This paper draws upon International Political Economy (IPE) to analyze International Management (IM) from a critical perspective in order to point out the interplay between management and governance as a result of the growing influence of international organizations (governmental and non-governmental) and transnational corporations in Latin America. It points out that a key interface between IPE and IM are the political economy aspects of international business and management in developing countries (DCs).

The IM mainstream literature neglects relevant issues for these countries, for example, environmental and social impacts of transnational corporations, as well as political, social and economic implications of the attraction of foreign direct investments (FDI) for governments, societies and also for already established corporations. Moreover it neglects the increasing internationalization of the companies from DCs and the south-south flows of foreign direct investment within the Latin American context.
Embracing these issues in future research means enlarging the IM scope and revisiting topics and approaches from political economy, such as government-company relations and the debates on comparative national business systems (see Grosse 2005). This implies a revision of contemporaneous debates in the United States (US) about the scope of IM and the development of a critical perspective from Latin America focused on issues that were relevant in the research agenda of International Business (IB) in the 1970s (Vernon 1994; Shenkar 2004). The stream of research related to these issues encompasses seminal works from the 1960s and 1970s, such as dependency theory (Cardoso and Faletto 1979; Frank 1969 and Evans 1979), and approaches focused on foreign direct investments and transnational corporations (Hymer 1968; Vernon 1966; Gilpin 1987) which emphasized the bargaining processes between governments and multinational corporations in developed and developing countries. A key research question in the 1970s in IB was the monopolistic power of multinational corporations (MNCs).

Nevertheless, as IB research was divorced in recent decades from major political, social and economic questions (Buckley and Casson 2003, 221) the field of IM was enabled to strengthen its ethnocentric perspective from the US and to reinforce in global terms the apolitical character of both ‘international’ fields, i.e., IM and IB, within management studies.

**Reviewing IB to Update IM**

Dunning (1989) identifies two stages in IB studies. The first stage goes from mid 1950s to late 1960s. IB was taught and researched by a reduced number of academics, who helped found and develop the Academy of International Business (AIB). At that time, there were few business schools outside the US and North-American academics trained in economics and marketing dominated the research in the field, following an approach that did not take cultural issues and influences into account. The predominant logic was to add an ‘international’ dimension to the
study of domestic businesses.

The second stage was led by non North-American academics from outside business schools that addressed international aspects in their respective topics or disciplines. The studies, which were politically oriented and accompanied the rise in FDI from the US during the 1950s and 1960s, were focused on the economic consequences of FDI on home and host countries. In this period, the so-called ‘Multinational Project’ conducted by Raymond Vernon was established at Harvard Business School (Vernon 1994). This research was undertaken mainly by economists, based on prevailing economic theories, to investigate the motivations and the determinants of the FDI from MNCs.

In the 1970s, most research was single disciplinary and supported the perspective that IB studies meant the extension of the approaches from functional areas of management. However, in the late 1980s, the field of IB had reached a certain level of maturity and was capable of developing their theories and paradigms (Dunning 1998). Vernon (1994, 227) reports, surprisingly, that scholars had total autonomy in the early 1960s on the contents of the IB courses. Moreover, there were no influences from other courses or disciplines, such as marketing and finance.

As the Harvard Business School decided to adopt an organizational structure based on functional areas, IB was assigned as such. In the late 1960s, Harvard Business School abolished IB as an area with the argument that the functional areas should internationalize their respective curricula. This Harvard decision had a key influence in the field of IB. For this reason, Vernon points out that we must pay critical attention on the future of the IB curriculum, particularly in what regards comparative national business systems, due to the parochial thinking of North-American academics that gained strength within IB mainly as a result of Harvard decision.
According to Shenkar (2004), IB academics were forced to create a protected market with their journals and institutions (such as, the Journal of International Business Studies – JIBS, which belongs to the AIB)\(^3\). As an emerging field in relation to other established fields within management studies, it was understood in the US that IB could neither compete with nor achieve the theoretical and methodological standards that prevailed among the established management disciplines. The growth of the world economy during the 1980s and 1990s, pushed by larger volumes of international trade and FDI flows, provided IB with high status and relevance in spite of those disciplinarian constraints in the US.

For the same reasons, functional areas of management incorporated international topics and some positive outcomes were achieved with the internationalization of the curricula and research in many business schools. In the 1990s, with the rise of an era of globalization, the trend in the US was to dismantle the IB departments – following the model established by the Harvard Business School (Vernon 1994) or through mergers with the Departments of strategic management within the business schools and Economics (Shenkar 2004, 162).

The corresponding biases reproduced in the realms of IB and IM have been highlighted in the US most prestigious journals. In the early 1980s Dymsza (1984) argued that the main problem was the background in economics of most authors. This explains why the focus on FDIs and MNC theories has dominated the area. More than a decade later, Sullivan (1998) investigated the implications of this “stricter view of IB”, through the analysis of 27 years of publications in the JIBS. The results confirmed the striking predominance of the economic rationality on IB research.

These internal debates have, nonetheless, not led to substantial changes in the field (Toyne and Nigh 1998). Lack of consensus among researchers has helped to establish myths, instead of
promoting substantial progress. For the proponents of the economic approach – who take economics as the ‘mother discipline’ of IB –, the field starts with the thesis of Stephen Hymer (in the 1960s), under the guidance of Charles Kindleberger (Kindleberger 2002). Dunning (2006, 116), a renowned IB scholar, states that Hymer’s thesis and some of his last works were less based on the tradition of industrial organization and more on IPE. In practical terms Dunning’s statement means that economics should not have a monopoly over IB. He also points out that the myth of the superiority and predominance of economics within IB results in more vulnerability to the field (in terms of the ‘mother discipline’ and its theoretical developments, such as International Economics and Political Economy). A more seriously problem in the US is that this makes IB knowledge easily imitated by the field of strategic management (Meyer 2004).

A second important bias is the origin of IB researchers. Shenkar (2004, 165) analyzed in detail the official journal (i.e., JIBS) of the AIB and showed that 90% of the published papers had at least one North-American author and that over 70% of the authors were from the US. These results confirm a previous study conducted in the mid 1990s by Inkpen and Beamish (1994). From 1970 to 1974, only the institutions of four countries were represented in the pages of the JIBS: Canada, Sweden, the United Kingdom and the United States (with 93% of the authors). From 1990 to 1994, 23 countries were represented, and the participation of the authors from the US decreased to 67% of the total, with the South Carolina University as the leading institution.

