Foreign Investment Review Boards in some countries the political role and social responsibility of increasingly internationally operating firms did not become a staple concern of mainstream IB although, as we will see below, they became a central part of debates rehearsed by scholars of Corporate Social Responsibility (CSR) in later years. Instead Foreign Direct Investment (FDI) and the role of MNCs have been largely analysed in apolitical terms, based on strong free-market ideology. From such a perspective, the beneficial economic role of MNCs and FDI for both the host countries and home country of MNCs has been one-sidedly over-emphasized. The negative effects of FDI and the ‘dark side of MNCs’ (Cairns and As-Saber, 2017) have either been neglected altogether or downplayed, especially in studies informed by agency theory and transaction cost economics.[2] One of the most prominent international business scholars, Sumantra Ghoshal (2005), self-critically pointed to the toxic effects of this ‘gloomy’ ideology-driven research that glorifies the management of MNCs: “Combine agency theory with transaction cost economics, add in standard versions of game theory and negotiation analysis, and the picture of the manager that emerges is one that is now very familiar in practice: the ruthlessly hard-driving, strictly top-down, command-and-control focused, shareholder-value-obsessed, win-at-any-cost business leader…” (Sumantra Ghoshal, 2005: 85).

As Edwards (2017) contends, while mainstream scholars may have accepted that MNCs are inherently pluralistic concerns, such recognition has tended to remain ‘nascent’. In an analysis which offers critique of relatively static conceptions of power in mainstream international business studies, Ferner et al. (2012), drawing upon the contribution of Lukes (2005), suggest that different types of power capability exist whereby MNCs may actively influence their institutional environments both at the level of host institutional arrangements and within the MNC itself. This assertion is reinforced by Edwards (2017) who asserts that much analysis of power has rested upon notions of resource dependency, thus tending to neglect the salience of Lukes’ ‘third’ dimension of power that implies that power can be used to assert influence in a way that actors at various levels of MNC power relations may not be aware of the critical resources available to them. In short, the problems of increased FDI, the powerful impact of MNCs on national and transnational institution-building and the negative effects of deregulation and financialization for the wider society and natural environment have rarely been addressed in mainstream international business (Geppert et al., 2006).

Indeed the political role of MNCs and their managements has been reduced to narrow and functionally based economic criteria such as shareholder value, return on investment (ROI) and rent seeking.

Critical international business scholars have recently contended that ‘classical’ international business discourse is tantamount to being ‘dead’ and have questioned whether a ‘rebirth’ is possible given that the field is heavily locked into narrow theory-building and-testing, based on well-established positivist analytical models (Delios, 2017). A way forward from this intellectual *cul de sac* is proposed in the engagement of IB scholars in more context-specific and qualitative oriented studies. In order to pursue this course, however, ‘deep learning’ from other social science disciplines such as sociology and geography is seen as crucial (Delios, 2017). Let us now consider the alternative wider social science based disciplinary approaches that are available for the study of the politicization in and around the MNC.

Politicization of multinationals in the wider social sciences: Analytical divides

There are two approaches which prominently address the external politicization of MNCs: a) political CSR and b) social movement and international relations based studies. *Political CSR* can be regarded as a direct response to the shortcomings of economic theories that frame MNCs as rational economic actors that predominantly follow the logics of share-holder value and/or profit-maximization (see e.g. Moon et al., 2005; Scherer and Palazzo, 2011; Höllerer et al., 2017). It is assumed that national modes of governmental control and corporate governance in globally liberalized market economies have become outdated and dysfunctional in their application. It is argued further that in a globalized world, MNCs have become transcendent political actors that supersede the regulative ambit of individual nation states. Transnational forms of governance and control are therefore required to deal with unethical behaviour by MNCs that harm not only the interests of the state and its citizens but also the wider transnational community. It is stressed that MNCs are powerful political actors, often more powerful than nation states. They might be tamed, however, when they are engaging in multi-stakeholder negotiations with governmental and non-governmental actors in formulating transnational ‘rules of the game’.

Scherer and Palazzo (2011) argue that MNCs are politicized in two ways: first because they operate with an ‘enlarged understanding of responsibility’ when they actively develop political solutions together with other with state and non-state (civil society) actors, and second because they become ‘subjects of new forms of democratic control and legitimacy’ when engaged in these self-regulated political processes (Scherer and Palazzo, 2011). They anticipate that negotiated transnational agreements and international codes of conduct may render MNCs amenable to overarching principles of social and economic responsibility.

Social movements and international relations scholars expand some of the key ideas of political CSR further by stressing the central role of the interaction between MNCs and non-governmental actors, such as political activist groups, in the process of transnational institution-building (see e.g. Den Hond and De Bakker, 2012; Zajak, 2017). Accordingly, it is believed that ‘politicization from the outside’ occurs because “MNCs become confronted with demands for regulation, participate in controversial public discourse, and engage in political contestation with other non-state actors across a diverse range of institutional settings” (Zajak, 2017: 390). This research trajectory has focused particularly upon the structuring and discursive construction of political contests and politicization in different institutional fields (De Bakker et al., 2013) and industries (Zajak, 2017). In contrast to political CSR research, which mainly concerns the various political roles that MNCs and other powerful stakeholders can play in transnational institution building, it is the politicization process itself that constitutes the focus of analysis here. A key finding of Zajak's research (2017) is that merely considering how powerful MNCs are, or the extensiveness of their power resources in comparison to other stakeholders, is rather short sighted. Instead, the impact of the wider context of the industry and the ideological stances of collective actors when interacting with the MNC are seen as central aspects in the study of politicization. Accordingly, the structuration of the industry is a significant determinant of its level of politicization. Significant factors in this respect are likely to be whether the industry is highly fragmented (such as the global toy industry), or whether it is dominated by highly visible, brand owning, corporations, such as in the sporting goods industry. It has been found that MNCs operating in industries with highly visible and brand-owning characteristics are more prone to become and remain politicized. Finally, the act of setting up transnational regulatory institutions is seen to trigger the de-politicization of an industry (Zajak, 2017).

