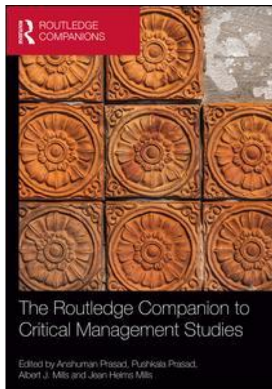
This article was downloaded by: *10.2.97.136*
On: 22 Mar 2023
Access details: *subscription number*
Publisher: *Routledge*
Informa Ltd Registered in England and Wales Registered Number: 1072954 Registered office: 5 Howick Place, London SW1P 1WG, UK



The Routledge Companion to Critical Management Studies

Anshuman Prasad, Pushkala Prasad, Albert J. Mills, Jean Helms Mills

The 'iron' in the iron cage

Publication details
https://test.routledgehandbooks.com/doi/10.4324/9781315889818.ch20
Raza Mir, Ali Mir
Published online on: 08 Sep 2015

How to cite :- Raza Mir, Ali Mir. 08 Sep 2015, *The 'iron' in the iron cage from:* The Routledge Companion to Critical Management Studies Routledge
Accessed on: 22 Mar 2023
https://test.routledgehandbooks.com/doi/10.4324/9781315889818.ch20

PLEASE SCROLL DOWN FOR DOCUMENT

Full terms and conditions of use: https://test.routledgehandbooks.com/legal-notices/terms

This Document PDF may be used for research, teaching and private study purposes. Any substantial or systematic reproductions, re-distribution, re-selling, loan or sub-licensing, systematic supply or distribution in any form to anyone is expressly forbidden.

The publisher does not give any warranty express or implied or make any representation that the contents will be complete or accurate or up to date. The publisher shall not be liable for an loss, actions, claims, proceedings, demand or costs or damages whatsoever or howsoever caused arising directly or indirectly in connection with or arising out of the use of this material.

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

Part VI

Global predicaments

This page intentionally left blank

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

20

The 'iron' in the iron cage

Retheorizing the multinational corporation as a colonial space

Raza Mir and Ali Mir

The economic power of multinational corporations (MNCs) has continued to grow over the last few decades. For example, the inflows of foreign direct investment, a key marker of MNC investment, crossed $1.6 trillion in 2012, with over $500 billion reported as mergers and acquisitions (UNCTAD, 2012), leading to a more concentrated global economy. The top 500 MNCs of the world showed revenue growths in excess of 10% and profit growths in excess of 15% in 2012, despite the global economic downturn (*Fortune*, 2013), and their revenues routinely exceeded the GDP of most nations; if firms and nations were listed together (annual revenues alongside national GDP), each of the top five corporations in the world (Royal Dutch Shell, Walmart, Exxon Mobil, Sinopec and China National Petroleum) would be ranked as a top 30 nation.[1] This concentration of economic power within a few private entities has led to a great sense of unease among other economic actors, in light of troubling signs that MNCs have intensified the deployment of their size and scope to operate in zones that exist beyond the reach of institutional governance. For example, corporations have been known to leverage their spatial breadth to avoid paying taxes to nation-states (Schwartz & Duhigg, 2013). They have been accused of large-scale violations of labor laws (Bajaj, 2013), and their activities have led to profound environmental degradation (Krauss, 2013). MNC responses to the problems they create have been characterized by obfuscation and impunity. For example, the global firms indirectly implicated in the April 2013 collapse of the Rana Plaza in Dhaka that led to the death of over 1000 Bangladeshi workers have refused to accept any legal or moral ownership for the labor conditions in Bangladesh. Likewise, BP has been accused of a highly legalistic and evasive approach to its obligations in the aftermath of the 2010 oil spill in the Gulf of Mexico. These actions and several others like them indicate that MNCs increasingly operate in a climate of impunity, with the imprimatur of law and theory. Critical management scholars have a duty to analyze their actions and develop alternative theories that will act as counterweights to the largely acquiescent praise that passes for international business research in mainstream academia. In this chapter, we attempt to address one facet of such an alternative theory, by exploring the theoretical linkages between an organization and a colony.[2] We base our theory on an empirical project, the analysis of capability transfer across national boundaries within an MNC. Many theorists have regarded capability transfer as the single most important source of advantage of an MNC and in fact theorized it as the *raison*

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

d'être of the diversified and spatially distributed firm. For example, Kogut and Zander (1996: 503) suggest that the spatially diversified firm "be understood as a social community specializing in the speed and efficiency in the creation and transfer" of capabilities. In other words, capability transfer is an existentially defining characteristic of the family of firms of which an MNC is part. These theorists use the ideas of the sociologist Emile Durkheim, who had suggested that "since the division of labor becomes the chief source of social solidarity, it becomes, at the same time, the foundation of the moral order" (Durkheim, 1893; quoted in Kogut & Zander, 1996: 505), to theorize that capability transfer legitimizes firms such as MNCs. Given the salience accorded to capability transfer by mainstream theorists of the MNC, we contend that an analysis of capability transfer will lead to generalizable conclusions about the MNC itself.

The rest of this chapter comprises four sections. First, we examine theories of the MNC and subject them to critical reappraisal. We then discuss capability transfer across international boundaries, both at the theoretical level and through empirical findings based on ethnographic research. We then discuss our rationale for viewing MNC capability transfer practices as colonial practices. Finally, we conclude with a discussion that makes a case for a new approach to theorizing the MNC.

Theories of the MNC: A reappraisal

One of the earliest theories of the MNC was the internalization hypothesis (Hymer, 1960). It theorized the MNC through a special case of the transaction cost thesis. The emergence and success of MNCs were linked to their ability to internalize operations across national boundaries, which in turn allowed them to reduce risk, enhance economies of scale and scope, manage externalities and reap the arbitrage advantages of international heterogeneities (Buckley & Casson, 1976; see Collinson & Morgan, 2009, for a succinct review). Several other theories of the MNC have come to the fore, such as the eclectic paradigm (Dunning, 1977), financial theories (Choi & Levich, 1990), knowledge-based approaches (Kogut & Zander, 1993) and institutional examinations of isomorphic and divergent trends within MNCs (Morgan & Kristensen, 2006).