A third type of bias explains in a particular way the dominance of economics. The probability of a country being included in an article published in the JIBS was directly proportional to its position in the trade ranking with the US. This also explains why the number of articles published in this prestigious journal has increased considerably in the last ten years
(Quer et al. 2007). In short, those biases block the construction of a truly ‘international’ perspective. The predominance of economic approaches, US researchers and influences from the US trade policy, help explain why many important and influential authors (Dunning 1989; Toyne and Nigh 1998; Martínez and Toyne 2000) reinforced the earlier argument that the field needs interdisciplinary research and developments (Child 1981).

A more problematic type of bias may explain why these claims for have been made by authors from developed countries or regions. In the early 1980s, Dymsza (1984) stood for the multidisciplinary feature of IB. He stated that research in the field uses concepts from various fields of the social sciences in addition to the functional fields of business administration. Even though most authors published by the JIBS classify their works as multidisciplinary or interdisciplinary4, there are persistent doubts about this (Dunning 1989; Inkpen and Beamish 1994).

**Challenging the IB-IM differentiation**

At this point of this paper, a chief aspect should be emphasized: the lack of consensus among IB and IM academics about the differentiation of IB and IM. This has been a contentious debate among US academics and, to a less extent, in Europe.

The picture is quite confuse and remains a key issue for the definition of IM in the US literature. Dymsza (1984) suggested, in the mid 1980s, that research in IB should include themes such as international management and multidisciplinary studies. Ricks et al. (1990) assert that research in the field of management incorporates a vast array of international questions. They undertook an extensive review of the literature (based on data from 1988) focused on the international dimension of management and identified eight research areas5. IM research followed, according to Ricks et al. (1990), two approaches: (a) study of a particular theme with
little or no concern with the differences between countries (the extension paradigm), (b) study focused on comparison of countries (comparative management) and/or cultures (cross-cultural management), i.e., the approaches reproduce two predominant paradigms in the theoretical evolution of the IB field, according to Toyne and Nigh (1997, 1998).

On the contrary, Buckley (1996) establishes a clear difference between IB and IM. He affirms that whereas IB is deductive, analytic and axiomatic, IM is practical, empirical and prescriptive. This assertion from an European IB scholar does not have many followers in the US. Buckley points out that the orthodox theory of the MNC, based on the internalization approach, allows only a small role for management within IB research. This helps explain some key gaps between IB and international strategic management, an emerging sub-field in the US that aims to bridge IM and strategic management by giving emphasis to main features of international research. According to Buckley, in order to overcome such gaps, there are approaches of the internationalization process of the firm, more specifically, the evolutionary models (Johanson and Vahlne 1977; Vernon 1966). Moreover, there are the studies on the internal organization of multinational companies (Ghoshal and Westney 2005). In spite of the divergences of perspective and research objectives, the literatures of IB and international strategic management deal with similar research questions and thus, “cross-fertilization” seems to be a route to follow. Buckley (1996) recognizes contributions from international strategic management but not IM as a field.

Boddewyn (1999) acknowledges the difficulties to achieve some consensus on the definition of the borders of the IM field, but emphasizes the existence of a research domain, i.e., IM, that is different from the field of IB. However, he questions whether IM is an autonomous field or just a functional sub-domain of IB, as is the case of international marketing, international accounting
and international finance. Boddewyn acknowledges that his analysis is ethnocentric, because it discusses only the North-American point of view for the meanings of “international” and “management”.

To Boddewyn (1999, 4), the definition of the International Management Division (IMD) of the Academy of Management “has the great merit of (1) not being coterminous with a definition of international business, and (2) listing topics that most IM academics would consider to be legitimate “management” ones.” He points out that this is a ‘minimalist’, but ‘defensible’, definition of IM in comparison to the alternative to question whether the IM domain should be extended to include all the international organizations (such as the World Bank, International Monetary Fund and World Trade Organization).

The definition of IM remains a complex issue in the US literature. Textbooks in the field (Bartlett et al. 2008; Luthans and Doh 2008; Punnet and Shenkar 1995; Tomas 2003) differ about the basic concepts and emphasis, divided into functional, structural, behavioral, strategic, cross-cultural and other analyses. Some are mere variations of IB textbooks. Moreover many “business schools” were renamed as “management schools” more recently as a result of the spread of managerialism within an era of globalization. Courses and textbooks simply reflect this superficial change and it has become a key challenge to the objective of “truly differentiating IM from IB” (Boddewyn 1999, 13). In a prescriptive fashion, Contractor (2000, 8) argues that there is both overlapping and distinction between IM and IB. One of the main distinctions is that IM literature does not deal with the interactions between companies and supranational institutions, such as the International Monetary Fund and the World Trade Organization. The IB literature emphasizes these interactions and the international aspects of functional areas of management, such as marketing, accounting and finance. These areas are not addressed by the IM literature.
However both address some common topics such as international alliances and inter-firm cooperation.

According to Contractor (2000), international management is defined as the organizational and strategic answer for the permanent differences of mentalities and cultures among the nations. The world remains fragmented, in spite of some utopist affirmations or aspirations about homogenization of markets and consumer preferences in the light of globalization (Levitt 1983; Ohmae 1990). The differences among nations justify, according to Contractor, the existence of IM as an autonomous field of study.

The debates over the IB and IM domains call our attention because of the lack of consensus over the unit of analysis. As emphasized by Shenkar (2004), MNCs are the key unit analysis in IB. Vernon (1994) and Buckley (2002) pointed the understanding of the multinational phenomenon as one of the main research goals in IB. Additionally, Boddewyn (1999) argues that the unit of analysis of IM “should be the business company”, rather than only the MNCs. He also emphasizes that Toyne and Nigh (1998) refute the focus on the MNCs when it comes to the scope of IB. They argue that the MNC should not remain as the single unit analysis in IB because this focus neglects important aspects of MNCs, such as employees and the multiple dimensions of the contexts of operation.

More recently, Shenkar (2004, 167-169) suggests that a more effective approach in IB requires the interpretation and incorporation of international questions, including political events, social processes and historical inheritance, and also topics that are typically neglected by the fields of economics and strategy. Meyer (2004, 261) stresses that IB researchers investigated MNCs through an internal approach that overlooks the societies where they operate. As such, IB has provided few contributions to explaining the role of the MNC in society. Ramamurti (2004,
argues that IB researchers should pay attention to the positive and negative impacts of MNCs in DCs, with particular emphasis on the abuses and externalities. The author affirms that the time has come to place this topic at the center of the IB debate, as in the 1970s.