The research on both approaches that stress 'politicization from the outside' is open to criticism. The normative assumptions of political CSR have been criticised because of the neglect of the structural power asymmetries between key stakeholders, notably management and labour, within the hierarchy of the MNC and its global supply chain (see e.g. Banerjee, in this issue). Moreover, the neglect by the social movement and international relations approaches of the impact of internal political processes and discursive practices on the concrete interactions between MNC management and external stakeholders, for example political activist movements, is problematic. So far, then we have just explored one part of the story. This leads us to the next two approaches that deal with the other element of our exposition, the role of internal power relations and political processes in the MNC.

There are two prominent approaches that focus strongly on internal politicization processes: a) micro-political and b) discursive studies of the MNC.

Micro-political contributions are anchored in comparative institutionalist research, which stresses the importance of contextual rationalities that are influenced by the societal institutional diversity of the MNC in question. Such institutional diversity is seen as important in the structuring and political constitution of the MNC. However, actor-centred institutionalists also stress that key actors, mainly based in the headquarters and subsidiaries' top management teams, act strategically and often politically. Their interaction with other internal and external powerful actors is seen as responsible for politicization and de-politicization of MNCs from the inside. It is highlighted that key actors' coalition-building efforts with powerful stakeholders within the societal context in which the firm operates, are driven by motives, interests and goals that are not necessarily congruent with the overall goals and strategy of the MNC (see also Becker-Ritterspach et al., 2016 for an overview). In short, MNCs are conceived as 'contested terrains' (Edwards and Bélanger, 2009), affording arenas in which micro-political game playing related to issues such as budgeting, subsidiary mandate allocation and change episodes occurs (Geppert and Dörrenbächer, 2014).

Politicization processes are regarded as being influenced by the robustness and/or weakness of 'tool kits', which actors try to build when becoming engaged in game-playing (Williams and Geppert, 2011). The power resources for building 'robust tools' are linked with country-specific societal institutions, e.g. local labour law and industrial relations systems. These can offer variable support of local subsidiary actors in influencing HQ imposed measures, such as outsourcing and coercive benchmarking (Morgan and Kristensen, 2006). The critical observation has been mooted, however, that systemic aspects of MNC power relations and macro-political structures are not fully acknowledged in these studies (e.g. Morgan, 2011)

Discursive approaches are rooted, theoretically, in postmodernist and poststructuralist studies. It is believed that discursive political struggles and language games are the medium for, and outcome of, internal politicization processes (see e.g. Vaara and Tienari, 2008, for an overview). The analysis of internal communication processes, corporate language, language skills, language policies and linguistic artefacts are central topics (van Marrewijk, Ybema, Smits, Clegg and Pitsis, 2016). In contrast to micro-political approaches that focus on individual actors' strategizing approaches in internal politicization processes, what is central to these discursive approaches are phenomena such as political sensemaking between the HQ and the subsidiaries (Clark and Geppert, 2011) as well as the hegemonic influence of societal discourses such as financialization on internal discursive struggles. A strong focus of this stream has been on the internal politicization of MNCs in the context of mergers and acquisitions (M&As). Politicization is related to 'confusion' and 'ambiguity', which often emerge in cases of mergers and acquisitions post-acquisition integration processes (Vaara, 2003: 887). Other research has concentrated on the role of subjective national identity and transnational constructions, and how stereotyping of headquarters and subsidiary managers for politicization episodes has occurred, as well as systematic aspects of internal politicization in MNCs (Koveshnikov, 2016; Vaara et al., 2005). Discursive studies, however, neglect paying close attention to individual key actors' interests and motives in political strategizing processes, interests and motives that drive and underline internal politicization processes.

So far debates about the politicization of MNCs and politics within MNCs have hardly been interrelated, an issue highlighted by Morgan (2011). He calls for the linking of micro- and macro-politics for the study of the contemporary MNC and suggests envisaging the MNC as a 'transnational social space, a contested terrain in which the shape of the terrain must be itself be analysed in order to understand how micro-political space are pre-structured' (Morgan, 2011: 433), an issue we take up in this lead article.

The contributions to our Special Issue demonstrate that there are new ways in which politicization of MNCs, and within MNCs, can be studied and conceptualized. They show that an in-depth analysis of social, industrial and societal contexts is required in order to understand better how internal and external processes of politicization are intertwined. When doing this, we actually recognize glimpses of actor, organization, national and transnational specific features in the five papers collected in the Special Issue that cast light upon the more or less politicized transnational social spaces of the MNC.

First, the political dynamic of the ongoing exchange between firm-specific and transnational capital is explored, which has salience when MNCs decide to transform their traditionally hierarchical modes of organizing into network-forms (Reiche et al., in this issue). Second, research points to the impact of past dominant ideologies such as anti-communism and how those have informed and driven strategic political decision-making about FDI and country choice, especially in the case of US MNCs. (MacLean et al., in this issue). Such an approach signals an emergent discursive trajectory for future studies of MNCs. Third, and this is where we argue that our Special Issue ventures into novel and potentially contested areas of debate in IB, research shows how and why the fragmentation of the focal organization of the MNC through outsourcing and relocation decisions leads to the increasing politicization of management and labour processes in and around internationally operating firms (Pedraza-Acosta and Mouritsen; Mezihorak; Banerjee, in this issue). Conceptually two of the last three papers in this Special Issue draw directly on Clegg's work on circuits of power, an approach that has only been randomly applied for in the study of political contestation and politicization in the context of international business and MNCs. We will elaborate on this matter and propose how the circuits of power framework can be applied and inform future studies on the politicization of MNCs, both from the outside and within, in the following section.

Circuits of power in and around multinationals: financialization of international businesses organization as trigger and outcome

In this section we will briefly introduce foundations and core ideas of the circuits of power framework, followed by a discussion on how its application might help make sense of current financialization of international business organizations, based on neo-liberal anti-statist ideologies, which both trigger and are the outcome of politicization and battles within transnational social spaces. At issue, as we shall elaborate, is the flow of capital to the coffers of the state through taxation or into the profits of the MNC companies who generate the capital. A secondary issue is the extent to which the state should accommodate the MNCs by lightly taxing them or accommodate citizens by more heavily taxing the MNCs, as well as the justifications for either course of action. But first, a little theory.