In this chapter, however, we are interested in highlighting the public policy elements that provide the essential conditions of existence of the MNC. The basic argument being made here is that the MNC is not legitimized on the basis of economic logic alone but that a variety of coercive institutional mechanisms support its perpetuation and growth. Our contention here is that, in their current state, MNCs have become agents of *imperialistic exploitation* (Mir & Sharpe, 2009).

Exploitation, as used in the Marxian sense (Bottomore, 1983: 157–158), is defined as the ability of a capitalist institution or apparatus to appropriate the surplus value generated by labor. The power of the capitalist to exploit labor is predicated upon three conditions. First, the ownership of productive assets has to be rendered limited; only a minority of stakeholders in society is granted access to ownership rights. Second, workers are not afforded the option to appropriate their own surplus value; exploitation works when their only possible means of livelihood is to enter the labor force as wage employees. Finally, exploitation is kept in place by a variety of institutions and state apparatuses.

While these three conditions can be found in some measure in all corporate institutions, they are especially visible in the conduct and the governance of MNCs. First, the access to MNC ownership is much more restricted than access to other forms of capital. Koechlin (2006: 378) has argued that, despite the default assumptions of the mobility of global capital, "the process of capital accumulation is much less global than we tend to presume." Differential access to global stock markets, currency convertibility and credit supply arrangements function as effective barriers to ownership of MNC stock by large sections of global society. The role of private equity firms in

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

restricting ownership access to individuals despite capital availability has been well documented (Briody, 2004). While such an assertion runs contrary to the rhetoric of global fund markets and mobile finance capital, empirical studies have shown that a large portion of U.S. MNCs provide their own capital in lucrative investments abroad (UNCTAD, 2012). In effect, MNCs are far more closely held than local firms.

Second, MNCs are increasingly associated with actions that Marx termed "primitive accumulation," the act of dispossessing peasants across the world of their lands, thereby moving them from precapitalist modes of accumulation into a situation where they have little to trade except their labor. In the words of Harvey (2005: 159), "the main substantive achievement of neoliberalization has been . . . the commodification and privatization of land and the forceful expulsion of peasant populations (and) the conversion of various forms of property rights (common, collective, state, etc.) into exclusive private property rights." While the term "primitive" suggests a temporal antecedent to the practice of capitalist accumulation, the process continues even in present times. Sometimes in an exquisite irony, primitive accumulation is often carried out on behalf of the MNC by the state itself. The Chinese government regularly dispossesses peasants of their multicropped lands to enable the setting up of so-called Special Economic Zones for MNCs (Holmstrom & Smith, 2000). Likewise, land has been forcibly acquired from farmers by the state in Liberia (Ibrahim, 2004) and Russia (McCauley, 2001). The government of India's controversial 2006 acquisition of multicropped fields for the South Korean MNC POSCO provides a recent example of this phenomenon. Reports quoted Jeong Tae Hyun, the CEO of the giant steel corporation, stating that "we came to India for the iron ore and will go forward with the plan only if we are given a captive mine."[3]

Of course, the concept of exploitation has undergone a transformation in the past several decades. The spread of governmental technologies ensures that the state plays a role in reversing the more egregious effects of exploitation by capital (Chatterjee, 2007). Likewise, the rapid erosion of regimes of feudalism, the spread of education and political consciousness among the dispossessed and the patterns of urban migration seen in countries like India and China ensure that exploitation becomes a much more nuanced phenomenon than earlier conceptualizations would have described it (Sanyal, 2007). However, we argue that at the heart of this complicated enterprise, the fundamental nature of exploitation remains the same, especially for the poor in the Third World.

As we argue in this chapter, conditions in the past two decades (especially since the emergence of neoliberal regimes in many Third World nations) have led to a resurgence of the older patterns of imperialism (Gatade, 1997). MNCs, through their promise of global investment (and periodic threats to withdraw it), have been able to influence nation-states as well as local capitalists substantially, leading to the reemergence of extractive regimes (the extraction refers here not only to materials such as minerals and crops but also to surplus value through regimes of outsourcing and offshoring). They have been abetted by an entire secondary network of institutions that have aggressively pursued the goal of capital mobility, elimination of sovereign protection for local industries, currency convertibility and immunity for corporations from local laws (Baker, Epstein & Pollin, 1998). Consider, for example, that much of debt provision to the poorer nations by the International Monetary Fund and the World Bank has been linked to tariff reductions, corporate tax reductions, removal of barriers to MNC entry in specific industrial sectors, reduction of barriers to foreign exchange repatriation, currency convertibility, reduction of administrative tasks by foreign investors and, in specific cases, immunity from local laws relating to labor and environmental protection.

While our analysis is located primarily in the present age, we contend that actions by states and political actors on behalf of international capital are not new; in fact, they present a continuum

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

from earlier actions, which we have now come to recognize as being inherently imperialistic in character. For example, in the 18th century, the British Army underwrote the physical and military security of the East India Company. Headrick (1988: 379) points to the fact that "trade did not follow the flag as come wrapped in it." Likewise, the rule of Central American colonies by the Spanish from 1520 to 1820 was administered by private enterprise, and once influence moved to the United States vide the Monroe Doctrine of 1823, U.S. troops were sent 36 times to this region between 1822 and 1964 to support the interests of U.S. corporations (Faber, 1993). Imperialist adventures form the basis of many actions that are now accepted MNC practices. The first joint stock company was formed by Genoese merchants to run plantations (Verlinden, 1970). The first instance of a joint venture between a government and a private entrepreneur was between Queen Elizabeth I and a slave trader (Rodney, 1974: 83). The East India Company, which was active in a number of nations in the 18th century, was organized into national subsidiaries reminiscent of a geographically specialized MNC. Essentially, many organizational forms as we know them were experimented upon in the regimes of colonialism (Mir, Mir & Upadhyay, 2003).

In conclusion, we would like to summarize our theoretical argument thus: the economic logic that supports the existence of MNCs elides the political reality that it was supported by a variety of coercive, exploitative and imperialistic practices. The MNC would hardly be as hegemonic in the world as it currently is without the support of these social and political institutions that allow it to dictate terms to its terrain in the long run. Bringing these factors back into the theories of the MNC will doubtless complicate our theorizing, but we ignore these realities at the peril of being marginalized, or worse, acting as abettors of the exploitative practices that MNCs wage on poorer people all over the world.