Finally, Buckley affirms that the real world has displaced the focus of IB, as what the North-American companies make abroad, into a globalized approach, with all the cross border aspects of business. This change requires “new lenses for analysis firmly rooted on the concept that business is, and has always been better analyzed as an international phenomenon” (Buckley 2005, 7).

Despite the theoretical development achieved since then, the affirmation that IM and IB have become autonomous disciplines, with their own theories and methods, is hard to be accepted. Even though the fields of IM and IB were set up in the US “to fill a gap in management studies, namely a focus on the international dimension” (Contractor, 2000, 7) the developments undertaken so far have failed to bridge the gap of the international dimension in management academia. This paper supports the argument that the ‘international dimension’ of ‘management academia’ has not been bridged properly from a Latin American perspective.

This paper argues that the main common characteristic of the fields of IB and IM, and what makes them different from other areas, is the multiple levels of analysis (such as: global, international, national, inter-organizational and intra-organizational). These levels reflect complexities and interdependences of phenomena in the realm of international business that are not observed in other areas. As a consequence, the investigation of the international phenomena in the field of business or management requires the adoption of multidisciplinary and/or interdisciplinary approaches with other areas of knowledge which may help IB and IM to go beyond the dominant narrow focus on the firm that also prevails in both IB and IM.
Accordingly, researchers from/in DCs – and in special in/from Latin America – should take a critical stance toward topics and approaches from the dominant literature as they neglect relevant historical and political aspects of international business/management and fail to explore the levels of analysis properly. Such critical perspective is in line, but in a particular way, with recent debates which call for a definition of ‘international management’ that goes beyond the traditional definition of ‘management crossing borders’ (e.g., Jack et al. 2008).

In addition to this introduction, this paper is structured as follows. In the second section, it examines the contributions from International Relations (IR) to IM, grounded on a critical view of IPE. The analysis, focused on Latin America, emphasizes the contributions from the dependency theory. In the third section, it is argued that in parallel with the challenges of economic globalization, the strong presence of International Governmental Organizations (IGOs), International Non-Governmental Organizations (INGOs) and transnational corporations (TNCs) in Latin America has implications for future developments in IPE, IB and IM. Towards the end, it problematizes how important the political economy (or governance-related issues) aspects of international business and management in DCs are. Finally, at the fourth section, it addresses key issues for the development of an interdisciplinary approach that recognizes the governance level of IM.

**Contributions from International Relations**

This section examines the contributions of IR – a field portrayed as interdisciplinary, pluralist and capable of offering many critical perspectives – to IM – a field that has remained “for the most part firmly rooted in traditional functionalist-positivism, with little reflexivity about the claims and consequences of such an epistemological stance” (Jack et al. 2008, 5). More specifically, this section is based on the argument that IM remains a narrow and parochial field
as it draws upon a narrow managerialist perspective informed by neoliberalism that prevails in
the US.

The first contribution from IR to IM (and to some extent to IB) is the enduring debate over
the meaning of the ‘international’. From the perspective of IR, before asking what IB or IM is or
should be we should ask what the ‘international’ means. Halliday (1994, 2) argues that “far from
the ‘international’ arising from the national, and from a gradual expansion of links between
discrete entities, the real process has been the other way around: the history of the modern
system is one both of internationalization and of the breakdown of pre-existing flows of peoples,
religion, trade into separate entities…”. This statement from Europe challenges the dominant
perspective of the ‘international’ in the IR literature in the US and is particularly interesting as it
fits the main historical and geographical features of Latin America.

The ‘international’ has been historically taken in IR as equivalent to the interstate system.
The state is taken as the basic unit and relations among states within ‘anarchy’ is “what ‘the
international’ was all about” (Cox, 2007, 515-518). Given the dominance of (neo)realist
perspective in IR in the US this helps explain why the ‘international’ has been defined from the
US national standpoint. The contemporaneous meaning of ‘the international’ should go beyond
the imposition of a national perspective. It should be related to the complex processes in which
people self-organize at both the local and global levels. In such an ideal world the dominant
‘national’ perspective would be displaced and “each person would be able to understand how and
why others may see things differently; and from there work towards some accommodation. We
are a long way from that.” (Cox 2007, 526). In such context of diversity of perspectives, Cox
(2007, 527) posits that we should go “against absolutist claims for any one perspective.”

The main point is that the debates about the meaning of ‘international’ in IR challenges by
far the lack of corresponding debates in the IM literature and the attempts of defining IM (Boddewyn 1999; Boddewyn et al. 2004). Though there is not a consensus in the fields of IR and IPE about what the ‘international’ is or should be (see Kissack et al. 2007), the internal debates over its evolution brings a new light to the debates on the enlargement of the meaning of the ‘international’ by the field of IM. It should go beyond the idea that international in IM equals with cross-border and cross-cultural issues and address toward a multicultural and multidisciplinary approach that could avoid the imposition of a national view as universal (Jack et al. 2008, 9).

A second contribution from IR is the contemporaneous debate over the fact that IR and IPE have been colonized by American foreign policy. The specialized literature spreads concepts and approaches as global although they are American fields. Waever (1998, 695) makes clear this feature by pointing out that a country’s foreign policy situation often influences the development of IR theory. Briefly, IR addresses different units of analysis, such as states, transnational relations, rules or firms – but liberalism has become “the shared premise of American mainstream rationalism” (Waever 1998, 722) In the end it is almost the only theoretical ground in the mainstream literature. The importance of the (neo)realist perspective in US foreign policies helps explain why US theories and concepts in IR are spread and reproduced abroad but not the other way around. Nevertheless, within a context of increasing diversity as a result of the spread of globalization, it has been pointed out that ‘selling’ American IR to societies that are less extremely liberalized “has become more and more difficult.” (Waever 1998, 722).

As is the case in the field of IM, it is quite difficult for IR researchers from abroad (especially from the South) to overcome the entry barriers at US journals and institutions. According to Waever (1998, 723), the structure of academic careers reinforces a situation in
which European IR is deemed to be criticized for insufficient professionalism and too much local control, whereas “American IR is threatened by parochialism and sequences of fads”. As a result the field of IR is featured by lower standards, less exchanges, and fewer challenges that could lead us to think in new ways. The author adds that a global orientation could help to break “exceedingly local bastions, especially in Europe, while overcoming the structural narrow-mindedness of much of American IR.”

