

Global influence of multinational corporations

Business



Global Influence of Multinational Corporations In today's highly globalized and industrialized world, the powerful influence of multinational corporations in domestic economies and even in the world economy cannot be denied. Their magnitude and diversity play crucial roles in shaping the course of public policies, diplomatic relations and governmental affairs. In this paper, the author will outline the different manifestations and validated testaments to the irrepressible prominence and all-embracing dominance of the so called ' megacorporations.' Money Matters. Statistics from the Institute of Policy Studies revealed that of the 100 largest companies in the world, 51% are corporations and only 49% are national governments or sovereign states (Anderson & Cavanagh 2000). It was also indicated in the report, comparing corporate sales and GDP's of countries, that practically General Motors is bigger than Denmark, Daimler-Chrysler is richer than Poland, Shell is wealthier than Venezuela, IBM is larger than Singapore and Sony is way too fiscally dynamic than Pakistan. In 1999, the combined sales of five biggest corporations (General Motors, Wal-Mart, Exxon Mobil, Ford Motors and Daimler-Chrysler) exceeded the sum total of the GDP's of 182 countries (Shah 2002). This exponential economic boom of private business entities has given them untold financial clout which precipitated the dependence of most government bodies around the globe. Overwhelming Activities. Founded in 1602, the Dutch East India Company possessed quasi-political legitimacies such as the authority to wage war, sign diplomatic agreements, generate currencies and establish colonies (Ames 2008). The Walt Disney Company, in the Reedy Creek Improvement District in Florida, earned the legal prerogative to formulate its own building policies, to create power plants and fire departments, and to seize parcels of land under eminent <https://assignbuster.com/global-influence-of-multinational-corporations/>

domain. Moreover, the Hudson Bay Company and the United Fruit Company had their own law enforcement instruments and military forces to protect their property and workers (Tolentino 2003). Cornucopia of Contributions. From job creation, income accretion of families and revenue enhancements to financing government units and supporting non-governmental organizations, corporations seem to have institutionalized various functions and initiatives that are profoundly intertwined with all societal aspects. Their influence via mainstream media (advertising and informative programs) also bears much impact in contemporary culture (Fobete 2008). The establishment of corporate-funded scientific investigations, academic associations and other think-tank groups catered to the universal goal of advancing education quality (Lara 2008). Particularly in the United States and other wealthy nations, and even in Third World countries, the influence of multinational corporations to the lives of people is hardly unnoticeable. In fact, its sphere and scope that are derived from their economic and political power surpass that of most government units; only that the bottom-line of all their capacities would center on their corporate conscientiousness to avoid abuses and greed. Bibliography Ames, Glenn J. 2008. *The Globe Encompassed: The Age of European Discovery, 1500-1700*. Upper Saddle river, NJ: Pearson Prentice Hall. Anderson, Sarah, and John Cavanagh. 2000. "Top 200: The Rise of Corporate Global Power." Institute for Policy Studies. Accessed March 29. http://www.ips-dc.org/reports/top_200_the_rise_of_corporate_global_power. Fobete, Dingha N. 2008. *Multinational Corporation and Third World Development*. Munich: GRIN Verlag. Lara, Juan Jose P. 2008. *Multinational corporations and the emerging network economy in Asia and the Pacific*. London: Routledge. Shah, Anup. <https://assignbuster.com/global-influence-of-multinational-corporations/>

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