Capability transfer across international boundaries

Organizational theorists have dwelt at length about capability flows within corporations (see Argyres, Felin, Foss & Zenger, 2012 for a review). They talk about capability *creation* (Nonaka, 1998), its *codification* (Zander & Kogut, 1995) and its *transfer* (Chen, 2004). However, most researchers of organizational capability do not deal adequately with the historical experiences of power differences and economic imbalances that undergird the international encounter. In this chapter, we use our research in an MNC to uncover the tensions between an organization and other subsidiary organizations it encounters internationally, which are enveloped in relationships that are characterized by a significant power differential. Here, the directionality of capability transfer is opposite to the one mainly theorized in our field. In this case, the source of the capability turns out to be a contractor of the MNC, and the headquarters of the corporation becomes the recipient of the capability.

The construct of organizational capability has been dealt with extensively in the field of organizational theory (Ali, Peters & Lettice, 2012). Most research on organizational capabilities is devoted to the study of three interrelated processes. First, there is the issue of *capability creation* (Nonaka, 1994), primarily through routines of organizational socialization and teamwork. The challenge of the organization is to "create" capability and to facilitate systems whereby individual capability turns into social capability. The discussion of capability creation is often framed in terms of "value," or its ability to deliver rent for the organization (Rodan & Galunic, 2004). Second, capability can provide value only if it is communicable across the organization. Researchers speak of *capability codification* (Kankanhalli, Tanudidjaja, Sutanto & Tan, 2003), or the act of rendering it context independent. The communicability of capability across geographic boundaries is predicated upon its codifiability and its routinization, or at least an understanding of which elements of it can be codified and routinized and which of them cannot (Zander &

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

Kogut, 1995). Finally, there is the issue of actual *capability transfer* (Bierly & Chakrabarti, 1996), one of the most heavily studied empirical areas in the last decade, which has also been used to reach a number of profound theoretical conclusions. For instance, capability has been depicted as a construct that epitomizes the boundaries of the firm (Conner & Prahalad, 1996). It confers organizational identity upon workers and is the basis for an organizational culture and tradition. It has been argued that firms exist primarily because they are able to transfer capability within their boundaries (Kogut & Zander, 2003). Capability transfer has thus become the basis of a critique of the transaction cost theory (Ghoshal & Moran, 1996), which offers a view of the firm based on relatively negative attributes such as bounded rationality and opportunism.

This deployment of capability in the new theory of the firm is especially important to our formulation, for it uses capability to elevate firms from the ground of efficiency into the moral terrain. Thus, "firms exist because they provide a social community of voluntaristic actions that are structured by organizational principles that are not reducible to individuals" (Kogut & Zander, 1992: 384). These firms derive their superiority over markets consequent to their ability to offer "higher order organizational principles" to their constituents. These higher order principles comprise "shared coding schemes," "values" and a "shared language" (Kogut & Zander, 1992: 389).

Overall, one can observe from an analysis of the literature that capability is now considered the most strategic resource of organizations (Zack, 1999). In other words, its importance is predicated upon its ability to deliver value to an organization. Most theorists agree that while capability resides in various parts of organizations, it originates primarily in the minds of individuals (Davenport & Prusak, 1998). The challenge for organizations is to turn individual capability into social (organizational) capability (Nonaka, 1998). Firms are perceived to be the most efficient entities to coordinate such tasks (Hedlund, 1994). However, the availability of capability stocks within a firm is characterized by a lot of heterogeneity. Capability tends to be "sticky," and therefore best practices do not spread easily within organizations. In order to help this spreading, more attention should be paid to social ties in intraorganizational as well as interorganizational capability transfer (Szulanski, 2003).

Capabilities are usually embodied in organizational routines (Nelson & Winter, 1982). In order to transfer it, firms need to codify capability. However, the challenge here is that the more codifiable the capability, the easier it is to imitate (Zander & Kogut, 1995). The absorptive capacity of the recipient unit in organizations is believed to be a key contingency variable in capability transfer (Cohen, 1998). Motivational and dispositional issues at the level of the source unit can affect capability transfer (Gupta & Govindarajan 2000: Szulanski, 1995). Finally, one needs to better understand the relationship between data, information and capability either as a hierarchical ordering or as mutually constitutive entities in order to better understand the value effects of capability and take advantage of them.

Empirical analysis

To illuminate our theoretical position, we briefly report on an empirical study that emerged out of a comprehensive ethnography of a U.S.-based MNC and its Indian subsidiary (see Mir & Mir, 2009 for an elaboration on the research methodology). The organization being described in this chapter is code-named Reagent and is one of the leading manufacturers of consumer products in the world, with annual revenues in excess of $25 billion. It is based in the U.S. but operates in over 100 countries, and we were granted access to its Indian subsidiary, which has been operational for over 50 years. Reagent had first begun operations in India as an exporting house and had eventually developed its own manufacturing plants around three decades ago. Reagent-India had been

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

incorporated as an Indian corporation, and its shares had initially been quoted on the Indian stock exchange. However, since the mid-1990s, they were no longer traded because Reagent-India was now fully owned by its parent company. Reagent-India was designated a "fully integrated operating subsidiary," which meant that it manufactured most of the products needed for the domestic market in-house. It owned three manufacturing facilities and also used around 20 third-party manufacturing locations in India. Outsourcing was a recent aspect of Reagent-India's business, because it was only since 1992 that MNCs had been allowed under Indian company law to use contract manufacturing facilities.

Capability transfer and the case of Satish Enterprises

> When the R&D people of Reagent came up to me and showed me their plans, they acted as if they were dealing with very big secrets. They gave me these big multicolored binders and said, "you should be very careful – this material should not be photocopied. You should just look at it and tell us whether you can do it or not." At first I got a little excited, thinking that I would see some very new information. But after I studied it for 2–3 days, I called them up and asked them to take it back. I told them, "Thank you very much. But really your process is not going to work at all because it is far too expensive. You are asking me to buy completely all new kinds of equipment just to manufacture a simple product, one that I already manufacture far more efficiently. There are many companies with similar products as yours, who give me their manufacturing contracts, and they are all happy with my way. Why do you want your process to be three times as expensive when the product itself is quite the same?
>
> *(Sreekanth Reddy, owner of Satish Enterprises, a Reagent contractor)*

Located on the outskirts of the southern Indian city of Hyderabad in an industrial complex known for the manufacture of generic pharmaceutical products, Satish Enterprises was a site where we observed and documented a relatively untheorized occurrence, one where a contractor from the Third World became the source in a capability transfer transaction.