This debate, unlike the current debates within IM (and also within IB), is particularly important to the development of a critical perspective in IM from Latin America. It emphasizes the influences of national politics and national academic culture on the theoretical developments within ‘international’ disciplines or fields. According to Waever (1998, 725), issues in international affairs are theorized not only through the influence of international events on the learning processes of a deterritorialized discipline, but also from the process “being very much a product of national, academic culture.” He concludes: that “if American scholars stick to their narrow-minded approaches, some room will be left for (German, French and British) developments in Europe” (Waever 1998, 726). The importance of this argument is twofold. First, because it illustrates that the disputes between Europe and US in an era of globalization will inevitably lead to a particular type of diversity within IR. The main question in IR, given the current debates from the North and the perspective of diversity put forward by Cox is: what about the ‘rest’ of the world? Second, because it shows that the dominant path towards diversity in IR should be critically addressed from the South. Accordingly, IM should recognize those debates from IR and be challenged by a critical perspective from Latin America. This could be also of help to a critical review of the recent evolution of IB in the US.

This feature in IR signals that it is expected that cross-cultural developments within IM will
be concentrated in the US and Europe and reinforce the perspective from the North unless some perspective from other regions, especially from the South, emerges. The current debate within IR shows that a serious debate about diversity must take place within IM in an era of globalization constrained by the tenets of neoliberalism. A second contribution from IR to IM (and to IB on those matters that overlap with IM such as the meaning of the ‘international’) is the questions on whether IR is a discipline or a field and whether theoretical fragmentation is a strength. These debates are related to concerns about why IR was kept insulated from social science and history and to claims (similar to those in IM and IB) that field needs interdisciplinary research and developments as will be presented in the next section.

**Contributions from IPE**

Within the plurality of approaches in the field of IR, IPE is particularly important to support the key argument put forward in this paper. The most important argument from IPE is that researchers should address the political and the economic domains properly (Strange 1970). More specifically it is argued that researchers should preserve the analytical properties of each of those domains instead of imposing one on the other.

Strange’s original work in the 1970s is a landmark within IPE. It is based on the chief argument that “neither international economics (because of its lack of understanding of power and its fixation with abstract theory) nor IR (because of its fixation with the state and military power) are adequate to a proper understanding of the international political economy” (Tooze 2000, 284). According to such statement, IPE researchers should construct a heuristic perspective, capable of moving across different fields of knowledge (including history and business).

Buzan and Little (2001, 31) posit that the most important attempt in IR to construct a cross-
sectoral theory has been the idea of hegemonic stability developed within IPE. It attempted to link political and economic structures, even though “it was a feeble creature compared to world-systems.” Accordingly, IPE has been largely colonized by neorealism in the US. As the neoliberal and neorealist agendas have merged into what Wæver labels the neoneo, or rationalist, synthesis, it was agreed to debate about rational choice and cooperation under anarchy.” Though, “one might have expected the rise of IPE, with its defining liberal impulse, to widen the scope of IR theory substantially into the economic sector.”

Buzan and Little (2001, 31) point out this “was certainly the aim of Susan Strange and others.” Nevertheless mainstream IR theory “has preferred to think small and narrow rather than big and wide.”

The growing complexities of the world economy since the 1970s and 1980s have forced IPE scholars to focus on international economic relations -at expense of politics - some of them under the realm of ‘globalization’ studies (Langley 2000, 461). As a consequence, Langley (2000, 466) calls for a ‘genuine political economy’ approach in order to move beyond “the confines imposed by foundational concepts drawn largely from liberal economics and IR” In an era of globalization. This is crucially important to the analysis of conditions that caused the demise of the second state of IB in the US. Analyses focused on ‘globalization’ took MNCs as key agents of the global economy and addressed the consequences of the global spread of MNCs, through FDI, for both home and host states, as well the bargaining relations between US firms and the host governments of underdeveloped states (Gilpin 1987; Strange 1992; Frieden and Lake 2000). The changes in the international economic relations within an era of globalization have policy implications, especially regarding divergence of interests between home states and the global operations of the TNCs (Langley 2000, 464).
Altogether, these changes have research implications not only to IPE but also to the field of IM, though they have been neglected by the mainstream literature. This paper points out that the internal debate between IR and IPE might contribute to similar debates in IM. One of the key and obvious interfaces between those fields is the increasingly important political economy aspects of international business in both home and host countries. This is particularly critical and to DCs and regions, as Latin America.

The resulting comprehensive perspective could also enable IM to contribute to the fields of IR and IPE, especially, but not only, in Latin America. Such perspective portrays TNCs as much more complex and globally interdependent than in the past as a result of the sophisticated structures and organizational processes they can mobilize. Through the deployment of different types of management in developing countries or regions, they seize power to influence the administration and governance of international organizations, international development agencies, national governments, and both public and private organizations. In more specific terms they have governance power in what regards the development agenda.

In parallel, despite the fact that the “logic of an integrating global economy necessarily constrains multinational firms to define their interests in global terms, leading to a convergence in their organization and behaviour. (…) US, German, and Japanese firms all continue to diverge significantly in terms of governance (…)” (Langley 2000, 464). As a consequence, the divergence thesis, in which MNCs are described as still embedded in their national institutional and ideological contexts, has grown in importance (Gilpin 2001; Hall and Soskice 2001; Whitley 1999). This theoretical perspective, which mobilizes multiple (and simultaneous) levels of management and governance lends support to the view of globalization in which national policies are still relevant in the world economy.
As pointed out by Langley (2000, 468), the mainstream vision of IPE is similar to the pro-globalization or liberal approach. Therefore, IPE should advance “a critical understanding of the tensions, contests and contradictions generated by attempts underway world-wide to transform contemporary social relations under the banner of globalisation.” This requires the development of a perspective in IPE sufficiently inclusive “to engage openly with theoretical, epistemological, and methodological insights from across the social sciences.”

The same plea for multidisciplinary research has been made by both IM and IB fields as mentioned at the introduction to this paper. Nevertheless, the difficulties to be overcome in order to achieve this aim are not a privilege of these fields. Despite all the efforts to develop IPE further, Langley (2000, 468) states that “(…) it remains an intellectual and political challenge to advance an IPE that is at once antidisciplinary, inclusive, and multi-disciplinary.”

In spite of those problems, a key issue in IPE is the recognition of the influence of ideologies and interests in the production and diffusion of academic knowledge. IPE authors challenge the idea that knowledge related to the international dimension can be taken as ‘neutral’ (Cox 1981). This is a very important message to most IM researchers and to the mainstream literature.

Accordingly, another important debate in IR, but not so explicit in IM and IB literatures, is focused on the voices from the so-called Third World\textsuperscript{15} from a political economy perspective focused on knowledge. According to Tickner (2003b, 346, note 16), the topic of “frontiers and boundaries is a recurring theme” in current critical reflections in IR (see also Rosenau 1997). More specifically, Tickner (2003b, 346) states that in the case of IR in Latin America, both the “inside” and the “outside” are equally important in understanding the region’s international relations. She adds that “international politics is not just about the ways in which states or other
actors interact in the world, but also deals with the domestic consequences of a given country’s insertion into the global system.”