Following Foucault (1975/1977), Callon (1986) and Latour (1997, 2005) developed an actor network concept of power that stressed power as a capacity (*puissance*) as well as an ability to do things (*pouvoir*). Foucault conceived of a capillary form of power tracing its effects flowing through dispersed social relations generating control of specific resources. Actor-Network Theory's (ANT) distinctive ontology includes both human and non-human actors, "collectively referred to as actants (…), all (…) participants in a network of heterogeneous components" (Volkoff et al., 2007: 834). 'Obligatory passage points' (OPPs) (Callon, 1986) represent devices (rhetorical and material) channelling and framing the 'conduct of conduct' (Dean, 2013) in specific situational contexts; actors seek to maintain, gain or deny strategic advantage by controlling or contesting the meaning and control of these OPPs. OPPs also fix the rules guiding actors' actions and constrain available possibilities. When successful, OPPs lead to a (temporary and partial) stabilisation or fixity of such rules, though permanently challengeable as actors continuously deploy their strategies of and for power.

Building on these concepts, Clegg's (1989) framework of 'circuits of power' depicts three circuits through which power flows. First, the episodic circuit captures visible exercises of power by actors in particular, day-to-day encounters, seeking to obtain outcomes favouring their definition of interests. These exercises depend on the configuration of the network of relations stabilised through the other two circuits. The circuit of social integration captures prevailing rules of practice shaping actors' dispositions to behave in certain ways and includes rules of meaning and membership: rules of meaning guide actors in making sense of the world, events, others and themselves, hence shaping the actors' knowledge which, in turn, underlies their (re)actions; rules of membership frame considerations about actors' appropriate behaviour, in the context of identity assumptions and claims, given their (actual or desired) status as members of certain groups. Finally, the circuit of system integration consists of 'material conditions', based on techniques of production and discipline, such as production machinery, information systems, organisational structures and business processes – hence conveying power as facilitative, productive, positive. Together, rules of meaning and membership and techniques of production and discipline that become OPPs frame the institutional field in which actors episodically exercise power in specific interactions.

'Follow the money' is an injunction well worth respecting in research into MNCs: after all, MNCs exist to make capital efficiently and effectively. The accumulation of capital is *the* key OPP for most MNCs. Clegg (1989) suggests that the stabilization of institutional fields as well as those arenas that emerge for battle within them depends, above all, on how these key OPPs are configured. The specific OPPs stabilizing global flow of profits are a central arena of power relations both within and around contemporary MNCs and in policy circles that seek to secure for states an effective flow of taxation. The arena is one fought over both ideologically and materially. Ideologically, the key requirement is to lessen the amount of MNC profit that disappears in tax whilst maintaining the legitimacy of whatever arrangements are instituted. Materially, it is to ensure that the global flows of capital are retained as far as possible within the accounting frame of the global MNC.

Ideologically, MNCs, particularly the global accounting firms, were keen sponsors of new public management practices for government, as a way of minimizing the demands of the state on inputs raised through taxation, in a form of anti-statism (Christensen 2005). The creation of a consensus around a neo-liberally economic conception of the state was a battle fought nationally, through political parties and their representations. At issue was fixing an OPP that favoured a less regulatory state and a more unregulated corporate sector, especially in terms of taxation. Reducing the state's need for taxation became a key OPP, achieved through new public management. The adoption of new public management started in the early 1980s with reforms informed by neo-classical economic theories relating to marketization and the more focussed adoption of private sector management techniques. These reforms were based on what has been termed an economic rationalism, including principles and practices derived from the private sector, replete with its focus on the perceived efficiency and effectiveness of this sector. Economic rationalism is defined by Pusey (1991: 14) as "a doctrine that says that markets and prices are the *only reliable* means of setting a value on anything, and further, that markets and money can *always*, at least in principle, deliver better outcomes than states and bureaucracies" (italics in original). Classical micro-economic theories such as agency theory, rational choice theory, public choice theory, transaction cost theory and principal agent theory had a strong 'normative influence' on the economic rationalism of public sector reforms (Box et al., 2001: 611; Nigro and Kellough, 2008). Micro-economic theory anchored in a 'market-based model' advocating downsizing of government, applying private sector management principles to public sector administration, viewing citizens as customers, divorcing policy making from administration implementation and viewing government as akin to a 'business within the public sector' (Box et al., 2001: 611; Kettl, 1997). Influenced by right wing ‘think tanks’ and two popular texts *Reinventing Government* (Osborne and Gaebler, 1992) and *Banishing Bureaucracy* (Osborne and Plastrik, 1997) the reinvention movement of public sector reform (Brudney, Herbert and Wright, 1999; Brudney and Wright, 2002; Calista, 2002) flourished. Nowhere was it stronger than in the United States, where the ideological OPPs of anti-statism were well established after the Reagan administration of the 1980s.

In the United States, home of the majority of the world’s MNCs, favourable economic policies were promoted for the rich, such as low taxation, minimal control of offshore accounts as tax havens, ease of inter-generational wealth transmission through inheritance laws, free mobility of capital and anti-union laws, all implemented as a part of a neo-liberal agenda, one widely adopted in the English-speaking world (Freeland 2013) and justified in terms of a pro-business rhetoric that lower taxation would increase investments, and increased investments would create more jobs and higher wages. After the Global Financial Crisis (GFC) signs of which first emerged in 2007, coming to a head in 2008, right-wing governments elected in the aftermath of the GFC translated the agenda of trickledown economics into the promise of austerity, especially in the UK, after 2010 and in Australia, after 2013.

Austerity became an integral part of the war on the state that was associated with neo-liberal economics. Diagnostically, the predominant view held by politicians influenced by neo-liberal economics was that the state, and the public expenditure that supported it, had become too large. The desire was for a smaller state to be achieved by cutting public expenditures (Jackson and Lapsley, 2003). As the largest fraction of these expenditures went to support elements of the ‘social wage’, such as unemployment benefits, welfare and related expenses, these policies led to an increased rhetoric opposed to government spending in these areas, as well as a policy focus targeted to levels of public sector debt reduction. Rather than growing the size of the surplus through government investments that would lift economic activity and thus increase tax receipts, as would have been the prescription of Keynes, the focus was very largely on the expenditure side of the equation (Streeck, 2014).

