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POLITICAL AND LEGAL DOCTRINES AS IDEOLOGICAL DETERMINANTS OF THE ACTIVITIES OF TRANSNATIONAL CORPORATIONS

DOKTRYNY POLITYCZNO-PRAWNE JAKO UWARUNKOWANIA IDEOLOGICZNE DZIAŁALNOŚCI KORPORACJI TRANSNARODOWYCH

STRESZCZENIE

Celem artykułu jest przeprowadzenie analizy, w jaki sposób liberalne doktryny polityczno-prawne i paradygmat transnarodowy sprzyjają rozwojowi i wpływom korporacji transnarodowych (KTN). Poprzez promowanie wolnych rynków i minimalnej interwencji państwa, liberalizm i neoliberalizm tworzą zglobalizowane środowisko, w którym KTN mogą prężnie działać. Paradygmat transnarodowy podkreśla wzajemne przenikanie się gospodarek i społeczeństw, co uwypukla daleko idące skutki działalności KTN. Artykuł zgłębia teoretyczne podstawy tych koncepcji i pokazuje związek między tymi ideologiami a ekspansją KTN. W artykule zostały omówione następujące kwestie: teoretycznych podstaw liberalizmu i neoliberalizmu. Zadano pytanie badawcze: Jakie są kluczowe założenia tych doktryn i w jaki sposób wpływają one na kształtowanie globalnej gospodarki? Przeanalizowano Paradygmat transnarodowy, stawiając pytanie badawcze: Co oznacza paradygmat transnarodowy i jakie są jego implikacje dla działalności KTN? Na tej podstawie dokonano analizy wpływu liberalizmu, neoliberalizmu oraz paradygmatu transnarodowego na działalność KTN. Odpowiedziano na pytanie: W jaki sposób liberalne doktryny i paradygmat transnarodowy stwarzają korzystne warunki dla rozwoju i ekspansji KTN? Posługując się analizą literatury krajowej i zagranicznej dostarczono w artykule kompleksowego obrazu tego, w jaki sposób zmiany w globalnym porządku gospodarczym wpływają na działalność największych światowych korporacji.

SŁOWA KLUCZOWE: korporacje transnarodowe, liberalizm, neoliberalizm, paradygmat transnarodowy, globalizacja.

ABSTRACT

The aim of the article is to analyze how liberal political and legal doctrines and the transnational paradigm favor the development and influence of transnational corporations (TNCs). By promoting free markets and minimal state intervention, liberalism and neoliberalism create a globalized environment in which TNCs can thrive. The transnational paradigm emphasizes the interpenetration of economies and societies, which highlights the farreaching effects of TNC activities. The article explores the theoretical foundations of these concepts and shows the relationship between these ideologies and the expansion of TNCs. The article discusses the following issues: the theoretical foundations of liberalism and neoliberalism. The research question was asked: What are the key assumptions of these doctrines and how do they influence the shaping of the global economy? The transnational paradigm was analyzed by posing the research question: what does the transnational paradigm mean and what are its implications for the activities of TNCs? On this basis, the impact of liberalism, neoliberalism and the transnational paradigm on the activities of TNCs was analyzed. The question was answered: how do liberal doctrines and the transnational paradigm create favorable conditions for the development and expansion of TNCs? Using the analysis of domestic and foreign literature, the article provides a comprehensive picture of how changes in the global economic order affect the activities of the world's largest corporations.

KEY WORDS: transnational corporations, liberalism, neoliberalism, transnational paradigm, globalization.

INTRODUCTION

Globalization, fueled by the ongoing liberalization of economies and integration of markets, has created unprecedented conditions for the growth of transnational corporations (TNCs). These multinational companies, operating on a global scale, are playing an increasingly important role in shaping the world economy and politics. The purpose of this article is to analyze how the doctrines of liberalism and neoliberalism, along with the accompanying transnational paradigm, have fostered the growth and influence of TNCs.

