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Fighting The Wrong Enemy

Annual Report of the Council on Foreign Relations

Over the past two decades, the role of business in global governance has become increasingly topical. Transnational business associations are progressively more visible in international policy debates and in intergovernmental institutions, and there is a heightened attention given to global policy-making in national and international business communities. This text examines and explains the multiple modes of engagement between business and global governance; it presents a variety of theoretical approaches which can be used to analyse them, along with empirical illustrations. Featuring a range of leading US and European scholars, it is divided into three parts that summarize different modes of engagement. Each section is illustrated by two or three studies that represent a distinct theoretical take on the issue with empirical illustrations. The book examines: Business as master and purpose of global governance Business as subject and opponent to global governance Business as partner and facilitator of global governance This book will be of interest to students and scholars of Business Studies, International Relations, International Politics and International Political Economy, as well as for practitioners – in the public and private sector.

Distortion Or Development?

Antiglobalist forces have been gaining greater momentum in recent years in their
efforts to reverse what they view as the negative effects of an integrating global economy. Their influence was felt earlier when efforts to create a Multilateral Agreement on Investment (MAI) ended in failure in 1998 after France left the bargaining table at the Organization for Economic Cooperation and Development, effectively killing the initiative. In this book, through an evaluation of the MAI itself and the issues raised by its opponents, Edward M. Graham takes a fresh look at the growing backlash against globalization. He first explores whether the MAI negotiations failed due to political maneuvering by antiglobalist nongovernmental organizations (supported by US organized labor) or because of irreconcilable differences among the negotiating parties over the substance of the issue of foreign direct investment. He then objectively and thoroughly assesses antiglobalist assertions that the activities of multinational firms have had negative effects on workers both in the home (investor) and host (recipient) nations, with a special focus on developing nations. An important finding is that multinational firms tend to pay workers in developing nations wages that are significantly above prevailing wages. Graham then examines the issue of globalized economic activity and the environment, finding that economic growth in developing nations can lead to increased environmental stress but also finding that foreign direct investment can lead to reductions in this stress. He finds that the worry of many environmentalists of a "race to the bottom" is not borne out by the evidence. The final chapters assess whether or not a negotiation to create a comprehensive agreement on investment should be included in a multilateral negotiating round at the World Trade Organization in the near future. The interests of developing nations in this agenda are given special attention. Graham indicates that, while many developing nations would accept such rules, it might nonetheless be premature to press for a comprehensive agreement at this time. Rather, a limited investment agenda might be both more feasible and more productive.

Three Threats

Recent Developments in the Study of Business and Economic History


Joint Committee on Latin American Studies and Joint Committee on the Foreign Area Fellowship Program
Inter-American Economic Affairs

Foreign direct investment (FDI) has grown dramatically and is now the largest and most stable source of private capital for developing countries and economies in transition, accounting for nearly 50 percent of all those flows. Meanwhile, the growing role of FDI in host countries has been accompanied by a change of attitude, from critical wariness toward multinational corporations to sometimes uncritical enthusiasm about their role in the development process. What are the most valuable benefits and opportunities that foreign firms have to offer? What risks and dangers do they pose? Beyond improving the micro and macroeconomic "fundamentals" in their own countries and building an investment-friendly environment, do authorities in host countries need a proactive (rather than passive) policy toward FDI? In one of the most comprehensive studies on FDI in two decades, Theodore Moran synthesizes evidence drawn from a wealth of case literature to assess policies toward FDI in developing countries and economies in transition. His focus is on investment promotion, domestic content mandates, export-performance requirements, joint-venture requirements, and technology-licensing mandates. The study demonstrates that there is indeed a large, energetic, and vital role for host authorities to play in designing policies toward FDI but that the needed actions differ substantially from conventional wisdom on the topic. Dr. Moran offers a pathbreaking agenda for host governments, aimed at maximizing the benefits they can obtain from FDI while minimizing the dangers, and suggests how they might best pursue this agenda.

Latin American Research Review

This is an innovative collection of papers written by a panel of highly respected academics and financial experts. Whilst providing an insight into the phenomenology of the financial crises of the 1990s in Asia and Latin America, the book also explores possibilities for their solution.