As mentioned, outsourcing had been a recent aspect of Reagent-India's business. This explained their apprehension while dealing with a third-party manufacturer. The manufacturing operation being discussed here related to a product named Soledone, a global cash cow for Reagent. While Soledone generated substantial international revenues for Reagent, they had not yet introduced the product into India. Imitations of Soledone had already been introduced into the Indian market by a variety of competitors, and it was evident to Reagent that, were they to succeed in India with the brand, they would have to match the competitors' price. Thus, cost of manufacture was a major priority for them. However, the corporate headquarters continued to be wary of using subcontractors for those of their products that had significant international market share. As Scott Burbank, the vice president of Reagent's International Marketing Division, explained to us, "Contract manufacturers across the world present a tremendous saving in expenditure as well as mindspace. However, we do work with global brands here. And we cannot risk a problem at India jeopardizing the market for our products all over the world."

Reagent had long expressed a preference for importing its new products into India rather than having to produce them in-house. The only reason their in-house manufacturing operations had been hitherto so diversified (and consequently, scale-inefficient) was that the import substitution–oriented macroeconomic policies of the Indian state had forced their hand thus. Of late, following a broader trend of neoliberal economic reform, the import policy of the government had been relaxed to the extent that several small-volume, high-value products were allowed to be imported. However, there was another problem. The weak Indian rupee made it

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

unfeasible to import high-volume products. Also, Reagent-India had made a policy decision to limit in-house manufacture wherever possible, so that it could reap the benefits of cost reduction through downsizing. Thus, when they decided to launch Soledone, they were forced to explore the outsourcing option. Satish Enterprises was one of the plants being considered.

A visit to the Satish plant confirmed that it operated on a philosophy that was radically different from that of the Reagent-India plant. For example, while Reagent-India required all workers in the plant to wear shoes and cover them with disposable plastic outers, the Satish plant required its workers to take off all their footwear before they entered the plant. Barefoot, they then walked into the plant through a 20-feet-long shallow pool of disinfectant. At the other end, they were given rubber *chappals* (Indian slippers). As Mr. Reddy explained, "This policy is ideal for Indian conditions. First of all, the kind of workers we employ are not used to wearing shoes. If they do not wear any shoes outside the factory, we feel that there is no point in asking them to wear shoes at work. Their feet are dirty anyway, and shoes will actually bring in more bacteria than my method." A variety of similar indigenous innovations marked Satish's operations, from recruitment policies that relied on caste affiliations, to the provision for worker substitution for those in the workforce who had agricultural responsibilities (many workers continued to have some agrarian linkages and also tilled their crops during the rainy season; they were allowed to nominate replacements within reasonable limits), down to the spicy lunches that offered an interesting counterpoint to Reagent's bland fare.

However, we do not wish to romanticize the operations of Satish Enterprises. Unlike the unionized workers of Reagent-India, the workers at Satish worked longer hours, they earned lower salaries and had fewer benefits, and their workplace did not have many of the amenities that the Reagent-India workers took for granted, such as air-conditioned cafeterias or rest areas. Their work routines appeared to be more "Taylorized" than in Reagent-India. The hum of activity at Satish was far less inflected with the sounds of conversation than at Reagent-India. Indeed, these were the main reasons why their manufacturing costs were lower than those of Reagent-India. Mr. Reddy was proud of his factory, "I really think that we are as efficient as any factory in Reagent. Also, our cost is lower because we don't waste any money on false prestige."

Reagent had developed five possible manufacturing processes for Soledone. All of them involved the utilization of capital equipment that no pharmaceutical contractor in India possessed. If the equipment dictated by Reagent's production manual were to be purchased, Soledone would have emerged with a substantial cost disadvantage with respect to its local competition. The marketing department had conducted research that suggested that Indian consumers were quite happy with Soledone's competitors and were unlikely to pay a premium price based solely on its status as an international brand.

At the heart of the problem was the procedure by which the final product would be purified against bacterial contamination. All of Reagent's prescribed production techniques used pasteurization, a process by which the product was rapidly heated and cooled for bactericidal effect. However, the temperature control required in this process would have to be very sophisticated, for Soledone was also a flavored oral product, and its flavor could be altered for the worse if the temperature went beyond a narrow range for too long. The computerized heating and cooling apparatus that would be needed by the process was formidable in its cost. The problem kept being debated in the corporation until Mr. Reddy of Satish Enterprises aggressively promoted his indigenous solution to Reagent. His description of the process is worth repeating verbatim, for it also suggests his technological prowess, a competence that had accrued to him through sustained experience of contract manufacture with several organizations, including Reagent-India's direct competitors-to-be:

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

> They (Reagent corporate) said they did not like chlorination because of two things – one is that it is carcinogenic. Any residue of chlorine that was more than 2 ppm. (parts per million) is bad for human beings in the long run. I told them that in my process, the residual chlorine is brought down to 1 ppm. or less without any problem. Nobody believed me when I said that, but I have achieved it batch after batch. The second thing they said was that you have to use ozonization in the process in order to achieve some kind of bactericidal quality. I said there's no need to ozonize, because one can use chloron with hydrogen peroxide and 0.4% chloroform and that will do the exact same job by itself.
>
> They did not believe me at first. So I said that, you know, chlorination will help you also not to use preservatives. And the less preservatives you use, the more your manufacturing efficiency. And they asked, how can that be done? So I said you add bromidium to the process. And that will take care of it. Then they asked how I would get rid of the bromidium catalyst. I said I have a good recovery system and I have been using it for many of the products that I manufacture. When they found I was giving technically feasible answers to all their questions, they had no choice. So they said OK, you can try.
>
> And I used aluminum chloride, which I made by adding some hydrochloric acid to aluminum scrap. And did the reaction with sodium carbonate – actually through the bicarbonate route. And I was able to get about 80% efficiencies. Once I made a full batch, they subjected it to a number of really comprehensive tests for taste, flavor, color, and carcinogenics. And they found that it was as good as any of their other products in other plants.