Liberalism, with its emphasis on individual freedom, the free market and minimal state intervention, laid the theoretical foundation for globalization. Neoliberalism, as a more radical variant of liberalism, further emphasizes the role of deregulation, privatization and the opening of markets. Both of these doctrines, by promoting the free flow of capital, goods and services, have created a favorable environment for MNC activity. Transnational corporations, taking advantage of these conditions, can freely move their investments, production and technology between different countries, optimizing their operations to maximize profits.

The transnational paradigm, in turn, emphasizes the intertwining of different spheres of social and economic life on a global scale. In this context, TNCs play the role of key actors, shaping both the economy and the culture and politics of individual countries. Their activities often go beyond the framework of traditional state regulations, which on the one hand allows them greater flexibility, while on the other hand raises questions about the social and ethical responsibility of these actors.

The remainder of the article will provide a detailed analysis of the theoretical underpinnings of liberalism and neoliberalism and their impact on the operations of MNCs. Then, the transnational paradigm and its implications for the operation of transnational corporations will be discussed.

1. THE PARADIGM OF LIBERALISM AND NEOLIBERALISM AS CONDUCIVE TO THE DEVELOPMENT OF TRANSNATIONAL CORPORATIONS

The analysis of the ideological determinants of the activities of transnational corporations should begin with at least the period of the precursors of classical economic thought, that is, the period of mercantilism and physiocratism. Undoubtedly, however, it was not until liberalism, later neoliberalism, and, on this basis, the progressive process of globalization that were the most important factors promoting the rapid economic development of the world and, therefore, transnational corporations. A look at the free-market ideas of liberalism, the ideas of state enrichment and the ideas of international trade will allow us to understand why modern transnational corporations are at this place and not at another place in their current development. When analyzing the determinants of the emergence and activities of transnational corporations, one should also not forget about other schools of thought such as conservatism, neo-realism, neo-mercantilism, taking into account the realist paradigm of studying reality, and Marxism, neo-Marxism and global structuralism taking into account the global paradigm¹. However, since, according to the liberalist current, transnational corporations are one of the main actors on the world stage, and their development can be seen as a justification for the validity of liberal visions of reality, it is this current that will be considered in detail.

The 16th century in Europe was a time of rapid development of economies and the emergence of increasingly strong relationships and interdependencies between states, including between producers and consumers. Geographical discoveries led to an intensive increase in international trade, and it was then that mercantilists took up the analysis of market mechanisms, trying to show what factors influence

1 The division into these schools of thought and paradigms was undertaken by T. L. Kunsten in his work *A history of international relations theory*. It is presented in the work of A. Jarczewska-Romaniuk, *International enterprises*, Oficyna Wydawnicza Branta, Bydgoszcz - Warsaw 2003, pp. 63-76.

the growth of wealth in a country. The first Enlightenment school to influence economic changes in the monarchy was Physiocracy. These changes involved the reconstruction of the feudal system reformed the economic structure and modified the system of government. According to the Physiocrats, society was divided into three groups: the class of landowners/religious and clergy, who lease the land they own to tenant farmers for which they receive rent; the productive class (agriculture) - only it multiplies the value of production, creates a pure product; the idle class (industrialists, artisans, merchants), which does not produce new value, brings only the equivalent of the consumed means of consumption. It was then that F. Quesnay published the "Economic Table", in which he compared the process of reproduction to the circulation exchange of goods and money between just these three social classes. He also described the principles and methods of maintaining economic equilibrium, while not including in his considerations the issues of foreign trade. It should also be noted that the liberalist slogans of the Physiocrats were supported by the idea of the natural order, the basis of which was labor and its respect, property and freedom. Physiocrats, unlike mercantilists, opposed state interference in the economic sphere. The bottom line was that freedom according to the Physiocrats was primarily the right to take unlimited action in the economic sphere, which gave rise to the new liberal order in society². And it was this idea of free-marketism that was widely described and developed later by the founder of classical economics A. Smith.