Specific targets for expenditure control were increased as a result of the Global Financial Crisis because governments had responded to the massive losses in financial capital values during this period by, effectively nationalizing the debts incurred by the bankers. Then, to pay off these debts, central governments such as those in the UK since 2010, practised austerity in areas targeted as fields of public sector expenditure, including public sector salaries, pensions, as well as general welfare and social provision, including education, health and social services. At the same time that governments practised austerity for the masses they praised tax cuts for the elites on the grounds that lower personal and especially corporate taxes would encourage economic activity and the benefits would be distributed in the form of enhanced employment opportunities and a trickledown effect of increased wages paid by more successful business. It didn't work out that way, say Ruiz, Peralta-Avia and Puy (2017) in an important International Monetary Fund paper. Looking at longitudinal data from the United States they argue that while lowering tax rates for the rich stimulates the economy, it does so at the great cost of increased inequality. The International Monetary Fund (IMF) study modelled the impacts of tax cuts on a US-style economy and found income-tax cuts reduced tax revenue across the board. While growth was stimulated the increased employment and wages did not offset revenue lost from lower marginal tax rates. More growth occurs when cuts are made to the highest level of taxes but high-income tax cuts "lead to increased spending on goods and services, which in turn could improve wages for those lower-income earners who provided those goods, but it would also cause prices to rise and would need to be paid for by either other tax increases or cuts to government spending" (Jericho, 2017). Economic growth occurs but at the cost of increased inequality as lower and middle class consumption adjusted to rising prices by consuming less or borrowing more. If the tax cuts are targeted at middle and lower class incomes there is less overall growth but reduced income inequality, as people from lower income households are able to spend more on life's necessities. Linked to these findings is another IMF paper, from the journal *Finance and Development*, by Ostry, Loungani and Furceri (2016: 40) that argues that "austerity policies not only generate substantial welfare costs due to supply-side channels, they also hurt demand – and thus worsen employment and unemployment".

Episodically, if less of MNC profit share goes to the state in the form of taxation then more remains at the discretion of the MNC. How have MNCs exercised this discretion? We need to understand that MNCs are complex networks with centralized governance at the headquarters coordinating activities through subsidiary units. What is crucial for them is how the overall system of the network, especially in its relations with state taxation authorities, is integrated. The objective is to minimize tax and maximize profits. The price mechanism is used to control subunit performance because the subsidiaries have to meet agreed performance targets or be sanctioned, with the ultimate sanction being their demise; inter-unit transactions are coordinated by transfer pricing mechanisms, where value is determined by in-house accountancy rules and decisions. MNCs are quite sophisticated in moving tax losses around their global operations and using the pricing of internally traded goods to minimize liabilities where they will attract the highest regimes of tax – something referred to as transfer pricing.

Transfer pricing works thus: first, a holding company is established in a tax haven, where little or no corporate tax is charged. Second, complex intercompany contracts are written that transfer valuable, rare, intangible and non-substitutable assets such as software, trademarks and branding to the non-taxed or lightly taxed holding company. Costs are then assigned to these intangible assets. In theory, these costs are supposed to be valued at market prices, as if the company were selling its service to a separate company. The costs are not in any sense of the word ‘real’ costs; they are whatever clever accounting can inflate them to be, not particularly difficult where one is dealing with hugely oligopolistic companies that can straddle the globe as virtual monopolies, such as Amazon, News Corp International and Google. Unrealistically low values can be assigned to the initial transfer of the intangible assets from the parent company to the holding company established in the favourable tax environment (see Jones and Teamouri, 2016; Sika and Willmott, 2010; Palan,Murphy and Chavagneux, 2010).

Once these intangible assets have been assigned at a low exit value to the holding company in havens such as Luxembourg, Ireland, Bermuda or Singapore, they become intellectual property that can then be licensed and leased back to global subsidiaries established in different national tax authorities such as the US, UK or Australia. In return for using the intellectual property, substantial tax-deductible royalty fees are paid by the subsidiaries. These are tax-deductible. The company in question fixes the transfer prices, often in a context where there is little effective market testing, precisely because it can be claimed that the assets are valuable, rare, inimitable and non-substitutable. In this way taxable income that is accountable in any given national authorities’ jurisdiction is minimized. Substantial profits accrue in accounting regimes where little or no tax is charged. The holding companies then make payments as a fee for the holding rights to the license back to the country of origin of the business, such as the US, which transaction is charged at a value that seems quite low by comparison to the transactions costs charged in the tax havens. MNC and personal tax avoidance on a massive scale, through the creation of complex global tax accounting vehicles, whose major purpose is to reduce tax liability through transfer pricing, has been exposed in the Panama Papers and the Paradise Papers, publicized by the International Consortium of Investigative Journalists through the web sites of *The Guardian* newspaper in English[3] and *Süddeutsche Zeitung* in German.[4] Episodically, MNCs are legally able to minimize tax by these practices. Advised as they are by accounting, law and tax advice firms on how to move capital amongst various jurisdictions to minimize tax they can stay within the letter of existing laws that are framed within a national juridical space; they are able to do this because their networks and the circuits of power these enable are not nationally bounded but relationally networked transnationally. Social integration ideologically in national circuits of governmental power and material system integration transnationally in terms of flows of capital work together in MNCs' favour.

Contributions and emergent themes

In this section we return to the individual contributions of this Special Issue and the question of how the papers have advanced research on the politicization and political contests in contemporary MNCs. See Table 1 below for an overview, which also lists issues and questions that have been identified by the authors for further research.

We finally refer to a few emergent themes that might be of interest for students of the politicization and political contests within and around contemporary MNCs by providing useful foundations and springboards for future research.

The first paper by *Levy and Reiche*, a conceptual study, examines the role of culture in constructing social hierarchies and symbolic boundaries between individuals and groups in MNCs. These authors, drawing upon the Bourdieusian concept of cultural capital, consider the reproduction of power relations and symbolic boundaries between employee groups in MNCs under contrasting hierarchical and network-based architectures.

