

The Multinational Corporation And Social Change

The Modern Corporation: the Site of a Mechanism (of Global Social Change) that is Out-Of-Control?

(Forthcoming in: Archer, Margaret (Ed.), (2015), *Social Morphogenesis: Generative Mechanisms Transforming Late Modernity*, New York: Springer.)

Tony Lawson¹
Faculty of Economics and Politics
University of Cambridge

The ways of acting of modern corporations, not least those that are multinational, constitute significant mechanisms of social change. I doubt that this assessment is overly contentious. Indeed, there is seemingly widespread agreement that the mechanisms in play are dynamic, pervasive and consequential.²

There is less agreement, however, as to the extent to which these mechanisms, or their effects, are especially desirable. Indeed, informed commentators regularly criticise the fact that multinational corporations almost everywhere operate beyond the control of various local regulators, not least tax authorities.³ Some go further, suggesting that corporations act in ways that are undermining of any semblance of democracy.⁴ A sizable few even express concern that modern corporations are not only frequently 'beyond control' (of local regulators and so forth) but also, on occasion at least, seemingly 'out of control'.⁵

How, though, could such a scenario arise? How is it structurally feasible that the modern corporation could be frequently beyond the control of relevant authorities let alone out of control, or at least appearing to be so to various close observers? Presumably this appearance might be gathered from instances where mechanisms that a corporation grounds, or their

¹ I am very grateful to the Independent Social Research Foundation for funding the research on which this paper draws. I am also grateful to participants of the Morphogenesis Workshop for helpful comments when I first presented a draft of this paper at its meeting in Oxford in January 2014, and to Margaret Archer for further comments on a revised draft.

² I myself discuss these sorts of issues in Lawson, 2014a.

³ The UK TV public was recently (12/11/2012) treated to the spectacle of executives from Starbucks, Amazon and Google appearing before the UK Parliament's Public Accounts Committee to explain why, despite their extensive operations in the UK, they appeared to make relatively little profit. The event was described by the *BBC News Business* as follows:

"Three executives from large multinational corporations were ritually flayed by Parliament's Public Accounts Committee as penance for the alleged tax sins of their employees. Starbucks' head of finance, Troy Alstead, was forced to portray his company as a perennial commercial flop, in order to account for its peculiar failure to record a taxable profit in the UK for 14 out of the last 15 years. He was followed by Amazon's Andrew Cecil, who was reduced to stuttering when he was accused of being "pathetic" for his inability to disclose something as basic as how much of his firm's European sales came from the UK last year.

Last up was Google's Man Burtin. In contrast to his two peers, Mr Burtin did not seek to evade or apologise. Yes, of course Google minimises its tax bill, by operating in Bermuda and Ireland, he said. Google had a duty to its shareholders to minimise its costs. And besides, the UK still benefited from Google's many free products, not least its search engine, which were engineered by thousands of employees in California." Available on line at: <http://www.bbc.co.uk/news/business-20580545> on November 07 2013.

In fact a four-month investigation by news agency Reuters revealed that Starbucks reportedly paid just £8.6m in corporation tax in the UK over 14 years - including reporting accounting losses when it was profitable.

Google's UK unit paid just £6m to the Treasury in 2011 on turnover of £395m, according to the *Telegraph*.

The UK's biggest online retailer Amazon generated sales of more than £3.3bn in the country in 2012 but paid no corporation tax on any of the profits, according to the *Guardian*.

Facebook in the UK paid £238,000 in tax last year (2012), according to its accounts, with most of the company's income believed to be legally going through its European base in Dublin, where corporation tax is lower than the UK.

Apple paid less than 2% corporation tax on its profits outside the US, paying \$71.3m (£44.5m) on foreign pre-tax profits of \$36.8bn.

US auction site eBay paid only £1.2m in tax in the UK, according to an investigation by the *Sunday Times*.