Mercantilism, on the other hand, as a system of economic and political views otherwise known as monetarism or bourbonism, which arose in the late 16th and early 17th centuries, considered developed exports exceeding imports, i.e. a positive trade balance, as the basis of a country's wealth. Pointing to the views of the mercantilists, it recommended economic policies that positively shaped a country's trade balance, e.g. using tariffs and quotas to limit imports and/or providing subsidies to promote exports. At the same time, early mercantilism spoke of hoarding precious bullion, while the so-called mercantilism proper spoke of hoarding foreign resources (including gold and silver)³. This approach was the first attempt in the history of economic thought to explain the legitimacy of state interference in economic activity. Unfortunately, this treatment of international trade turned out to be an oversimplification and could only work in the short term, since the view that one party earns while the other loses at the expense of the first (in economics, a so-called "zero-sum game") inevitably led to conflicts between states. Much later, the founders of classical economics, including its leading representative A. Smith, successfully undertook

2 A. Sylwestrzak, *History of political and legal doctrines*, Wydawnictwa Prawnicze PWN, Warsaw 2000, pp.214-215.

3 A. Budnikowski, E. Kawecka-Wyrzykowska, *International Economic Relations*, PWE, Warsaw 2000, p. 64.

a critique of the mercantilist theory of international exchange based solely on the balance of trade and payments relationship.

In shaping future liberal thought, David Hume should not be forgotten. Many scholars call Hume a “liberal mercantilist”. While criticizing the mercantilist view of the possibility of permanently maintaining favorable trade balances, he argued at the same time that economic freedom is inseparable from political freedom. And economic freedom is, among other things, the freedom to labor, produce, sell and buy, i.e. the freedom to trade⁴.

Nineteenth-century liberalism, formed as a result of the bourgeois revolutions that swept England and France, was an expression of the quest for economic and political freedom. With that said, it was English liberalism that referred most to economic issues. One of the most famous representatives whose work provided the basis for this ideology was Adam Smith, and his views most fully represented the political and economic thought of the late 18th century. Today we say that his works initiated the first modern new direction of economic thought, which is classical economics. According to Smith, the cause of the state was the division of society into the poor and the rich. Therefore, the state should, first of all, take care of the observance of the law of possession, the observance of the established order, and external and internal security. This includes securing roads and transportation routes and spreading ideas that support “free play” at the social and economic levels. A. Smith also manifested a liberal approach to the theory of law thus emphasizing the right to individual freedom. Speaking of the activities of A. Smith it should also be said that, supporting the development of capitalism on the principles of the free market game, he positioned the state as the guarantor of order and security⁵. In contrast, the game on the principle of the “invisible hand” of the market should take place without the state. He proved that the competitive market is guided by a self-regulating mechanism striving for economic equilibrium. In other words, as a result of changes in capital inflows, changes in the demand-supply ratio and changes in market prices, the market itself will function efficiently to achieve equilibrium with the most efficient use of capital and labor⁶. In contrast to the views of the mercantilists, A. Smith believed in a general increase in the availability of goods involved in trade between two countries. This approach was the basis for the formulation of the absolute cost theory. The author stated that if countries participating in international trade export goods in the production of which they specialize and import goods in which other countries specialize, this allows to increase the level of availability of virtually all

4 H. Landreth, D.C. Colander, *History of economic thought*, PWN Scientific Publishers, Warsaw 2005, pp. 6869.

5 Ibid, pp. 264-265.

6 M. Nasiłowski, *Outline of the history of economic thought*, Key Text Publishing House, Warsaw 2003, p.32-33. ⁷ A. Budnikowski, E. Kawecka-Wyrzykowska, op. cit. pp. 66-70.

goods involved in international trade. At the same time, a state wishing to benefit should decide on the specialization of certain goods on the basis of absolute differences in their production costs⁷. This meant that if the state has the necessary natural resources, technology, experience, etc., to absolutely reduce the cost of production, it should then decide to specialize within the production and trade of certain goods. A. Smith's absolute cost theory ultimately resulted in a broader view of international economic exchange.