As the quote shows, the technical mastery of Satish over the manufacture of Soledone was far greater than that of Reagent itself. Much of this mastery, of course, was also achieved through diffusion: Satish had been working as a subcontractor in Soledone's product range for several years. But still it represented a major innovative effort. As Scott Burbank remarked to the lead researcher, "[T]his guy [Reddy] is an amazing engineer. He is like your Indian filmmaker Satyajit Ray, who made all those great movies with primitive equipment and low raw film stock. He is a master at improvising under constraints." Apart from their technological proficiency, it appeared as if organizations like Satish were engaged in an inadvertent act of "cross-pollination" of ideas, where capability about a complicated manufacturing process that had been distilled across experiences with several corporations was being offered to Reagent.

Eventually, after much deliberation, the managers at Reagent were persuaded to take a chance with Satish's process. The finished product of Soledone matched the U.S. product in all lab tests, and after several trial runs, the process was adopted as the official Soledone manufacturing protocol by Reagent India. It cost substantially less than it would have, had the earlier production processes been used. Based on the cost advantages, Reagent-India was eventually able to manufacture Soledone competitively in the Indian market and establish it as a successful product for Reagent-India's product range.

One would have imagined that Satish's process would be valued by Reagent as an example of the good that comes out of a partnership between two professional organizations. However, we found that while the process was indeed valued by the organization, it was done in an unexpected fashion.

While searching for data on the R&D function at Reagent, we came across their annual R&D report, prepared by Sudesh Bhonsle, the VP of Reagent-India's R&D division. Among one of the annual achievements of his department for the year, Mr. Bhonsle mentioned, "[T]his year, we have, under the guidance of corporate, developed a new way of manufacturing Soledone that uses chlorination instead of pasteurization. This process, which uses a chlorination technique, has led to an over-50% reduction in the production cost of Soledone. The process has been thoroughly documented for ISO 9000 certification (annexure enclosed), and is under consideration

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

for manufacture at other Reagent locations." It appeared that not only had Reagent appropriated Satish's systems as proprietary, but also they were being presented as local innovations by Reagent-India! Even the headquarters team was not averse to taking some credit for it! There was no mention of Satish Enterprises in the entire report.

The next time we met Mr. Bhonsle, we asked him about this report. His reaction was defensive. "Of course the process is ours. Satish had some ideas, but most of them came from studying the plans supplied to them by Tarrytown (Reagent's headquarters city). And my team worked constantly with them to fine-tune their process. It is not as if they came up with it on their own. And once we stabilized the process, we documented it as a matter of routine. It is part of our corporate policy. Anyway, before we began manufacture, Reddy had signed an agreement that all patents derived from this process would belong to us."

On our next trip to Satish, we asked Mr. Reddy for an explanation. After all, his account of the hard sell he had needed to get his process approved by the corporate visitors seemed to be at odds with Bhonsle's account, which suggested that the main ideas had come from Tarrytown, New York. He smiled wryly and appeared disinclined to elaborate. All he mentioned initially was that the company had asked him to sign "many papers" before the operation commenced and made it very clear that his "cooperation" on the issue of subsequent patents was an important factor for getting Reagent's business. Upon probing regarding who in his opinion was the actual "owner" of the innovative process of Soledone manufacture, this was the explanation he offered, laced with a number of requests that we do not share this information with Reagent personnel.

> After the first 12 batches had passed QA [quality assurance] inspections, Mr. Bhonsle came to me with Mr. O'Neill of Reagent corporate. He asked me whether I could give them all the minute details of my process. They had a number of forms, which they asked for my assistance in filling out. They collected batch-sheet information, and even observed the manufacture of one entire batch. I knew that this would be part of their local reports. I knew that in a way, they were stealing my information, but that is not a big thing for me. They are not going to manufacture it in India. And if they do it in other places, or if someone gets promoted for this reason, what is my problem? So I allowed them to note it down. They wrote down all the protocols and they have sent it to Tarrytown. My main worry is that they may eventually replace me with another contractor who will use my process, but that is a risk I had to take to get Reagent's business.

As a footnote, it must be mentioned that Reddy was a prominent absentee at a subsequent gala organized by Bhonsle and his team to launch an extension of Soledone in Reddy's hometown. When asked for a reason for his absence, he said, "[T]hey mentioned that this would be a celebration for the entire 'Reagent family.' Why should the family servant be part of the family celebration?"

The presence of the colony

> Global change does not require so much a transfer of capability from one part of the globe to the other as it does the investment in different types of global dialogues that can create new capability contextualized in multiple sites. This requires investments in dialogues that can initiate localized creativity and imagination and foster newer meanings and texts.
>
> *(Bouwen & Steyaert, 1999:304–305)*

Perhaps the ultimate example of the "presence of the colonial" in this case comes from the direction of capability flow, in which the arrow points from the subsidiary to the headquarters,

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

rather than vice versa. If organizational theories are not set up to understand these dynamics, then one must conclude that they exhibit an ideological character. Also, as philosophers like Bakhtin (1981) as well as organizational theorists like Nonaka (1994) have stressed, capability that resides in individuals or isolated bodies can be integrated into a larger framework only through a spirit of social sharing, conversation and dialogue, which remained absent in the preceding vignette. Somewhere in a server housing the electronic archives of Reagent's production processes, there is a stored document about the manufacture of Soledone using the technique of chlorination. A patent may also have been filed about the process. As this incident shows, this document is the ultimate artifact of reverse capability transfer. Not only has capability been transferred across locations and internalized by an organization, it has moved from public to private ownership. In effect, capability has been transformed into property.

