

Chandler Jr., Alfred D.; Bruce Mazlish: *Leviathans. Multinational Corporations and The New Global History*. Cambridge: Cambridge University Press 2005. ISBN: 0-521-54993-0; 264 S.

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You don't have to read the title to know what is in this book. Just take a look at the editors. Alfred D. Chandler is what most would agree to call the founding father of modern business history, his opus still being an inescapable reference point for a historical engagement with large-scale enterprises. Bruce Mazlish is the doyen of New Global History, the investigation into the history of globalisation processes. So, fuse the concerns of the editors, add an eye-catching headword and you will get to „*Leviathans. Multinational Corporations and the New Global History*“.

Inside the book, nine essays are framed by an introduction and a conclusion jointly written by Chandler and Mazlish. Their self-declared aim is „to secure a better grasp of the phenomenon of present-day globalization with the emphasis on [...] multinational corporations.“ (p. 15). That is, they propose that business history is a feasible way to study current globalisation, provided it is business history that transgresses a purely economic perspective and considers companies in their political, social, cultural and environmental context. More so, multinationals are not only regarded as shaped by these contexts, but vice versa as shaping them as well. This idea is already nicely evoked by the front cover, which not only refers to the title of Thomas Hobbes' 1651 classic, but also reproduces its frontispiece: the intimidatingly sized absolutist monarch made up of his people. This of course is the main message: Multinationals are not only economic entities, they are also seemingly political entities with grand-scale power and influence on society, culture and environment. Unsurprisingly, both this publication and its freestanding sister project¹, in which the geographic dimensions of multinationals are visualized, admittedly stem from the United Nations' list of the world's 100 biggest economic units, in which multination-

als are listed at eye level with nation states (p. 1).

The chapters of the book are organised in three groups. The first is an introductory one, containing four essays. For a start, Brian Roach introduces that type of business organisation that is in the centre stage of this publication, the multinational corporation (MNC). After portraying an exemplary MNC, Unilever, he sketches the current economic significance of multinationals and tries to explain their growth, to finally hint on their political influence as well as their social and environmental responsibilities. Next, Mira Wilkins and Geoffrey Jones provide a thorough historical overview. Wilkins devotes her attention to multinational enterprises (MNE) before 1930, i.e. to forerunners of modern MNCs. She only briefly touches on pre-industrial times, as „there was a wide divide between the modern MNEs and their many precursors“ (p. 51), and focuses on foreign investments of Western MNEs into infrastructure, mining and plantations during the first wave of globalisation. Jones continues with the global economic disintegration in the wake of the World Wars and the Great Depression. The sequestration of firms in wars and revolutions deterred foreign direct investments, and MNEs were often contested by state-owned companies. National subsidiaries of MNEs became more autonomous. The rebuilding of the global economy after the wars saw a shift to multinational banking and service firms, „with a distinct convergence between services and manufacturing“ (p. 102) in the 1980s and 1990s. This, in combination with outsourcing and strategic alliances, led to the current, seemingly web-like MNCs.

Finally, Sei Yonekura and Sara McKinney set a highly desirable counterpoint to the otherwise Anglo-centric perspective of the contributions. Japanese manufacturing companies, in most cases, did not manage their foreign trade relations themselves. Following international isolation until the 1850s, they suffered from language barriers and inexperience in foreign trade practices. Consequently, foreign trade concentrated in the hand of general trading companies, the „sogo

¹ Gabel, Medard; Bruner, Henry, Global Inc. An Atlas of the Multinational, New York, 2003.

shosha". Only in the 1970s, with the shift from light industries towards consumer electronics and automobiles, Japanese manufacturers felt a stronger need for foreign direct investment. Following Honda, some even developed characteristics of free-standing organisations: They aimed not at the domestic, but at Western markets and erected production facilities there.

The second part, on social and cultural implications of MNCs, contains only two essays. Neva Goodwin suggests that around 1970 the headway of large-scale companies was desirable in terms of social benefits, as they were regarded to provide better-than-average jobs. This has changed in the case of the MNC, as indicated by a divergence in the development of blue collar wages versus white collar, especially top manager's earnings. In a short but interesting piece, Mazlish and Elliott R. Morss broach the issue of an emerging global elite – or rather, four different elites. They distinguish those who derive their status from social background, the conceivers of profit-making ideas, the leaders of global organisations and states, and finally top managers from Western business schools. As a candy, we get a statistical analysis of the invitation list to the World Economic Forum in Davos, back in 2000.

The three final, fairly short papers are devoted to the governance of MNCs. The popular shareholder activist Robert A.G. Monks was commissioned to write on, yes, global shareholders. He delivered a special interest piece devoted to political and legal issues of institutional shareholder interests in the US about six years ago. Zhu Jia-Ming and Morss give a well-structured survey of those changes in the global financial sector that shaped the second globalisation. They treat the emergence of new financial institutions and „risk-adjusters“ – services to insure against changing exchange or interest rates, for example. They depict the rise of electronic transactions, and they allude to changing attitudes towards what constitutes a strong currency and a good investment. Finally, Stephen J. Kobrin portrays the global opposition to globalisation and compares it to earlier, more academic criticisms of global economic development.

How to judge the book? The editors can only be congratulated to enrich the discussion on current globalisation by introducing historical research, and to further orientate the field of business history towards comprehensive questions that are relevant beyond the scope of the discipline itself. Then the book has the additional, if unintended benefit that it will provoke contradiction. Partly this is because it cannot precisely be called fresh. The annotations reveal that most contributions have been conceived between 1999 and 2001. This is particularly distressing in the final chapters, where you can read – in a book published in 2005 – about how many online banks there will be in 2003 (p. 217). Next, there is a defect in geographical scope that Chandler and Mazlish openly admit: „The chapters of this book perform reflect [...] an emphasis on the MNC in the context of the United States along with a significant look at Japan [...]. We can only plead for future work with an even more global outlook“ (p. 241). Finally, the design to enter „the scene of the new globalization [...] through the persona of one of its preeminent actors, the multinational corporations“ (p. 242) is a fine one, but it seems desirable that once the scene is entered, one starts looking and turning around, putting in context especially the „persona“ that brought us there. What exactly is the place of the MNCs, their relative importance, their function in the globalisation process? These questions are neither sufficiently put nor answered in the book.

Is it a bad book then? Well, it does make a convincing point in proposing to do global history as business history, and – have a look at the conclusion – it raises a lot of interesting questions. But it does so unsystematically, and it does not give too many answers, even preliminary ones. What is a bad book, incidentally? A bad book is a book that you can afford to ignore. Now this book is a reasonably cheap one with two big names, a headword to remember and an interesting idea on the cover. Inevitably it will find its way in the annotations of further contributions to the field, as well as on many bookshelves. In this league, there are no bad books.

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