The classical theory of international exchange was improved by D. Ricardo's presentation of the so-called comparative cost theory. Analyzing the classical theory of absolute costs and the classical theory of international exchange and the theory of comparative costs, it should be noted that in all the situations described there is talk of free market play, hence the so-called free market theories are often referred to. These are also among the first theories on the specialization of international production. However, despite the fact that it was D. Ricardo popularized the theory of comparative costs, he is not, contrary to popular belief, the author of this theory, because as early as 1808 it was done by R. Torrens in his work titled "The Principles of Political Economy and Taxation"⁷. The theory of comparative costs as a theory of international trade explains the mutual benefits of exchange when analyzing to avoid only relatively (and not absolutely as in A. Smith) higher inputs to produce a given good. More precisely, a given country, when deciding whether to produce a given good and export it, should suggest not only the absolute cost of producing the good itself, but also the possibility of saving certain inputs in the production of that good. Thus, a country saves when it exports a good produced with a low input in exchange for an imported good that it would have to produce itself with a high input⁸. The theory of comparative costs was important in the development of international trade, because it showed that a self-sufficient national economy and protection are unprofitable in the long run before foreign competition.

It is also worth mentioning the scientific achievements of J. S. Mill. He naturally continued the thought of D. Ricard, recognizing the capitalist system and the free market game as self-evident and only right. An important element of his theory was the concept of *economic man* (*homo economicus*), a man who rationally makes decisions guided only by economic motive, operating in the reality of entrepreneurs prospering all around him seeking to maximize their profits. He also predicted in his works, among other things, the coming period of technological progress and the growth of international trade. But most importantly, it was on the concept of the *economic man* that all neoclassical economics was later based⁹.

7 A. Budnikowski, E. Kawecka-Wyrzykowska, op. cit. p. 65.

8 M. Nasilowski, op. cit. pp. 39-40.

9 Ibidem, pp. 41-43.

In 19th-century France, classical theory was effectively spread by J. B. Say. He was the creator of the law of equilibrium of markets, saying that an increase in production is accompanied by a directly proportional increase in income, as a result of which almost all representatives of neoclassical economics proclaimed that a state of general overproduction and long-term economic stagnation was impossible. He is also one of the first authors of works on the entrepreneur himself. He discussed issues concerning not only the ownership position of the entrepreneur, but also treated him as a person responsible for managing the entire enterprise and leading a team of employees¹⁰.

The beginning of neoclassical economics can be considered the end of the 19th century, among other things, this is when A. Marshall created partial equilibrium theories, and his work "Principles of Economics" was the basic textbook on economic theory until the time of J. M. Keynes. He was a forerunner of economic analysis that took into account both supply and demand, pointing out that it is supply that is more important in the formation of economies in the long term and not demand, which dominates short-term analysis. He also pointed out that the best analysis of a national economy begins at the household and enterprise level. In contrast, his macroeconomic views coincided with J. B. Say's law of equilibrium of markets. The achievements of neoclassical economics contributed to the eventual development of the theory of the enterprise, which was based on the assumption of perfect competition, and by combining analyses of the cost of production and marginal profit margin gave the basis for describing the optimal size of production at which the enterprise can maximize its profits¹¹.

An important stage in the analysis of neoclassical economics is the theory of international trade, whose founders were E. Heckscher and B. Ohlin. All the theoretical models of neoclassical economics assumed the existence of perfect competition, and the Heckscher - Ohlin theory itself is concerned with explaining the causes and effects of international trade. The most important conclusions that can be drawn from this theory suggest that a country should produce and export certain goods, for the production of which it can use relatively cheap (it has plenty of them) factors of production, so it should import those goods, for the production of which it would have to use expensive factors of production. Specialization of production then takes place, which leads to international trade. According to the above theoretical model, the benefits of such international trade are distributed reciprocally among the countries participating in the trade, so that in the long run there is a redistribution of factor

10 Ibidem, pp. 48-49.

11 The theories of neoclassical economic thought are described in more detail, in H. Landreth, D. C. Colander, *History of Economic Thought*, pp. 235-341. These include the theory of marginal analysis and its developments, the theory of general equilibrium, and the neoclassical theory of A. Marshall.

incomes and an equalization of factor prices. Unfortunately, in reality, such a situation rarely occurs, on the contrary, there is often an increase in, among other things, wages between countries. During empirical research verifying the Heckscher-Ohlin theory, it was found that not only capital, but also labor resources, land resources, forests, raw materials and energy fuels should be taken into account during the analysis¹².