The second article by *Maclean et al*, engages in historically informed research into the role of political ideology in the discursive construction of a leading player in the hotel industry, acknowledge the significance of political ideology as a particular 'social skill' in engaging in international business across variegated national contexts. The study casts valuable light on the processes of early post- war globalization.

In the third paper in this Special Issue *Pedraza-Acosta and Mouritsen* consider how the dominant rationality of financialization is operationalized and deployed in political intra- and inter- organizational processes with reference to a French industrial MNC. Drawing upon the notion of circuits of power, it is contended that devices such as accounting calculations, in furtherance of an agenda of financialization, may be initiated the expense of viable industrial partnership arrangements with suppliers and the like. The ideological power associated with financial economics accordingly results in cost reductions that render global production networks fragile.

In the fourth article by *Mezihorak*, another empirical study, the effects of the relocation of the activities of a MNC to a Shared Service Centre on the labour process are discussed. The impact on workplace actors of political contests and circuits of power both inside and outside the MNC are captured. Patterns of competition and cooperation instigated by client departments and headquarters in the organization in question resulted in increased managerial control and fragmentation of labour processes, as well as shifts in the form of corporate governance.

The fifth and final paper of the Special Issue by *Banerjee* advances traditional political CSR research by focusing on the socio-economic tensions created by MNCs in industries such as extraction in developing economy settings. Focusing on conflicts between communities, the state and MNCs arising from the negative social and environmental impacts of mining and extraction, this grounded analysis concludes that governance mechanisms in such industries should more fully incorporate the legitimate interests of communities disadvantaged by MNC operations. The author provides a new research framework denoting such research on ‘translocal governance’.

Together, the contributions to this Special Issue have served to address how contests and struggles within MNCs connect with wider societal developments such as the transnational spread of dominant ideologies relating to the ongoing financialization process. In recent times standardization and centralization of core business activities within so-called ‘global factories’ (Buckley, 2011) has been observed, as well as the externalization of formerly core business activities through outsourcing and relocation. Such global developments are prone to trigger political contests within the MNCs production networks between subsidiaries or shared service centres and local campaigners or trade unions (Dörrenbaecher et al., 2017).

In terms of emergent themes, we have *first*, gained useful insights through the application of the circuits of power framework which sheds light on internal and external political contests (constituting episode aspects of power) and how these are interlinked with systematic power relations within the MNC and across the wider society. The latter aspects are both stabilized and destabilized through the use of new digital technologies and accounting methods (including tax-avoidance and minimization schemes) that support the flow of capital in one direction towards affluent investors and senior managers but away from substantive investments in labour and communities. As pointed out in the previous section, the narrow framing and stabilization of OPPs of financially driven circuits of power within and around MNCs has led to the emergence of more fragmented, unstable and frequently disruptive power relations on the part of MNCs with their suppliers (see Pedraza-Acosta and Mouritsen, in this issue).

Second, an important issue pointed to by some of our contributions is that the role of nation states has not lost its significance as, for example, political CSR approaches may have led us to believe. Nation states, however weak they may be, are still important rule-setters and possess sanctioning power in cases where MNCs abuse or misuse power (see Banerjee, in this issue). National institutions can still be the provider of local power resources for community building, but also in supporting struggling local businesses. Related to the latter we have seen that the state in coordinated marked economies such as France still plays an important role, if only by intervening after increased politicization of the MNC and its production network triggers organizational failure and bankruptcy (see Pedraza-Acosta and Mouritsen, in this issue).

Third, we have witnessed the important role that dominant ideologies play in establishing and controlling certain OPPs within circuits of power in and around MNCs. Our contributions refer directly and indirectly to the matter of why and how neo-liberal ideologies provide discursive resources which have been used to legitimize certain strategic approaches of financial management, accounting, foreign investment, de-investments, outsourcing etc. (see MacLean et al.; Mezihorak; Pedraza-Acosta and Mouritsen, in this issue).

Besides the focus of analysis on the crucial role of management within the MNC's politicization processes, our contributions have additionally emphasised, *fourth*, that it is vital to take labour issues into account in this field of study, especially concerning how local labour relations supports negotiated outcomes in political contests concerning relocation and reintegration of management and labour in MNCs. The latter events often trigger politicization within the transnational social spaces of MNCs (see Mezihorak; Pedraza-Acosta and Mouritsen; Banerjee, in this issue).

Fifth and finally, we can apprehend that power relations in MNCs are, in large parts, still hierarchically structured, thus headquarters power over subsidiaries is invariably asymmetrical in relation to its subsidiaries. As previously stressed, the headquarters as a "legal, financial and accounting entity" has "power over transfer pricing, tax liabilities and the identification of profits" in a transnational social space that is both hierarchically and network structured (Morgan, 2011:433). There is increasing evidence that hierarchical and asymmetric forms of organizing do not disappear in the network-forms of the MNC. New, and often informal, rules of the game maintain hierarchical power relations, based on both innovative and traditional forms of social and cultural capital, as Levy and Reiche show in this issue. Questions for further research include how new, and often informal, power hierarchies and asymmetrical headquarters–subsidiary relations become politically characteristic both within internal MNC-networks and externally, involving local governmental actors, suppliers, Shared Service Centres, and so on. Similar question are raised in the papers of Mezihorak, Pedraza-Acosta and Mouritsen and Banerjee in this issue.

Funding

This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

Notes

[1] See also Royle (2000) for critical analysis of labour practices at McDonald's, pointing to the 'dark side' of the globalization success story of US low cost leadership.

[2] There have, of course, always been occasional efforts by some IB scholars, see e.g. Hymer (1970), Boddewyn (1988), Birkinshaw (1996), Mudambi and Navarra (2004) for prominent examples to address 'political aspects' of MNCs. The impact of these efforts on mainstream theory building and research however has been rather limited, especially when it comes to both the in-depth analysis of the political role of the MNCs in contemporary capitalism (see

e.g. Scherer and Palazzo, 2011) and micro-political dynamics within MNCs (Geppert and Dörrenbächer, 2014).

[3] See https://www.theguardian.com/news/series/panama-papers.