Tickner (2003a, 300) emphasizes the “precariousness of the third world as both an object of study and an agent of IR knowledge”. The contemporaneous critical literature in IR recognises this problems and argues that the field should be “opened up to include new spaces in which previously marginalised subjects can acquire a voice.” (Tickner 2003a, 302). Its is stressed that a productive dialogue with third world requires a distinct political economy of intellectual production. Its main feature is the critical reavaluation of “what constitutes acceptable knowledge in IR.” (Tickner 2003a, 323). More recently, without addressing such contributions from IPE and IR, some authors fostered a postcolonial standpoint in IB and IM (Özkazanç-Pan (2008), Westwood and Jack (2007) and Westwood (2006)) aimed to challenge the obvious dominance from developed countries – US in more specific terms.

These arguments from IR echo refer to a former similar debate in IPE that did not evolve as expected. Tooze (2000, 285) points out that Susan Strange, one of the most important academics in the field of IPE in Europe “[…] seemed reluctant, …, to apply the analysis of the political economy of knowledge that she had first developed in States and Markets to the knowledge actually produced by academia”. This argument supports the enlargement of Strange’s structural power framework in IPE in order to include analyses of the knowledge produced by academia as well as the knowledge-related gaps left by mainstream literature.

According to Cox (2007, 526-527), a key feature in the work of Susan Strange is that she distinguished ‘structural power’ from ‘relational power’. The former means the power to determine the framework in which decisions are taken, whereas the latter addresses the influence one state could bring to bear directly upon another He questions “whether a reorganisation of
structural power is not now going on – a slow process of ‘self-reorganisation’ of the state system that would ultimately reshape the context for the use of relational power.”

Cox (2007, 527) analysis refers to a world “challenged to ‘self-organise’ a new pattern of power relations that would accommodate the rising economic power of China and India”, independent states as Russia and Japan, the African continent, the Middle East and ‘failed states’. Not surprisingly to critical Latin American academics, Cox does not mention any country from Latin America (Reid 2007). This is the point in which the debates in IR and IPE over knowledge production and a specific region come together.

Dependency theory, an important theoretical stream developed in the 1970s, and recognized as original contribution to the IR field, is of help in the undertaking of such an endeavor (Jackson and Sorensen 1999, 201). According to Reis (1996, 84) “it served to create a collective identity for social scientists working in the region. As an intellectual orientation, the dependency perspective was successful in creating a common language among social scientists who came to define their social identity as members of dependent societies.”

Biersteker (1993, 21) calls our attention to an important aspect of this approach when he affirms that “they are responses from the periphery of the world economy. They were written by scholars living and working in Latin America, Africa and Asia. Their experience with development is not derived from intellectual curiosity or field work. They experience the frustrations, the difficulties, and the consequences of underdevelopment in their lives every day.”

This theory, which has been ignored by the mainstream IM literature, was rediscovered recently by researchers who were in pursuit of a more comprehensive and contemporaneous understanding of globalization (see Hettne 1995). Dependence theory\textsuperscript{16} was at its peak in the 1970s but faced serious decay in the 1980s in developing countries when the so-called Asian
Tigers (South Korea, Taiwan, Singapore and Hong Kong) experienced a period of intense and rapid economic growth. This was read by many analysts in the 1980s as a sign of the arrival of a ‘new capitalism’.

For Biersteker (1993, 9) “… because Latin American dependency theories were a reaction to the prevailing liberal economic world order, part of their foundation can be observed in the limitations of liberal theories for many of the problems of the developing world.” Another relevant aspect he mentions is that ‘postwar liberal-economic thinking’ rejects “the existence of any real alternatives to a world order conducted according to liberal principles”, especially with “the benefits available from multinational enterprises, free trade, and exchange rate liberalization.” (Biersteker 1993, 18).

In such a context, DCs have no choice but to adopt development models (which champion the attraction of FDI from TNCs) and to comply with international regulations and policy transfers sponsored by IGOs and INGOs (Farazmand 2001; Ronit 2001; Stone 2004). Strange (1992, 4-5), for example, affirms that “it is no accident that the ‘dependency school’ writers of the 1970s have lost so much of their audience. (…) we see politicians and professors who were almost unanimous in the 1970s in castigating the multinationals as agents of American imperialism who now acknowledge them as potential allies in earning the foreign exchange badly needed for further development”.

Nevertheless, as demonstrated by IR researchers in the 1990s, their sudden integration into the worldwide market took place as the governments of leading countries (Ronald Reagan and Margaret Thatcher, in the US and United Kingdom respectively) promoted liberal policies that “stressed the role of the market forces and the minimization of the state bureaucracy and regulation” (Jackson and Sorensen 1999, 201).
A key argument of contemporary researchers who draw upon the dependency theory for the understanding of globalization is that TNCs bring benefits for development in less developed countries only under certain political and economic conditions. In states that are weak and have underdeveloped local counties, TNCs dominate the host country, becoming monopolists in their industries without contributing to local development. In countries in which the state is weak, TNCs define, in one way or another, important governmental policies, such as the tax policy, currency emissions, trade and monetary systems, welfare policies, ecological issues and labor unions (Chang and Ha 2001, 33). Only in states that are strong and have a well-developed local economy could TNCs bring some degree of development or progress to the host country (Sorensen 1983; Sklair 2001).

In spite of debates on the robustness of the principles of dependency theory and on the difficulties in keeping the representation of multinationals as agents of American imperialism rather than as potential allies within the context of globalization, what must be pointed out here is that TNCs and the mainstream knowledge in IM should not be taken, especially in developing countries, as capable of fulfilling the requirement of ‘political neutrality’.

The next section is focused on the role of transnational actors (such as TNCs, IGOs and INGOs) in order to stress the importance of political economy (or governance-related issues) aspects of international business and management in Latin America.

**Bringing Governance Issues to International Management**

Some other academic areas related to the “international dimension” (Halliday 1994) have addressed globalization (and transnational relations) from a more comprehensive perspective. Among those areas (or sub-areas) three deserve our attention: (a) international political economy, with particular focus on the global economy (Strange 1994; Gilpin 2001); (b) cultural studies,
with particular focus on global culture (Featherstone 1990), and (c) global sociology, with particular focus on transnational actors and structures (Sklair 1995, 2001).