Parallel to the development of neoclassical economics, a new trend called Keynesianism arose from the author of the work entitled: "The General Theory of Employment, Percentage and Money" by J. M. Keynes. In the late 1920s and early 1930s, the Great Economic Crisis prevailed in the world, and on this background, the theory propounded by J.M. Keynes of state interventionism came to the fore, rejecting classical economics. Keynes argued that in a period of crisis, when there is an imbalance in the balance of payments and trade, state intervention is needed to improve the operation of the market, otherwise there will be stagnation, increased unemployment and too much inequality in the distribution of income¹³. It should be emphasized that the period from the 1930s to the early 1970s was a time of practical application of Keynesian macroeconomic theory in many developed and developing countries. A good example of this is the application of New Deal policies in the United States of America in the 1930s. However, as a result of rising inflation in the US (the US dollar had already reached the status of a world currency by then), energy crises, and mistakes made in the economic policies of individual countries, there was a slow retreat from policies based on Keynesian theory toward neoliberalism.

Thus, despite the prevalent Keynesian practices, neoliberalism, thanks to the scientific achievements of F. A. von Hayek, has developed a great deal. He perfectly characterized the business cycle, where the money supply is responsible for fluctuations, which contributes to the easy availability of credit, and thus to excessive investment. While criticizing fascism and communism, he simultaneously proved that central control of economic activity destroys competition and democracy. He also criticized the idea of a welfare state, which would provide social security for the poorer, because this causes changes in the market process, with the result that it destroys the entrepreneurial reflex in society and the market itself ceases to be efficient¹⁴. One of his most important slogans was that a self-regulating market can perfectly shape economic and social relations.

It is also worth discussing the current known as monetarism, which deals with the analysis of the impact of state monetary policy on national income. M. Friedman,

12 For more on the Heckscher-Ohlin theory, see M. Bednarski, J. Wilkin, *Economics for Lawyers and Beyond*, LexisNexis Publishing House, Warsaw 2007, pp. 188-194.

13 A. Budnikowski, E. Kawecka-Wyrzykowska, op. cit. p. 66.

14 M. Nasilkowski, op. cit. pp. 155-156.

one of the most prominent economists of the second half of the 20th century, a leading representative of the so-called Chicago School¹⁵, is identified as its founder. As a strong representative of economic liberalism, he constantly pointed out the errors of Keynesian theory. He saw the problems in the functioning of the economy in excessive state interference in the functioning of the market. Thus, he advocated limited state intervention in the economy, boiling down to activities that maintain order, law and public safety. He pointed out that both inflation and natural unemployment adjustment policies should be long-term, so that the economy has a chance to respond and function properly in the long term¹⁶.

The development of the theory of monetarism and neoliberalism gave rise to a trend called the new classical economics, which at first was called the macroeconomic theory of rational expectations. This theory, presented by J. Muth and extensively developed by R. E. Lucas and T. Sargent, considered classical economic problems and supplemented them with an analysis of the motivation of decisions based on the hypothesis of rational expectations. Assuming rationality in the functioning of economic agents, it was found that they make optimal and efficient use of economic information available in the market that can have the effect of increasing their profits. However, as contemporary analyses suggest, economic entities are not 100 percent rational entities, and there are situations where, among other things, transnational corporations surprise with their uncertain and unpredictable investment decisions. This is due, among other things, to different levels of availability of information, but also to long-term policies regarding the management of the economic entities in question. As a result, business entities act in such a way that adjustments within the framework of acquired information produce the best result, not always quick in time, but always leading to profit maximization. It should also be added that the school of rational expectations permitted state interference in the economy, through both influencing the money market, and balancing the budget, controlling government spending and real exchange rate targets.