Parental Supervision

Comparative Politics

Global Reach

Governments often use direct subsidies or tax credits to encourage investment and promote economic growth and other development objectives. Properly designed and implemented, these incentives can advance a wide range of policy objectives (increasing employment, promoting sustainability, and reducing inequality). Yet since design and implementation are complicated, incentives have been associated with rent-seeking and wasteful public spending. This collection illustrates the different types and uses of these initiatives worldwide and examines the institutional steps that extend their value. By combining economic analysis with development impacts, regulatory issues, and policy options, these essays show not only how to increase the mobility of capital so that cities, states, nations,
and regions can better attract, direct, and retain investments but also how to craft policy and compromise to ensure incentives endure.

American Multinationals and American Interests

Rethinking Investment Incentives

Today the most dangerous place on earth is arguably the Taiwan Strait, where a war between the United States and China could erupt out of miscalculation, misunderstanding, or accident. How and to what degree Taiwan pursues its own national identity will have profound ramifications in its relationship with China as well as in relations between China and the United States. Events late in 2004 demonstrated the volatility of the situation, as Taiwan's legislative elections unexpectedly preserved a slim majority for supporters of closer relations with China. Beijing, nevertheless, threatened to pass an anti-secession law, apt to revitalize pro-independence forces in Taiwan—and make war more likely. Taking change as a central theme, these essays by prominent scholars and practitioners in the arena of U.S.-Taiwan-Chinese relations combine historical context with timely analysis of an accelerating crisis. The book clarifies historical developments, examines myths about past and present policies, and assesses issues facing contemporary policymakers. Moving beyond simplistic explanations that dominate discussion about the U.S.-Taiwan-China relationship, Dangerous Strait challenges common wisdom and approaches the political, economic, and strategic aspects of the cross-Strait situation anew. The result is a collection that provides fresh and much-needed insights into a complex problem and examines the ways in which catastrophe can be avoided. The essays examine a variety of issues, including the movement for independence and its place in Taiwanese domestic politics; the underlying weaknesses of democracy in Taiwan; and the significance of China and Taiwan's economic interdependence. In the security arena, contributors provide incisive critiques of Taiwan's incomplete military modernization; strains in U.S.-Taiwan relations and their differing interpretations of China's intentions; and the misguided inclination among some U.S. policymakers to abandon Washington's traditional policy of strategic ambiguity.

Global Financial Crises and Reforms

Survey of Research on Transnational Corporations

Transnational Corporations

Annual Report - Harvard University, Center for International Affairs

Journal of Political & Military Sociology
Asia and Africa

Recent Developments in the Study of Business and Economic History

Publishes in-depth articles on labor subjects, current labor statistics, information about current labor contracts, and book reviews

Does Foreign Direct Investment Promote Development?

Examines the role of multinational corporations in the economy of the world and their effect on governments, taxpayers, consumers, workers, and businessmen.

Outward Foreign Direct Investment and US Exports, Jobs, and R&D

Handbook of International Financial Management

Foreign Direct Investment in the United States; Its Causes and Effects

Journal of International Affairs

LASA Newsletter

China's Strategy to Secure Natural Resources

Parental Supervision amplifies the research Theodore Moran first presented in Foreign Direct Investment and Development (1998), assessing the opportunities and dangers that foreign direct investment may present to the growth of developing countries. Moran uses almost 50 percent more case studies than the earlier work to examine two types of foreign investments: (1) those that are tightly integrated into the parent firm's strategy and (2) those that are hindered by joint-venture and domestic-content requirements. The study is a comparison between these two types of foreign operations how backward linkages to local suppliers, operations of local affiliates, and the spillovers and externalities in the host economy differ from one type of foreign operation to the other. In tightly integrated networks, not only is the performance of local affiliates superior and upgraded more continuously, but also, surprisingly, the backward linkages from the affiliates to local suppliers tend to be larger and more robust. Moran reviews contemporary efforts to measure the impact of simultaneous trade and investment
liberalization on host country welfare, finding that the magnitude of both the benefits and the costs may be far greater than conventional wisdom suggests.

**History Teacher's Magazine**

Examines the impact of foreign direct investment on workers, families, and communities in the developing world. Concludes with an analysis of the implications for contemporary policy debates and proposed new avenues for future research.