[4] See http://panamapapers.sueddeutsche.de/en/

References

Banerjee S (2018) Transnational power and translocal governance: The politics of corporate responsibility. *Human Relations* **[Query to Production: Please add reference details for this special issue inclusion - many thanks]**

Becker-Ritterspach F, Blazejewski S, Dörrenbächer C and Geppert M (2016) *Micropolitics in the Multinational Corporation: Foundations, Applications and New Directions*. Cambridge: Cambridge University Press.

Birkinshaw J (1996) How multinational subsidiary mandates are gained and lost. *Journal of International Business Studies* 27(3): 467–495.

Boddewyn, JJ (1988) Political aspects of MNE theory. *Journal of International Business Studies* 19(3): 341-363.

Box RC, Marshall GS, Reed BJ and Reed CM (2001) New public management and substantive democracy. *Public Administration Review* 61(5): 608-619.

Brudney JL and Wright DS (2002) Revisiting administrative reform in the American states: The status of reinventing government during the 1990s. *Public Administration Review 62*(3): 353-361.

Brudney JL, Hebert FT and Wright DS (1999) Reinventing government in the American states: Measuring and explaining administrative reform. *Public Administration Review* 59(1): 19-30.

Buckley P (2011) International integration and coordination in the global factory. *Management International Review* 51(2): 269-283.

Cairns G and As-Saber S (2017) The dark side of MNCs. In Dörrenbächer C and Geppert M (eds) Multinational Corporations and Organization Theory: Post Millennium Perspectives. *Research in the Sociology of Organizations* 49: 425-443.

Calista DJ (2002) A critique. *Public Administration Review* 62(3): 347-352.

Callon M (1986) Some elements of a sociology of translation: domestication of the scallops and the fishermen of St. Brieuc Bay. In Law J (eds) *Power, Action and Belief: A New Sociology of Knowledge?.* London: Routledge and Keegan Paul, 196-233.

Christensen, M. (2005). The 'third hand': private sector consultants in public sector accounting change. *European Accounting Review*, 14(3), 447-474.

Clark E and Geppert M (2006) Socio-political processes in in international management in post- socialist contexts: knowledge, learning and transnational institution building. *Journal of International Management* 12(3): 340–357.

Clark E and Geppert M (2011) Subsidiary integration as identity construction and institution building: A political sensemaking approach. *Journal of Management Studies* 48(2): 395–416.

Clegg SR (1989) *Frameworks of Power*. London: SAGE.

Clegg SR (2010) The state, power, and agency: Missing in action in institutional theory?. *Journal of Management Inquiry* 2010 19(1): 4-13.

Clegg SR, Courpasson D and Phillips N (2006) *Power and Organizations*. London: SAGE.

De Bakker F, Den Hond, F and King B (2013) Social movements, civil society and corporations: Taking stock and looking ahead. *Organization Studies* 34(5-6): 573–593.

Dean M (2013) *The Signature of Power: Sovereignty, Governmentality and Biopolitics.* London: Sage.

Delios A (2017) The death and rebirth (?) of international business research. *Journal of Management Studies* 54(3): 391-397.

Den Hond F and de Bakker F (2012) Boomerang politics. How transnational stakeholders impact multinational corporations in the context of globalization. In Lindgreen A, Kotter P, Vanhamme J and Maon F (eds) *A Stakeholder Approach to Corporate Social Responsibility: Pressures, Conflicts, Reconciliation*. Gower Publishing: Aldershot, 275–292.

Dörrenbächer C, Geppert M, Pastuh D and Tomenendal M (2017) Cross border standardization and reorganization in European MNCs. *Final report for the European Trade Union Institute*, Brussels.

Edwards, PK (2017) Making 'Critical performativity' concrete: Sumantra Ghoshal and linkages between the mainstream and the critical, *British Journal of Management* 28(4): 731-741.

Edwards PK and Bélanger J (2009) The MNC as a contested terrain. In: Collinson S and Morgan G (eds) *Images of the Multinational*. Oxford: Wiley, 193–216.

Ferner, A, Edwards, T, Tempel, A (2012) Power, institutions and the cross- national transfer of employment practices in MNCs, *Human Relations* 65(2) 163-187.

Foucault M (1975/1977) *Discipline and Punish – The Birth of the Prison*. London: Penguin Books.

Freeland, C. (2013) *The rise of the new super rich,* https://www.ted.com/talks/chrystia_freeland_the_rise_of_the_new_global_super_rich/transcript?language=en, accessed 07.08.17

Geppert M (2015) Reflections on the methods of how we present and compare the political contents of our research: A prerequisite for critical institutional research. *Journal of Management Inquiry* 24(1): 100-104.

Geppert M and Dörrenbächer C (2014) Politics and power within multinational corporations: Mainstream studies, emerging critical approaches and suggestions for future research. *International Journal of Management Reviews* 16(2): 226–244.

Geppert M, Matten D and Walgenbach P (2006) Transnational institution building and the multinational corporation: An emerging field of research. *Human Relations* 59(11): 1451-1465.

Ghoshal S (2005) Bad management theories destroying good management practices. *Academic Management Learning & Education* 4(1): 75-91.

Höllerer M, Meyer RE and Lounsbury M (2017) Constructing domains of corporate social responsibility: a politicization of corporations at the expense of a de-politicization of society?. In: Krücken G, Mazza C, Meyer RE and Walgenbach P (eds) *New Themes in Institutional Analysis: Topics and Issues from European Research.* Cheltenham: Edward Elgar, 194-223.

Hymer SH (1970) The multinational corporation and the law of uneven development. In: Bhagwati JN (eds) *Economics and World Order*. London: Macmillan, 113-140.

Jackson, A., & Lapsley, I. (2003). The diffusion of accounting practices in the new "managerial" public sector. *International Journal of Public Sector Management* 16(5): 359-372.

Jericho G (2017) *Tax cuts for the rich don't help the rest. Don't take my word for it, ask the IMF*. Available at https://www.theguardian.com/business/grogonomics/2017/sep/10/tax-cuts-for-the-rich-dont-help-the-rest-dont-take-my-word-for-it-ask-the-imf, accessed 29.11.17.