Extremely important for the history of the development of transnational corporations was the formation of so-called supply-side theories in the 1970s. Criticizing the Keynesian pro-demand approach, companies were encouraged to increase production and investment by applying low taxes and suggesting minimal state interference in the free market. Analyses of international exchange from the demand side were supposed to explain the essence of this phenomenon. These theories pay attention to countering and removing the intervention of public institutions in the operation of the market, as well as removing the negative consequences of such intervention.

15 Chicago School - in: the Chicago school of economics represented by a group of economists associated in the 1960s with the University of Chicago, its main message was that the market is the best form of organizing society.

16 M. Nasilkowski, op. cit. pp. 157-160.

In the late 1980s and early 1990s, a new theory of international trade emerged, and one of its representatives was P. Krugman. Analyzing international trade since the late 1960s, he showed that intra-industry trade, which cannot be studied using the neoclassical Heckscher-Ohlin theory, is playing an increasingly important role in the exchange between countries. Since the products that are traded internationally today are diverse, and consumers themselves appreciate the large selection of these products, the neoclassical assumption of homogeneity of internationally traded products is becoming obsolete. The new theory of international trade argues, in line with the actual state of affairs, that the liberalization of trade causes the benefit of such trade to be primarily an increase in the variety of products available on the market and an automatic reduction in their prices, so there is an effect of economies of scale under conditions of imperfect competition¹⁷. It should be noted, however, that due to the prevalence of inter-industry trade in many countries, depending on the characteristics of a country's market it is sometimes more advantageous to analyze in parallel using Heckscher-Ohlin's neofactor theory and additionally Krugman's theory.

Thus, visions of reality according to liberalism and neoliberalism have been very conducive to the development of international trade and thus the development and growth of transnational corporations. When analyzing the changing situation on the international arena in terms of transnational corporations operating in their space, we must reject the realist vision in advance, since it recognizes only states as players. As S. Salajczyk put it, "(...) states are the basic participants in international life and relations between them form international relations par excellence"¹⁸. It should also be recalled that the liberal worldview separates the interests of the state from those of the nation - society, with the needs of societies coinciding with those of individuals. This harmony of interests is the basis of the liberal theory of the peacefulness of international relations. Little, liberals argued that the seemingly diverse interests, needs and aspirations of individuals, among others, the maximization of their own profit, in the final stage cause the creation of socio-economic order and perfectly illustrate the mechanism for establishing economic cooperation and the functioning of the market. It is at the level of developing economic relations that the harmony of interests is most evident, manifested in free trade and unfettered cooperation between nations. International trade that benefits all participating parties leads most generally to the development of civilization, regardless of whether this trade is between individuals, societies or corporations. Generally speaking, the elimination of barriers to international trade, according to liberals, is tantamount to the strengthening of interconnections between states and the international community as a whole,

17 M. Bednarski, J. Wilkin, op. cit. pp. 194-203.

18 S. Salajczyk, *Visions of international reality*, in: E. Haliżak, R. Kuźniar, *International relations. Ge-neza, struktura, dynamika*, Wydawnictwa Uniwersytetu Warszawskiego, Warsaw 2000, p. 35.

which in turn leads to the expansion of cooperation on a global scale, and such actions are conducive to strengthening a peaceful vision of the world.

Liberalism's main slogans regarding the apotheosis of the free market, private property, and economic freedom led to the gradual implementation of practices related to trade liberalization, a move away from state interventionism (deregulation) and privatization. At the same time, this coincided with the promotion of foreign investment, which was the primary mode of operation of transnational corporations. The expanding territorial and material scope of the activities of transnational corporations contributed to the deepening of the globalization process and the expansion of the neoliberal model of economic and social life talking about, among other things, profit maximization¹⁹.