It is important to note that we do not believe that Reddy or Satish is the owner of the capability that was transferred. This particular capability emerged through a diffusionary process in which Reagent's competitors, Reddy and Satish, Reagent itself, and a number of other actors beyond the view of our empirical inquiry participated socially and produced a complex set of routines that led to a cheap form of manufacture and value creation. But in the eyes of the law, Reagent emerged as the ultimate owner of the capability. This was not done by methods that would be considered illegal; the paperwork was completed, "permissions" were sought and given and all patent laws were followed, including newer laws that had recently been enacted by the Indian government to ensure that organizations like Reagent were comfortable operating in the country. Interestingly, in response to a World Trade Organization directive, the Indian government enacted a policy effective January 1, 2005 that would protect manufacturing processes (Indian patent law hitherto protected only products).[4] Under this new law, Reagent would be able to charge Satish for the subsequent use of the chlorination process and restrict the firm from using the process as a contractor for other firms. Reddy and Bhonsle, the conduits through which capability "flowed" into Reagent's corporate stock, were appropriately compensated for their actions, Reddy monetarily so and Bhonsle through corporate recognition. But the end result is an act of privatization of capability acquired from a social and public realm, with perpetual property rights accruing to one group. Various work routines (Reagent's documenting system), socialization mechanisms (that attune Bhonsle toward recording and Reddy toward acquiescence) and infrastructures (Reagent's reporting system) are deployed in this process of capability transfer in an unexpected direction.

Perhaps counterintuitively, we contend that it was Reagent rather than Satish that behaved unwisely in this transaction. Satish's ceding of its property rights to Reagent is more an act of compulsion than oversight. Satish Enterprises is a flexible and agile organization, which is quite in touch with India's new status as a cog in the wheel of an emergent corporate globalization. For example, its ability to innovate in the manufacture of Soledone is also reflected in other spheres, such as the indigenous work practices it uses, as well as Reddy's ability to communicate effectively with Reagent's highly qualified technical managers. However, it remains a small-scale operation and will need to operate under the shadow of organizations like Reagent to survive in industrial India. Its very survival depends on its ability to provide capability and other benefits to the likes of Reagent. It thus assumes the role of the "local enabling class," the local elite who choose the passive role of the *accomplice* over the far more fraught one of the *opponent*. Capability transfer of the kind mentioned in this example merely cements that role further.

Reagent, of course, emerges the putative "victor" in this transaction. But moral judgment apart, the capability accrued to it inadvertently sows the seeds of its eventual delegitimization in the international arena, a risk factor that in our opinion outweighs the gains of the appropriation of capability stock. The observation by Scott Burbank comparing Reddy with the Indian filmmaker Satyajit Ray, who produced works of art under considerable constraints, demonstrates

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

clearly how capability is context dependent. Working under severe resource constraints is not Tarrytown's competence, so in that sphere it appears that Satish has a capability advantage. However, rather than develop Satish as a complementary partner to its competencies, Reagent chooses a mercantilist approach to capability, treating the process as a zero-sum game and moving in to amass its capability stock at Satish's expense.

The uncontested appropriation of local capability by Reagent again points toward the absence of the dialogic element in the capability transfer process. Its stock of intellectual property has increased, but such coercive practices present mere short-term fixes. Had Reagent been more sensitive, it might have attempted more dialogic and equitable relations with Satish Enterprises and might have gained much more in a win-win long term.

Discussion

In this chapter, we have used our research on capability transfer to derive some relatively undertheorized conclusions about the MNC. We contend that an MNC that has a more egalitarian (less colonial) approach to capability is more sensitive of dialogic issues despite the existence of power differential favorable to itself. When it achieves its ends through coercive means, it ends up a loser despite potential short-term gains.

This is not to say that such coercion remains unresisted but rather that the modes of resistance are often left untheorized in the mainstream. Satish's responses to Reagent's regimes of expropriation must necessarily take highly subtle forms. In an atmosphere where the political, normative and even the theoretical decks are stacked against it, Satish's resistance to Reagent's domination is not clearly visible, unless one examines its interactions with Reagent closely for actions that take on a more passive, "routine" dimension (Scott, 1985). For instance, instead of more confrontational practices such as lawsuits, there is a subtle disengaging. Reddy refuses to confront the powers of Reagent directly but does refer to their appropriation as "stealing." He mocks their "multicolored binders" and their inability to adapt their operations to Indian conditions. Moreover, his refusal to extend Satish's relationship with Reagent beyond the economic into the normative realm (as evidenced in his refusal to become a part of the Reagent "family") shows us how in the power-inflected interaction, resistance functions by reducing open confrontations, replacing them with "subtle subversions," by acts of "disengagement" and by "ambiguous accommodations" (Prasad & Prasad, 1998).

In his prescient analysis of the emerging phenomenon of the "bureaucracy," Max Weber had worried that citizens who were new to bureaucracy would be subject to an "iron cage" of mystifying rules and control systems that would be opaque but implacable (Ritzer, 2004: 55). In this chapter, we have argued that the continued installation of systems of bureaucratic control in poorer nations by MNCs recalls in many ways the emergence of the Weberian bureaucracy in the West. Our image also focuses on the term "iron," which implies that the subjection of entrepreneurs like Satish Enterprises and other workers from poorer nations to the logic and control of MNCs will be characterized by harsh and coercive mechanisms, and people who resist the rapid ingress of MNCs into their lives on its own terms may not necessarily be equipped with the theoretical wherewithal to oppose on its own terms. Not only is iron a symbol of power, coercion and incarceration, it is also an extractable commodity, which reflects our contention that despite a variety of subtleties that have entered the discourse and practice of MNC presence in poorer nations, their extractive character has continued to be an important aspect of their presence.

At the risk of being repetitive, we would caution against seeing this case merely as an example of malfeasance on the part of Reagent. While that aspect is obvious, an exclusive focus on individual criminality prevents us from seeing this form of appropriation as a part of the discourse

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

of colonialism. Colonial practices have fundamentally involved the appropriation of indigenous knowledge by colonists, often using emerging regimes of intellectual property rights to deprive the natives of this knowledge, many of whom had been conditioned to see such knowledge as public. MNCs have been the primary beneficiaries of many of these property rights and often have attempted to dispossess citizens of the poor nations of the world of the most indigenous of products, as exemplified by the application by WR Grace and Company to patent local medicinal herbs like *neem*[5] or the attempts by RiceTec to patent indigenous strains of rice like *basmati*.[6] MNCs are constantly attempting to deploy intellectual property rights as a means of earning monopoly rents from public goods, and it was perhaps in anticipation of this global era that Karl Marx had remarked that, once the windmill was invented, the emperor, the nobles and the priests began to fight over who owned the wind (Marx, 1866, 1977: 496). Of course, all this occurs under the seemingly benign framework of rules and science; as Sandra Harding has argued, regimes of science and law under capitalist frameworks are fundamentally Eurocentric and serve to provide intellectual legitimacy to imperialist enterprise (Harding, 2008).