Jones, C and Temouri, Y. (2016) The determinants of tax haven FDI. *Journal of World Business,* 51(2): 237-250.

Kettl DF (1997) The global revolution in public management: Driving themes, missing links. *Journal of Policy Analysis and Management* 16(3): 446-462.

Koveshnikov A, Vaara E and Ehrnooth M (2016) Stereotype-based managerial identity work in multinational corporations. *Organization Studies* 37(9): 1353-1379.

Latour B (1997) On actor network theory: a few clarifications. *Soziale Welt* 47(4): 369–381.

Latour B (2005) *Reassembling the Social*. Oxford: Oxford University Press.

Levy DL (2008) Political contestation in global production networks. *Academy of Management Review* 33(4): 943–962.

Levy O and Reiche BS (2018) The politics of cultural capital: Social hierarchy and organizational architecture in the multinational corporation. *Human Relations* **[Query to Production: Please add reference details for this special issue inclusion - many thanks]**

Lukes, S (2005) *Power: A Radical view*, 2nd ed., London: Palgrave-Macmillan.

Maclean M, Harvey C, Suddaby R and O'Gorman K (2018) Political ideology and the discursive construction of the multinational hotel industry. *Human Relations* **[Query to Production: Please add reference details for this special issue inclusion - many thanks]**

Mezihorak P(2018) Competition for control over the labour process as a driver of relocation of activities to a shared services centre. *Human Relations* **[Query to Production: Please add reference details for this special issue inclusion - many thanks]**

Moon J, Crane A and Matten D (2005) Can corporations be citizens? Corporate citizenship as a metaphor for business participation in society. *Business Ethics Quarterly* 15(3): 429–454.

Morgan G (2001) The multinational firm: Organizing across institutional and national divides. In: Morgan G, Hull Kristensen P and Whitley R (eds) *The Multinational Firm: Organizing Across Institutional and National Divides*. Oxford: Oxford University Press, 1–24.

Morgan G (2011) Reflections on the macro-politics of micro-politics. In: Dörrenbächer C and Geppert M (eds) *Politics and Power in the Multinational Corporation: The Role of Institutions, Interests and Identities*. Cambridge: Cambridge University Press, 415-36.

Morgan G and Kristensen PH (2006) The contested space of multinationals: Varieties of institutionalism, varieties of capitalism. *Human Relations* 59(11): 1467–1490.

Mudambi R and Navarra P (2004) Is knowledge power? Knowledge flows, subsidiary power and rent seeking within MNCs. *Journal of International Business Studies* 35(5): 385–406.

Munir KA (2015) A loss of power in institutional theory. *Journal of Management Inquiry* 24(1): 90–92.

Nigro LG and Kellough JE (2008) Personnel reform in the states: A look at progress fifteen years after the Winter Commission. *Public Administration Review* 68(1).

Nye JS Jr (1974) Multinationals: The Game and the rules: Multinational corporations in world politics. *Foreign Affairs*, available at https://edisciplinas.usp.br/pluginfile.php/1137819/mod_resource/content/1/Nye%201974%20Multinationals_%20The%20Game%20and%20the%20Rules_%20Multinational%20Corporations%20in%20World%20Politics.pdf.

Osborne D and Gaebler T (1992) *Reinventing Government: How the Entrepreneurial Spirit is Transforming Government.* Reading, Mass: Adison Wesley.

Osborne D and Plastrik P (1997) *Banishing Bureaucracy: The Five Strategies for Reinventing Government*. Reading, Mass: Adison Wesley.

Ostry JD, Loungani P and Furceri D (2016) Neoliberalism: Oversold?. *Finance and Development* 53(2): 38-41.

Palan R, Murphy R and Chavagneux C (2010) *Tax Havens: How Globalization Really Works*. New York, NY: Cornell University Press.

Pedraza-Acosta I and Mouritsen J (2018) Dynamisms of financialization: Circuits of power in globalized production networks. *Human Relations* **[Query to Production: Please add reference details for this special issue inclusion - many thanks]**

Pusey M (1991) *Economic Rationalism in Canberra: A Nation-Building State Changes its Mind*. Cambridge: University Press.

Ruiz SVL, Peralta-Alva A and Puy D (2017) Macroeconomic and distributional effects of personal income tax reforms: A heterogenous agent model approach for the U.S. *International Monetary Fund Working Paper*, September 1, 2017, available at http://www.imf.org/en/Publications/WP/Issues/2017/09/01/Macroeconomic-and-Distributional-Effects-of-Personal-Income-Tax-Reforms-A-Heterogenous-Agent-45147, accessed 11 September 2017.

Scherer AG and Palazzo G (2011) The new political role of business in a globalized world: A review of a new perspective on CSR and its implications for the firm, governance and democracy. *Journal of Management Studies* 48(4): 899-929.

Servan-Schreiber JJ (2014) *Le Défi Américain*. Paris: Versilio.

Sika P and Wilmott H (2010) The dark side of transfer pricing: Its role in tax avoidance and wealth retentiveness, accessed at http://repository.essex.ac.uk/8098/1/WP2010-1%20-%20PSikka%20Transfer%20Pricing%20Paper.pdf, 06.12.17

Streeck, W (2014) The politics of public debt: Neoliberalism, capitalist development and the restructuring of the state. *German Economic Review* 15(1): 143-165.

Vaara E (2003) Post-acquisition integration as sensemaking: Glimpses of ambiguity, confusion, hypocrisy and politicization. *Journal of Management Studies* 40(4): 859-893.

Vaara E and Tienari J (2008) A discursive perspective on legitimation strategies in multinational corporations. *Academy of Management Review* 33(4): 985-993.

Vaara E, Tienari J, Piekkari R and Santti R (2005) Language and the circuits of power in a merging multinational corporation. *Journal of Management Studies* 42(3): 595–623.

van Marrewijk A, Ybema, S, Smits K, Clegg SR and Pitsis TS (2016) Clash of the titans: Temporal organizing and collaborative dynamics in the Panama Canal megaproject. *Organization Studies* 37(12): 1745-1769.

Volkoff O, Strong DM and Elmes MB (2007) Technological embeddedness and organizational change. *Organization Science* 18(5): 832-848.