Even though the authors of these three areas acknowledge that the concept of globalization lacks precision, they agree that one issue should not be neglected by academics and authorities: governance within the global context. A major question for them is: is there any form of ‘global’ governance?

Stoker (1998, 17) affirms that rather than a synonym for government, “governance signifies ‘a change in the meaning of government, referring to a new process of governing; or a changed condition of ordered rule; or the new method by which society is governed’”, based on the definition from Rhodes (1996, 652-653).

More specifically, Stoker states that “governance has entered the policy arena” in DCs. He stresses that the World Bank reduces its meaning “to a commitment to efficient and accountable government.” (Stoker 1998, 18). The reports from the World Bank (1992; 1994) state a narrow definition of governance in which the role of the government is pre-established in the realm of ‘public management’, with little room for policy-making. Stoker defines “it more broadly, (…) to recognize the interdependence of public, private and voluntary sectors in developing countries.” (Stoker 1998, 18).

This paper maintains that governance in DCs refers to multiple actors. In fact, it represents the interdependence of IGOs, INGOs, TNCs, local governments, non-governmental organizations (NGOs) and companies, at multiple levels of interactions. Though it is not clear which are the implications of the intense interactions that result from the increasing flows of ideas, goods and people, since the 1970s the transnational process has changed the traditional concept of international relations in order to incorporate non-state authorities, processes and
relations (Strange 1996).

In parallel, the growing number of international regulations, treaties, regimes and institutions has transformed even further the international relations (El-Ojeili and Hayden 2006). The buzz word is no longer globalization but global governance. That is because, globalization entails “the emergence of a system of global governance that seeks to regulate and manage various areas of transnational activity. With global governance come increased intergovernmental interactions and transnational networks, new centers of political power alongside the state, and the growth of transnational civil society (such as NGOs).” (El-Ojeili and Hayden 2006, 98).

Despite the widespread expectations concerning the role to be played by ‘civil society’ on the “global public domain” that is emerging (El-Ojeili and Hayden 2006, 100), there is no consensus over the notion of a ‘democratic deficit’ in global governance. Steffek (2003) disagrees, however, based on the argument that the main issue is the process of legitimation of ‘international governance’ following a particular liberal ideology rather than the lack (or the requirement of plurality) of participation and representation.

Cox warns that, “the legitimacy of the state system as a means of global governance will be as strong as the legitimacy of the political entities that compose it.” (…) “Legitimacy is, however, the weak point in thinking about ‘the international’ today.” (Cox 2007, 525).

Nevertheless, it is well recognized that the supranational layers of governance lack mechanisms of accountability to most affected audiences (and the public in general). The IGOs are accountable only to member states and many of them have non-democratic decision-making principles. At the same time that, “other influential global actors, whether from the private sector (MNCs) or from civil society (NGOs), are frequently also unaccountable to or unrepresentative
of a variety of members of international society.” (El-Ojeili and Hayden 2006, 114).

Cox (2007, 522) states that “economic globalisation has been the context in which institutions for national and global governance have to be constructed.” Accordingly, the ‘Washington consensus’ defined that “economic globalization was supposed to be a good thing, according to the consensus among the elites of the world economic institutions gathered in the US capital. Deregulation, open markets and privatisation should be the way to go, coupled with sound money policies by central banks and the application of structural adjustment policies to weaker national economies.” Though Malaysia had rejected “outright the Washington consensus prescriptions. Other countries, notably in Latin America, would join in rejecting them in the early years of the twenty-first century.” (Cox 2007, 522).

From the early 1990s, globalization required a great deal of efforts, skills and resources – from private and public organizations in developed and developing countries – to enable managers, executives, public officers and researchers to deal with a new reality and corresponding challenges. Even though the traditional definition of international management – namely, management crossing borders – represents only the interests and needs of big business firms and their managers, this paper agrees with the argument that ‘international management’ actually applies to a broad spectrum of “organizing projects around the world” (Boddewyn et al. 2004, 196).

The IM field, led by US scholars (Parker 1997), has been propelled by these new demands, but has failed to address the ‘big picture’. The field placed excessive emphasis on private interests and actors and as a result marginalized fields historically related to the public domain, such as IR and IPE, in addition to certain approaches within IB (Buckley 2005).

This representation of a ‘new reality’ is drawn from two main discourses. The first is that
global economic integration increases exchanges and leads to global growth, in accordance with the ideologies of ‘free market’ and ‘free trade’ (Steffek 2003). The second is that historical processes of disintegration and political stratification have been caused by ineffective states and political ideologies. Key IM authors understand that globalization is the ultimate victory of the economic against the political and, correspondingly, of the private over the public. Globalization is portrayed as an economic force of political liberation that releases mechanisms of oppression and provides opportunities (Ohmae 1990, 35).

From the particular standpoint of these authors, globalization means unlimited competition, access to markets and progress for all – as a result of the fall of boundaries between nations, cultures and organizations and also between the public and the private. Such an underlying theory of globalization rationale suppresses governance matters related to supranational institutions, international regulations and international law (Contractor 2000). This is a key issue that differentiates IM from IB and places greater importance on the former. Besides optimization in cross-cultural management and teams, researchers state that globalization demands and allows the formation of an increasing number and more types of “partnerships among organizations” (Parker 1997, 425; Ohmae 1989). Accordingly, they assume that partnerships between large corporations and local governments are equally beneficial for all (Bartlett and Ghoshal, 1989; Doz 1986). More specifically, they state that these networks are more effective than industrial policies ruled by government (Larry 1994).

These powerful discourses are based on the idea that structures and organizations based on economic interdependence, the free market and management replace ‘old’ and ineffective structures and organizations based on politics, coercive government and poor public administration. A key problem is that many researchers from other areas have demonstrated that
imperialism is a more realistic meaning of globalization (Wallerstein 2000; Banerjee and Linstead 2001). More specifically, different authors argue that TNCs and transnational institutions became hegemonic players and that during the 1990s the exercise of such extraordinary power – illustrated by recent corporate scandals – made some of the contradictions of global capitalism obvious (Jenkins 2005; Korten 2001; Stiglitz 2002; Soros 1998).

The question is: why have IM researchers overlooked these important issues? One of the reasons is that, as result of its infant status (even marginal in the early 1990s) within US business academia, the IM field has had to fight for its constitution and legitimization as an autonomous discipline. IM researchers then had to develop knowledge that could resolve managerial problems chosen by TNCs (Contractor 2000). They also had to set the boundaries of the field by competing with the more traditional functional areas of management – such as marketing, human resources and accounting - for attention and research funds, most of them from TNCs. This battle within business academia helped prevent IM researchers from addressing governance matters, though both IB and IM have always been on the political agenda.21

Parochialism and ethnocentrism may also explain why the field has overlooked governance issues that are so important in and for developing countries. Different authors have pointed out that US business researchers have developed theories and research without being sufficiently aware of non-US contexts, models, research and values (Boyacigiller and Adler 1991, 262).

