Sovereignty@Bay: Globalization, Multinational Enterprise, and the International Political System

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Abstract
This article is concerned with only one aspect of the vast literature on MNE–state relations: the impact of the MNE on sovereignty, autonomy, and control. It argues that the mainstream literature of the sovereignty at bay era did not predict the end of the nation-state or conclude that sovereignty is critically compromised either in theory or practice. In fact, while the terms ‘sovereignty’, ‘autonomy’, and ‘control’ appear frequently in these discussions, they are rarely defined or even used precisely. At the end of the day MNEs are international or cross-border entities which are of the existing inter-state system firmly rooted in national territorial jurisdiction. The problems posed by the traditional MNE for both states and the inter-state system tend to involve issues of jurisdictional asymmetry, jurisdictional overlap and control, rather than sovereignty in its formal sense. The hierarchical or Fordist structure of the traditional MNE reinforces the core values of the modern international political system: state sovereignty and mutually exclusive territoriality.

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enterprise that engages in foreign direct investment (FDI) and owns or, in some way, controls value-added activities in more than one Country" (Dunning & Lundan, p. 5).

International Political Economy (IPE) is the rapidly developing social science field of study that attempts to understand international and global problems using an eclectic interdisciplinary array of analytical tools and theoretical perspectives. IPE is a field that thrives on the process that Joseph Schumpeter called “creative destruction.” With the advent of globalization and the creative economy powered by advanced information technologies, trade in intellectual property rights has become a controversial IPE issue. International trade will remain a central focus of IPE even as the specific trade problems continue to evolve.

International Finance. International Finance presents the second set of problems that have traditionally defined International Political Economy.