Williams K and Geppert M (2011) Bargained globalization: Employment relations providing robust “tool kits” for socio-political strategizing in MNCs in Germany. In Dörrenbächer C and Geppert M (eds.) *Politics and Power in the Multinational Corporation: The Role of Institutions, Interests and Identities.* Cambridge: Cambridge University Press, 72-100.

Zajak S (2017) MNCs and politicization from outside. In Dörrenbächer C and Geppert M (eds) *Multinational Corporations and Organization Theory: Post Millennium Perspectives*. Bingley: Emerald Publishing Limited, 389-423.

Table 1 Comparing the Special Issue Contributions

Authors	*Unit of analysis*	*Aspects of politicization and political contests analysed*	*Theories or concepts advanced*	*New directions for research*
Levy and Reiche	Conceptual study dealing with social hierarchy in MNCs and the role of cultural and social capital in internal politics	- Internal politicization and political struggles, triggered by transformation from MNC hierarchical towards networks structures - Role of firm-specific and transnational capitals	Bourdieusian approach related to cultural and social capital building	The study of multiple political contests over gaining cultural and social capital in both national-specific and transnational contexts
Maclean, Harvey, Suddaby and O'Gorman	Historical empirical study dealing with the role of political ideology in the discursive construction of a MNC	- Internal and external politicization of MNCs - The role of rhetoric, elite political networking and cultivating of officialdom in discursive processes	Political contests and politicization driven by political ideology	What is the role of discursive ideological sensemaking for managing ambiguity triggered by the current geo-political uncertainties?
Pedraza-Acosta and Mouritsen	Empirical study dealing with destructive effects of the dominant financialization ideology on the entire production network of a MNC	- Internal and external politicization of MNCs and its production networks - Interdependencies and vulnerabilities in political contests in production networks of MNCs	Causal, dispositional and facilitative aspects of circuits of power in MNCs and its global production networks	What are key modes of politicization and typical political contests within the MNC and in its supply chain that are triggered financialization?

Mezihorak	Empirical study dealing with the effects of relocation activities of MNCs to shared service centres on labour processes	- Internal and external politicization of MNCs, triggered by outsourcing to shared service centres - Political contests about controlling labour processes inside and out side the MNC	Political dynamics of MNC relocation processes and its impact on the control over labour processes	What are the concrete effects of MNC relocation and outsourcing decisions for lower level management and at workplace level?
Banerjee	Conceptual study dealing with critical analysis of the political CSR approach and the proposal of an alternative translocal governance framework	- External politicization of MNCs with specific focus of the role of MNCs - Key focus on marginalised stakeholders based on secondary data	Advances traditional political CSR research by focusing on the social and economic tensions caused by MNC activities, e.g. in sector like the extraction industry	Translocal CSR and governance research should address new questions of how should MNCs deal with repressive states; under which conditions MNCs should directly deal with impacted communities; how should MNCs deal with legitimate interests of both states and communities

Short biographical notes

Stewart Clegg is Distinguished Professor of Management at the University of Technology Sydney and is also a Professor at Nova School of Business and Economics in Lisboa, Portugal. He is the author, co-author and editor of many books, including *Frameworks of Power* (Sage 1989), major works, including *Power and Organizations (Four volumes: Sage 2012*), and handbooks, including the widely influential *Handbook of Organization Studies* and *Handbook of Power* (Sage 2006 and 2009 respectively), as well as books on topics as varied as Frank Gehry (*Gehry in Sydney*, Images Press 2015), creativity and innovation (*Idea Work*, Capellen Damm 2012) and Strategy (*Strategy: Theory and Practice,* Sage 2017). In addition, he has published in many of the leading journals, including *Academy of Management Review, Organization Science, Organization Studies, Human Relations,* and the *British Journal of Management.*

[Email: stewart.clegg@uts.edu.au]

Mike Geppert is Professor of Strategic and International Management at the Friedrich Schiller University Jena. His current research focuses on work and employment, socio-political issues and sensemaking in the context of multinational companies. He is the author, co-author and co-editor of many books and Special Issues. Recently he edited the Special Issue on *New organizational perspectives on the study of politics and power in the multinational company* for *Organization Studies* (2016), the volume of *Research in the Sociology of Organization* on *Multinational corporations and organization theory: Post millennium perspectives* (Emerald 2017) and the book on *Politics, power and conflict in multinational corporations: Foundations, applications and new directions* (Cambridge 2017). In addition he published in leading journals, including the *British Journal of Management, European Journal of Industrial Relations, International Journal of Human Resource Management, International Journal of Management Reviews, Journal of International Management* and *Journal of Management Studies.*

[Email: mike.geppert@uni-jena.de]

Graham Hollinshead is currently research fellow in the Centre for Interdisciplinary Research (ZiF) at the University of Bielefeld, Germany, and contributor to the project ‘In Search of the Global Labour Market’. His major areas of research interest include critical perspectives on

multinational organization and organizational transition in emerging and developing economies. His recent publications have appeared in *Critical Perspectives on International Business, European Journal of Industrial Relations, Competition and Change* and *The Oxford Handbook of Management; Management Past, Present and Future* (Oxford University Press). He was formerly Reader in International and Comparative Human Resource Management at the University of Hertfordshire Business School.
[Email: g.hollinshead@ntlworld.com]

Corresponding Author:

Mike Geppert

School of Economics and Business Administration

Friedrich Schiller University

Carl-Zeiss-Str. 3

07743 Jena

Germany

T: 0049 3641 9 43160

Mike.geppert@uni-jena.de

Other Author(s):

Stewart Clegg

Management Discipline Group

University of Technology Sydney

PO Box 123 Broadway

Sydney

New South Wales 2007

Australia

&

Nova School of Business and Economics,

Colégio de Campolide

Campus de Campolide

1099-032 Lisboa

Portugal

Stewart.Clegg@uts.edu.au

Graham Hollinshead

Zentrum fur Interdisziplinare Forschung (Center for Interdisciplinary Research) ZiF

University of Bielefeld

Methoden 1

33615 Bielefeld

Germany

G.Hollinshead@ntlworld.com