**Annual Report**

**Political Risks in International Business**

**The Rise of Transnational Corporations from Emerging Markets**

**Foreign Direct Investment and Development**

The rapid emergence of China as a major industrial power poses a complex challenge for global resource markets. Backed by the Chinese government, Chinese companies have been acquiring equity stakes in natural resource companies, extending loans to mining and petroleum investors, and writing long-term procurement contracts for oil and minerals. These activities have aroused concern that China might be "locking up" natural resource supplies, gaining "preferential access" to available output, and extending "control" over the world's extractive industries. On the demand side, Chinese appetite for vast amounts of energy and minerals puts tremendous strain on the international supply system. On the supply side, Chinese efforts to procure raw materials can either exacerbate or help solve the problems of high demand. Evidence from the 16 largest Chinese natural resource procurement arrangements shows that Chinese efforts—like Japanese deployments of capital and purchase agreements in the late 1970s through the 1980s—fall predominantly into categories that help expand, diversify, and make more competitive the global supplier system. Investigation of smaller projects indicates the 16 largest do not suffer from selection bias. However, Chinese attempts to exercise control over mining of rare earth elements may constitute a significant exception. The investigative focus of this analysis is deliberately narrow and precise, assessing the impact of Chinese resource procurement on the structure of the global supply base. The broader policy discussion in the concluding chapter raises other separate important issues, including the impact of Chinese resource procurement on rogue states, on authoritarian leadership, on civil wars, on corrupt payments and the deterioration of governance standards, and on environmental damage. Such effects may make patterns of Chinese resource procurement objectionable, on grounds quite apart from the debate about possible "control" of access on the part of China and Chinese companies.
The United Nations library on transnational corporations: [international business and the world economy]. 7. Governments and transnational corporations

Under what conditions might a foreign acquisition of a US company constitute a genuine national security threat to the United States? What kinds of risks and threats should analysts and strategists on the Committee on Foreign Investment in the United States (CFIUS), as well as their congressional overseers, be prepared to identify and deal with? This study looks at three types of foreign acquisitions of US companies that may pose a legitimate national security threat. The first is a proposed acquisition that would make the United States dependent on a foreign-controlled supplier of goods or services that are crucial to the functioning of the US economy and that this supplier might delay, deny, or place conditions on the provision of those goods or services. The second is a proposed acquisition that would allow the transfer to a foreign-controlled entity of technology or other expertise that might be deployed in a manner harmful to US national interests. The third potential threat is a proposed acquisition that would provide the capability to infiltrate, conduct surveillance on, or sabotage the provision of goods or services that are crucial to the functioning of the US economy. This study analyzes these threats in detail and considers what criteria are needed for a proposed foreign acquisition to be considered threatening. Ultimately, the vast majority of foreign acquisitions pose no credible threat to national security on these grounds.

Government Policy and Sino-foreign Joint Venture Operations

This comprehensive analysis deals with the range of issues raised by the rise of transnational corporations from emerging markets. This insightful book shows that foreign direct investment (FDI) from emerging markets has grown from negligible amounts in the early 1980s to $210 billion in 2007, with the stock of investment now being well over $1 trillion. This reflects the rise of firms from these economies to become important players in the world FDI market. The contributors to this book comprehensively analyze the rise of emerging market TNCs, the salient features of the transnational activities of these firms, the relationship of outward FDI and the competitiveness of the firms involved, their impact on host and home countries and implications for the international law and policy system. The subject of this study is both topical and important and poses a number of challenges that will require considerable policy attention in the future. It will appeal to academics interested in FDI as well as emerging markets. Karl P. Sauvant has gathered together a group of leading academics that makes this an informative and valuable read for anyone interested in the subject, including academics, students at all levels and private sector entities, as well as government officials dealing with outward FDI.

Monthly Labor Review

Business and Global Governance
The General Trading Company

It is not in the US interest to adopt tax and regulatory policies that would discourage global engagement by US multinational corporations (MNCs). Research presented in this book shows that the expansion of foreign affiliates of US MNCs is positively associated with more production, greater employment, higher exports, and more research and development (R&D) in the United States. These findings suggest that less investment abroad by US firms would weaken—not strengthen—the US economy. This analysis by no means implies that there are only winners and no losers from outward investment. Changing patterns of MNC investment, like changing patterns of technology and production more generally, contribute to job losses and dislocations for some workers and to new opportunities for others. To benefit the US economy and US workers most broadly, the United States will want to search for ways to strengthen the appeal of the United States as a base for the operations of international firms. High among the recommendations to accomplish this, the United States should adopt a territorial tax system, like the great majority of developed countries.

Global Political Economy

Dangerous Strait

Report