In the hierarchized global economy, Reagent had power and legitimacy, backed not only by their economic advantage over Satish and the Indian economy but also by the weight of certain traditions in organizational theory that presented its perspective as appropriate. Eschewing a dialogic relationship, they utilized their power to appropriate local knowledge and legitimized their actions through a legal framework. However, that legitimacy existed only at their end and was predicated upon elaborate definitions of knowledge and property they crafted without any discussion with their subaltern counterparts. To that extent, their actions could be considered colonial. It would be safe to say that had Reagent exhibited a less than colonial approach to capability appropriation, they might have emerged from this transaction much better equipped to negotiate the minefield of intercultural relations in the international arena and not have to resort to various coercions and loss of relatedness in India.

Despite eventually adding to the capability stock of an organization as rich in resources as Reagent, Satish Enterprises remained a site of an authoritarian discourse, where the dialogic mode of communication remained suspended. Our challenge as organizational theorists is to develop an understanding of capability transfer, and, by extension, a theory of the MNC that is more sensitive to these issues, and to develop theories that allow for a more equitable sharing of capability and a more effective design for the accumulation and distribution of social products.

Resistance to this form of MNC control continues to be manifested (Banerjee, 2006; Wu, 2005), but in the terrain characterized by academia and theory, such resistive acts often get represented as irrational responses to inevitable change. Our chapter will hopefully tilt in the other direction and offer an empirical analysis of why we think the MNC is the new avatar of the colonialists of the 19th and early 20th centuries. In effect, our chapter may be viewed as an attempt to theorize the real as well as theoretical "bars" of the exploitative iron cage of MNCs.

Notes

1 Data developed by comparing corporate statistics from http://money.cnn.com/magazines/fortune/global500/2013/full_list/ and national data from http://data.worldbank.org/indicator/NY.GDP.MKTP.CD. (All websites in this chapter were last accessed on October 20, 2013.)
2 Our analysis is based on previous work, including Mir & Mir (2009), Mir, Banerjee & Mir (2008) and Mir & Mir (2011).
3 http://steelmillsoftheworld.com/news/newsdisplay_cntry.asp?slno=5315.
4 http://www.lorandoslaw.com/Publications/Changes-in-Indias-Patent-Law.shtml.
5 http://www.twnside.org.sg/title/pir-ch.htm.
6 http://www.alt.no-patents-on-seeds.org/index.php?option=com_content&task=view&id=74&Itemid=42.

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20

References

Argyres, N., Felin, T., Foss, N., & Zenger, T. (2012). Organizational economics of capability and heterogeneity. *Organization Science*, *23*(5): 1213–1226.

Ali, S., Peters, L., & Lettice, F. (2012). An organisational learning perspective on conceptualising dynamic and substantive capabilities. *Journal of Strategic Marketing*, *20*(7): 589–607.

Bajaj, V (2013). Doing business in Bangladesh. *The New York Times,* September 14. Retrieved from http://www.nytimes.com/2013/09/15/opinion/sunday/doing-business-in-bangladesh.html.

Baker, D., Epstein, G., & Pollin, R. (1998), *Globalization and progressive economic policy.* Cambridge: Cambridge University Press.

Bakhtin, M. (1981). *The dialogic imagination: Four essays by M. M. Bakhtin* (Michael E. Holquist, Ed. Caryl Emerson & Michael Holquist, Trans.). Austin: University of Texas Press.

Banerjee, B. (2006). Land acquisition and peasant resistance at Singur. *Economic and Political Weekly*, *41*: 4718–4720.

Bierly, P., & Chakrabarti, A. (1996). Generic knowledge strategies in the U.S. pharmaceutical industry. *Strategic Management Journal*, Winter Special Issue. *17*: 123–135.

Bottomore, T. (1983). *A Dictionary of Marxist thought*. Cambridge, MA: Harvard University Press.

Bouwen, R., & Steyaert, C. (1999). From dominant voice toward multivoiced cooperation. Mediating metaphors for global change. In D. Cooperrider & J. Dutton (Eds.), O*rganizational dimensions of global change. No limits to cooperation*: 291–319. Thousand Oaks, CA: Sage.

Briody, D. (2004). *The iron triangle: Inside the secret world of the Carlyle Group.* New York: Wiley.

Buckley, P., & Casson, M. (1976). *The future of the multinational enterprise.* London: Homes & Meier.

Chatterjee, P. (2007). Democracy and economic transformation in India. Unpublished manuscript, Center for the Advanced Study of India.

Chen, C-J. (2004). The effect of knowledge attribute, alliance characteristics, and absorptive capacity on knowledge transfer performance. *R & D Management*, *34*(3): 311–321.

Choi, F., & Levich, R. (1990). *The capital market effects of international accounting diversity.* Chicago: Dow-Jones Irwin.

Cohen, D. (1998). Toward a knowledge context: Report on the first annual U.C. Berkeley forum on knowledge and the firm. *California Management Review*, *40*(3): 22–39.

Collinson, S., & Morgan, G. (2009). *Images of the multinational corporation*: 247–266. London: Blackwell.

Conner, K., & Prahalad, C. K. (1996). A resource-based theory of the firm: Knowledge versus opportunism. *Organization Science,* 7(5): 477–501.

Davenport, T., & Prusak, L. (1998). *Working knowledge: How organizations manage what they know.* Boston: Harvard Business School Press.

Dunning, J. (1977). Trade, location of economic activity and the MNE: A search for an eclectic approach. In B. Ohlin, P. Hesselborn & P. M. Wijkman (Eds.) *The international allocation of economic activity: Proceedings of a Nobel symposium*: 395–418. Macmillan & London.

Faber, D. (1993). *Environment under fire: Imperialism and the ecological crisis in Central America.* New York: Monthly Review Press Books.

Fortune (2013). The Fortune 500. May 20. Retrieved from http://money.cnn.com/magazines/fortune/fortune_archive/2013/05/20/toc.html.

Gatade, S. (1997). *Globalisation of capital: An outline of recent changes in the modus operandi of imperialism.* New Delhi: Lok Dasta Press.

Ghoshal, S., & Moran, P. (1996). Bad for practice: A critique of the transaction cost theory. *Academy of Management Review*, *21*(1): 13–47.