This would not be viewed as so surprising by IR researchers (Cox 2007) nor by those who point to colonialism as a key issue behind the processes of the constitution of academic fields, including the field of management (Banerjee and Linstead 2001; Clegg et al. 1999). Researchers argue that globalization reproduces historical processes of imposition and the dissemination of certain “cultural patterns, values and ideas” (Held et al. 1999, 336) at the expense of others.
Correspondingly, globalization leads to the suppression of local cultural patterns, values and ideas. They also argue that TNCs play a key role in this asymmetric scenario of imposition and diffusion of certain ‘ideas’. This explains why the media industry, dominated by TNCs within the context of globalization, has become one of the most important topics for more critical IPE scholars (Dicken 1998; Strange 1996). This also accounts for the increasing influence of TNCs in business schools and universities (Sklair 2001) in different parts of the world.

Given this scenario of high-order influences and interests, the IM field in developing countries or regions requires a critical appraisal of the mainstream knowledge produced in more developed countries, especially the US. IM should not be treated as ‘neutral’ or ‘non-national’. Accordingly, it should not be addressed from a mere ‘managerial’ perspective. Such a narrow (or ideological) standpoint has been beneficial to certain interests of TNCs, at the expense of the legitimate interests of other ‘players’.

Correspondingly, the author of this paper understands that interdisciplinary developments with IPE and the recognition of governance issues could contribute towards increasing the expected relevance of the IM field in DCs. Within this broad perspective, the area of IPE deserves special attention, given the objective of this paper to develop an interdisciplinary framework to address both management and governance levels in IM research in DCs. This will be tackled in the following section.

**An interdisciplinary approach from Latin America**

The major focus of IPE is the complex relations and interactions between the ‘authority’ – depicted in a simplified fashion as the political domain – and the ‘market’ – depicted also in a simplified fashion as the economic domain (Strange 1994; Gilpin 1987, 26). IPE researchers pay special attention to the increasing power of TNCs in developing countries from a perspective of
governance.

In this respect it is worth mentioning an investigation, grounded on an interdisciplinary approach, which aimed to understand the dynamics between governments and TNCs in Malaysia, Brazil and Kenya. This study pulled down the “Berlin Wall” that has separated the London Business School and the London School of Economics for decades (Strange 1992) as the authors managed to develop an interdisciplinary approach on IPE and IB (Stopford and Strange 1991). Strange (1992) stressed a long time ago the need of “more analytical work” on the interdependence among the bargaining – state-state, state-firm and firm-firm – processes. This might have become a main framework in the IB literature if it did not happen the demise of the second stage. Accordingly, it could have lead IM academics to recognize the importance of multiple levels of analysis in order to foster the enlargement of the scope of IM through the recognition of the level of governance.

Drawing upon the increasing interdependence between states, between business organizations, and between business organizations and states, Stopford and Strange (1991) argue that national governments in developing countries recognize the importance of ‘managing’ the scarce resources controlled by TNCs (Grosse 1989). More specifically, they point out that some structural transformations within the technological, financial and political domains (see Strange 1994) in the late 1980s have forced national governments to cooperate and negotiate with TNCs. Accordingly, Vernon (1998, 79) states that “Latin Americans may be obliged to accept the fact that they have reached the point of no return, that separation from the world of multinational enterprises is too costly and too painful to contemplate.”

Stopford and Strange (1991) investigated a number of processes of negotiation between governments and companies concerning specific investment projects in those three DCs. Among
the contributions of this investigation is triangular diplomacy framework. The most important feature of the framework is that it adds two dimensions to the traditional domain, attributed by IR scholars, of diplomacy: “government must now bargain not only with other governments, but also with firms or enterprises, while firms now bargain both with governments and with one another” (Strange 1992, 1).

Besides the traditional negotiations between states through corresponding governments, Stopford and Strange (1991) pointed out that companies and government negotiate, and that companies negotiate among themselves. The authors state that national governments, especially in DCs, have lost much of their bargaining power to TNCs since the early 1990s. Although states still control access to their territory and labor, corporations control capital and technology (or have better access to both). Due to the increasing importance of capital and technology in global capitalism, TNCs have increased their bargaining power. In the end, the authors suggest that governments and companies should learn how to ‘manage’ more effectively these new complexities from the perspective of sustainable growth.

More recently, Stopford (2005) reported that the triangular bargaining will continue “to explain a good deal of the interactions” in the business-government relationships, but “there are … additions needed to bring the model up to date” such as (a) the role of both non-governmental organizations and international institutions, (b) the power of individuals to protest and boycott specific investments and, (c) the power of the US in favor of US companies.

This paper argues that the revisited triangular diplomacy framework proposed by Stopford in an important development from the North, based on a more comprehensive theory of globalization, that could be embraced by a critical perspective in IM from Latin America. The framework might lead us to rethink practices, education and research within the IM field – not
only in Latin America, but especially in the US and also in Europe – in order to make it more representative of the business-government reality, especially in DCs (Westney 2005).

The interdisciplinary framework proposed in this paper (see Figure 1 below) sustains that TNCs are as much concerned with governance issues as with management issues, especially in DCs. Correspondingly, it also stresses that IM researchers should challenge the predominance of the pro-globalization perspective within the field and pay special attention to governance matters governed by the hegemonic power, IGOs, INGOs and TNCs, as well as home and host governments.

**Figure 1 Interdisciplinary Framework: International Management and Governance**

Source: adapted from the original triangular diplomacy framework by Stopford and Strange (1991, 22); combined with related disciplinary areas cited by Grosse and Behrman (1992, 100), and revisiting a suggestion for enlargement from Stopford (2005). This current representation was inspired by Engeström, 1987.

**Concluding Remarks**
As mentioned before, the debates on the need of multidisciplinary and interdisciplinary, multilevel, multiple units of analysis and cross-cultural collaborative research in the IM field have been intensified over the last years (Boddewyn et al. 2004; Martínez and Toyne 2000). In practical terms, IM researchers are advised to foster management inquiry grounded on two paradigms (cross-border and emerging interaction paradigms) provided by the IB field (Martínez and Toyne 2000; Toyne and Nigh 1998), rather then grounded on one or the other. The framework proposed here goes one step further to suggest management inquiry grounded on IR and IPE approaches.