⁴ See for example Joel Bakan (2004), David C. Corton (1995) or Lee Drutman and Charlie Gray (2004).

⁵ This is an overall assessment, but widely recorded and usefully summarised by Lee Drutman and Charlie Gray on the cover of their 2004 book *People's Business: Controlling Corporations and Restoring Democracy* where they record "the widespread conviction that corporations are increasingly out of control, and potentially dangerous consequences for the communities where they operate, their own employees, and even for their owners, the shareholders". See also Joel Bakan's (2004) *The Corporation: The Pathological Pursuit of Profit and Power*, or David C. Corton's (1995) *When Corporations Rule the World*. As a representative of the (literally) millions of bloggers that have formed a similar assessment, Ralph Nader (2002) warns that "Big corporations are out of control, in large part, not only from the law, consumers, workers, communities, but from their own owners" (found in November 2013 at <http://www.nader.org/interest/032802.html>).

1

The Multinational corporation and social change. Front Cover. David Ernest Apter , Louis Wolf Goodman. Praeger, - Business & Economics - pages. The World as a Company Town: Multinational Corporations and Social Change. Front Cover. Elizabeth Idris-Soven, Mary K. Vaughan. Walter de Gruyter, Jan 1. The Multinational Corporation and Social Change [D. Apter] on bjornhalldal.com * FREE* shipping on qualifying offers. Multinational Corporation and Social Change (Praeger special studies in international economics and development) [David E. Apter, L.W. Goodman] on. The Changing Role of Multinational Corporations. A. H. Meleka*. Multinationals as open social, political, and economic systems engage in a constant in-. Multinational companies have a big impact on the world, not just on the She tracked changes in the way researchers have approached these. The Multinational corporation and social change / edited by David E. Apter, Louis Wolf Goodman. Multinational corporations Social change. Available in the National Library of Australia collection. Format: Book; xiii, p.: ill. ; 24 cm. DOWNLOAD THE MULTINATIONAL CORPORATION AND SOCIAL CHANGE the multinational corporation and pdf bjornhalldal.com OECD Guidelines. Multinational corporations centered in the United States and their foreign affiliates This is a derivative of Sociology: Understanding and Changing the Social. The World as a company town: multinational corporations and social change. Front Cover. Ahamed Idris-Soven, Elizabeth Idris-Soven, Mary K. Vaughan. The legitimacy of multinational corporations has been increasingly but are also in a position to serve as driving engines of social change. The World as a company town: multinational corporations and social change. Responsibility: ed. Ahamed Idris-Soven, Elisabeth Idris-Soven and Mary K. This chapter focuses on transnational corporations (TNCs), not only as economic heavyweights, but also as influential players in political and social change. book reviews: The World as a Company Town: Multinational Corporations and Social Change A. and S. Idris-Soven and M. K. Vaughan (eds.). The Hague. Chapter 27 Transnational corporations and direct foreign investment L.W. (Eds.), The multinational corporation and social change, Praeger, New York (). Corporate Social Responsibility (CSR) is an increasingly essential element in . changing. It is shown that 90 percent of people expect more from companies. change mitigation can enhance an MNC's competitiveness. We test the hypotheses using brunt of these social and regulatory pressures because of their deep. Many of these multinational corporations can now be described as . However, as the true environmental and social costs of corporate activity are most corporations would not be able to continue without major changes if.

[\[PDF\] Momentum, Direction, And Divergence](#)

[\[PDF\] France Before The Romans](#)

[\[PDF\] Were Here: A History Of Lesbian And Gay Pride In The United States](#)

[\[PDF\] India: The Gathering Storm](#)

[\[PDF\] The Logical Processing Of Digital Signals](#)

[\[PDF\] Fight Night!: The Thinking Fans Guide To Mixed Martial Arts](#)

[\[PDF\] Where Theres A Will: Story Of A British Soldier. 1881-1945 Rifleman W.J. Harris. Bedminsters Adopted](#)