Gupta, A., & Govindarajan, V. (2000). Knowledge flows within multinational corporations. *Strategic Management Journal*, *21*(4): 47–490.

Harding, S. (2008). *Sciences from below: Feminisms, postcolonialities and modernities.* Durham, NC: Duke University Press.

Harvey, D. (2005). *A brief history of neoliberalism*. Oxford: Oxford University Press.

Headrick, D. (1988). *The tentacles of progress: Technology transfer in the age of imperialism.* New York: Oxford University Press.

Hedlund, G. (1994). A model of knowledge management and the N-form corporation. *Strategic Management Journal*, Summer Special Issue, *15*: 73–90.

Holmstrom, N., & Smith, R. (2000). The necessity of gangster capitalism: Primitive accumulation in Russia and China, *Monthly Review*, *51*(2): 1–21.

Hymer, S. (1960), *The international operations of national firms: A study of direct foreign investment.* Cambridge, MA: MIT Press.

Ibrahim, J. (2004). *Democratic transition in Anglophone West Africa.* East Lansing: Michigan University Press.

Kankanhalli, A., Tanudidjaja, F., Sutanto, J., & Tan, C. (2003). The role of IT in successful knowledge management initiatives. *Communications of the Association for Computing Machinery*. *46*(9): 69–80.

Koechlin, T. (2006). US multinational corporations and the mobility of productive capital: A skeptical view. *Review of Radical Political Economics*, *38*(3): 374–380.

Kogut, B., & Zander, U. (1992). Knowledge of the firm, combinative capabilities, and the replication of technology. *Organization Science*, *3*: 383–397.

Kogut, B., & Zander, U. (1993). Knowledge of the firm and the evolutionary theory of the multinational corporation. *Journal of International Business Studies*, *24*: 625–645.

Kogut, B., & Zander, U. (1996). What firms do? Coordination, identity, and learning. *Organization Science*, 7(5): 502–518.

Kogut, B., & Zander, U. (2003). A memoir and reflection: Knowledge of the firm and the evolutionary theory of the multinational corporation 10 years later. *Journal of International Business Studies*, *34*(6): 505–516.

Krausse, C. (2013). Halliburton pleads guilty to destroying evidence after gulf spill. *The New York Times*, July 25, 2013. Retrieved from http://www.nytimes.com/2013/07/26/business/halliburton-pleads-guilty-to-destroying-evidence-after-gulf-spill.html.

Marx, K. (1977/1868). *Capital*, Vol. 1. New York: Vintage.

McCauley, M. (2001). *Bandits, gangsters and the Mafia: Russia, the Baltic States and the CIS since 1991.* New York: Pearson Education.

Mir, R., & Sharpe, D. (2009). The multinational firm as a system of exploitation and domination. In Glenn Morgan and Simon Collinson (Eds.), *Images of the multinational corporation*: 247–266. London: Blackwell.

Mir, R., & Mir, A. (2009). From the corporation to the colony: Studying knowledge transfer across international boundaries, *Group and Organization Management*, *34*(1): 90–113.

Mir, R., & Mir, A. (2011). Organizational change as imperialism. In David Boje, Bernard Burnes & John Hassard (Eds.), *Routledge companion to organizational change*: 425–439. London: Routledge.

Mir, R., Banerjee, B., & Mir, A. (2008). Hegemony and its discontents: A critical analysis of organizational knowledge transfer, *Critical Perspectives on International Business*, *4*(2/3): 203–227.

Mir, R., Mir, A., & Upadhyay, P. (2003). Toward a postcolonial reading of organizational control. In Anshuman Prasad (Ed.), *The gaze of the other: Postcolonial theory and organizational analysis*: 47–75. New York: Palgrave Macmillan.

Morgan, G., & Kristensen, P. (2006). The contested space of multinationals: Varieties of institutionalism, varieties of capitalism. *Human Relations, 59*(11): 1467–1490.

Nonaka, I. (1994). A dynamic theory of organizational knowledge creation. *Organization Science*, *5*(1): 14–37.

Nonaka, I. (1998). The concept of "Ba": Building a foundation for knowledge creation. *California Management Review*, *40*(3) Spring: 40–54.

Prasad, A., & Prasad, P. (1998). Everyday struggles at the workplace: The nature and implications of routine resistance in contemporary organizations. *Research in the Sociology of Organizations*, *15*: 225–257.

Rodan, S., & Galunic, C. (2004). More than network structure: How knowledge heterogeneity influences managerial performance and innovativeness. *Strategic Management Journal*, *25*(6): 541–551.

Rodney, W. (1974). *How Europe underdeveloped Africa.* Washington, DC: Howard University Press.

Sanyal, K. (2007). *Rethinking capitalist development: Primitive accumulation, governmentality and post-colonial capitalism.* New Delhi: Routledge.

Schwartz, N., & Duhigg, C. (2013). Apple's web of tax shelters saved it billions, panel finds. *The New York Times*, May 20. Retrieved from http://www.nytimes.com/2013/05/21/business/apple-avoided-billions-in-taxes-congressional-panel-says.html.

Scott, J. C. (1985). *Weapons of the weak: Everyday forms of peasant resistance.* New Haven, CT: Yale University Press.

Szulanski, G. (1995). Unpacking stickiness: An empirical investigation of the barriers to transfer best practices inside the firm. INSEAD Working Paper, November.

UNCTAD (2012). *World Investment Report 2012.* Retrieved from http://www.unctad-docs.org/files/UNCTAD-WIR2012-Full-en.pdf.

Verlinden, C. (1970). *The Beginnings of modern colonisation* (Yvonne Freccero, Trans.). Ithaca, NY: Cornell University Press.

Wu, Y. (2005). Rethinking 'capitalist restoration' in China. *Monthly Review*, *57*(6): 50–61.

Zack, M. H. (1999). Managing codified knowledge. *Sloan Management Review*, *40*(4): 45–58.

Zander, U., & Kogut, B. (1995). Knowledge and the speed of the transfer and imitation of organizational capabilities. *Organization Science*, *6*(1): 76–92.

Downloaded By: 10.2.97.136 At: 19:17 22 Mar 2023; For: 9781315889818, chapter20, 10.4324/9781315889818.ch20