In short, these arguments set the understanding that neither the economic performance of TNCs nor the political performance of governments can be addressed by frameworks centered at the ‘management’ level. Accordingly, IM researchers should recognize the interfaces between governance and management. They could problematize not just private actors and organizations but also the public ones; not just the private features of TNCs and the public features of states, but mainly the public and private features of both.

The author of this paper argues that this broad standpoint, which requires interdisciplinary research developments, is particularly relevant to DCs for their local government and corporations as well as to their managers, administrators and civil society. Local government, corporations and communities, in Latin America and in other developing regions, have to deal not only with power asymmetries in relation to IGOs, INGOs and governments from developed countries but also with power asymmetries in relation to large foreign corporations.

Finally, though taking the risk of over simplifying reality, some research topics deserve special attention regardless of the relevance of this interdisciplinary framework in order to move IM towards the ‘international’ in the Latin American region. The main topics are: (a) the
knowledge (power) structure of the fields of IM, IB, IPE and IR; (b) the ‘international’
management of projects sponsored by IGOs, INGOs and TNCs; (c) policy transfers, sponsored
by IGOs, INGOs and TNCs, that neglect the indigenous contexts at the community level; (d)
social and environmental impacts of the attraction of FDI vis-a-vis the national development
policies; (e) decision-making (or bargaining) processes of multiple actors at the governance and
management levels in specific areas, such as education, poverty, sustainable development, and
(f) implementation at the management level of international agreements, rules and norms.

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2 See further developments of this line of research in Hampden-Turner and Trompenaars 1995; Hall and Soskice 2001; Whitley 1999; Gilpin 2001.

3 North-American academics institutionalized the IB area and, afterwards, the IM area. The Academy of International Business (see www.aib.msu.edu) was established in 1959, and the International Management Division of the Academy of Management (see www.aomonline.org) was established in the 1970s (Contractor 2000, 7).

4 Stopford (2002) argues that IB is not encouraging interdisciplinary work (e.g., the missing opportunity in Rugman and Brewer 2001), in spite of the worldwide importance of MNCs.

5 The areas are human resource management, organizational behavior, production management, information and technology transfer, structure and control, strategy, government-company relations, and forms of involvement (Ricks et al. 1990, 223).

6 His analysis is based on the editorial of the Journal of International Management (at the re-launching, in 1996, of the official journal of the IMD of the Academy of Management). The number of non-American academics has increased faster than the number of North-American academics, however, the latter still account for 75% of the total of affiliates of the IMD (Contractor 2000).

7 Contractor (2000, 7) states that “both the Academy of International Business and the (IM) division of the Academy of Management were set up to fill a gap in management studies, namely a focus on the international dimension.”

8 Levy and Newell (2002, 84) develop an interdisciplinary framework that “bridges macro and micro-levels of analysis by bringing together perspectives from International Relations (IR) with theories of management and organization.”

9 That is not to claim that the field of IR is free of internal debates over theoretical approaches, the meaning of the international, the prominence of US scholars and journals, and even disputes over critical theory (Waever 1998; Brown 2007; Farrands and Worth 2005).


11 Buzan and Little (2001, 19) point out that IR has interfaces with area studies, feminism, development studies and that “a wide definition would simply incorporate world-systems theorists, world historians, geopoliticalists, as well as historical sociologists.” Nevertheless the main areas of interest are: international security, international political economy, international institutions, and international political theory.

12 For Langley (2000, 461) “the ‘modern field of International Political Economy was born’” in 1971 with the publication “of a special issue of International Organization entitled ‘Transnational Relations and World Politics’.”

13 Robert Keohane and Stephen Krasner represent the ‘mainstream’ or the ‘orthodox’ practice of largely US-based IPE, leaving to Susan Strange and Robert Cox the role of “critical and dialectical interventions in the dominant practice of American IPE.” (Tooze 2000, 281).

14 The vision of IPE (as in the editorial of the leading IR journal International Organization) “serves to reinforce the position of IPE as a sub-field of IR.” (Langley 2000, 468).

15 Tickner (2003a, 296, note 4) “employs the term indistinctively with ‘non-core’ and ‘global South’.”

16 Early dependency theory concentrated on the structural constraints faced by the governments of host countries (Cardoso and Faletto 1979). The state was portrayed as subordinate to international capital, which in turn contributed to the continued underdevelopment of the Third World. A revisionist approach to dependency theory proposed a less unbalanced relationship between MNCs and the host country. The study of Evans (1979) undertaken in Brazil points out that the host country’s economic development was shaped by a ‘triple alliance’ between MNCs, the state and local capital.

17 See Mortimore (2000) for an overview of corporate strategies of FDI in Latin America, which resulted in benefits for TNCs at the expense of national development goals. Other similar investigations can be found at the Economic Commission on Latin America and the Caribbean, (see particularly CEPAL Review at www.cepal.org).

18 El-Ojelli and Hayden (2006, 64) emphasize that “in 2000, there were around 60,000 MNCs, with 82,000 foreign subsidiaries, and global sales of 15.6 trillion (…). In total, MNCs account for about 70 per cent of world trade, 70 per cent of total FDI, 25 per cent of world production, and 80 per cent of international exchanges of technology and managerial skills, and their sales are equivalent to almost half of the world GDP.”
In Brazil, one of the outcomes of the asymmetries between TNCs and local governments was the predatory tax wars by local councils (such as São José dos Pinhais, Paraná; Porto Alegre, Rio Grande do Sul; Salvador, Bahia and Juiz de Fora, Minas Gerais) for FDI in the automotive industry (see Arbib 2000; Humphrey 2000).

The constitution of IB and IM areas in US academia reflects the spread of FDIs and MNCs from the US after the Second World War. Though the initial IB research agenda was extensive and eclectic, the economic approaches and the contributions from American researchers become predominant. The recent literature is focused on topics such as mergers and acquisitions, knowledge management, globalization concept, role of non-governmental organizations and the study of countries such as China and India (Buckley 2005).

Kedia (2006, 243) points out the political feature of the international dimension in the US. He states that “the focus on emphasizing international business education was intensified with the passage of the Higher Education Act of 1965 (by section 6261 of the Omnibus Trade and Competitiveness Act of 1988). This act created the Business and International Education (BIE) and the Centers for International Business Education and Research (CIBER) programs for colleges of business in the US”. Dunning (1989) mentions that IB is part of the political agenda of the US, Canada and the United Kingdom, as a result of the regional integration agreements, such as the North American Free Trade Agreement (NAFTA) and the constitution of the European Union.