2. TRANSNATIONAL PARADIGM

Writing about transnational corporations, it is impossible to ignore the characteristics of the transnational vision of the world, which came to a head in the late 1960s. Its main representatives K. Kaiser, J. S. Nye, R. O. Keohane with their works initiated the development of the paradigm of world politics. Taking into account all transnational processes and the strengthening of interdependence between states and other actors in international relations, it was possible to observe characteristic changes in the modern globalizing world, which was a friendly ground for the further development of neoliberalism and neoliberal institutionalism.

First, international reality began to be characterized by rapid and dynamic changes in the direction of deepening interdependence between the participants in these relations.

Secondly, there has been an increase in the number and activity of non-state actors in international relations, such as international organizations, governmental and non-governmental organizations and transnational corporations, as well as all social and environmental international movements, foundations, religious groups, etc.

The reasons for this phenomenon were seen in the generally industrial and technological development of the modern world. Relationships not between states themselves, but between them and non-state participants in international relations, as well as between the latter themselves, became increasingly important for the tightening of economic, political and social ties. Among other things, it was the development of transnational corporations and their interactions that gave rise to the so-called decentralization of international relations. The activities of transnational corporations accelerated and deepened dependencies and interdependencies between states, thus leading to the introduction of economic and social issues into the field of interna-

19 K. Marzęda, *The process of corporate globalization*, Oficyna Wydawnicza Branta, Bydgoszcz - Warsaw, pp. 98-103.

tional relations research in addition to political issues, within the framework of the so-called political economy of international relations (EPSM).

Transnational relations themselves were characterized when at least one of the actors involved had no direct connection with a particular state or its government, and the said relations were not subject to any governmental control. At the same time, nowadays, transnational relations mainly concern trade, transport, finance and communication and information, and transnational corporations play a huge role in shaping them. Thus, the neoliberal paradigm exposed transnational corporations as a new and important participant in international relations and their transnational nature of activities and interactions also. Transnational corporations should have, if possible, a great deal of freedom of action and the activities of the state affecting their functioning according to neoliberals should be kept to a minimum. The activities of transnational corporations and other participants in international relations presented as cooperation to realize the common good of a peaceful international order was the most characteristic vision of neoliberals.

Speaking of the transnational paradigm practiced by liberals and neoliberals, which we find in the concepts of international relations themselves, it also takes up, due to increasing interdependence, the issue of sovereignty and independence of states. The development of transnational relations means the strengthening of ties between their state and non-state participants within the framework of supranational structures, which leads to the emergence of new levels and areas of relations in the international arena, at the same time causing the phenomenon of the so-called internationalization of domestic politics of states. The consequence of this is the diminishing of the actual ability of governments to control these processes. The growing independence of non-state participants in international relations and their intensive development means that states in international relations are forced to interact with new participants. This is how increasingly strong networks of interdependence and interconnectedness are formed on a global scale. In this situation, the freedom-independence sovereignty of domestic and foreign policy-making of states is limited. The independence of both political and economic states becomes entangled in mutual interdependencies, which also blurs the distinction between the internal and external policies of states. These interdependencies mean that both security issues, armaments, political-military alliances, and economic and social issues are discussed in the international arena and decisions are made there. Thus, the source of independence of a modern state is its smooth functioning within the framework of already established interdependencies with other participants in international relations and the deepening of these ties²⁰. Noteworthy here is the con-

20 On the subject of transnational vision of reality exhaustively writes S. Salajczyk, *Visions of international reality*, in: E. Haliżak, R. Kuźniar, *International Relations. Genesis, structure, dynamics*, op. cit. pp. 51-57.

cept of Raymond Vernon, author of “Sovereignty at Bay” and “Storm over the Multinationals,” among others, concerning the relationship of transnational corporations with states. Thanks to him, all over the world the scientific community has undertaken discussion and research on the question of the role of states in the modern world in the context of the activities of transnational corporations and their interactions. The author suggests that transnational corporations, as a driver of globalization, have a huge impact on strengthening the interdependence between themselves and states, and their activities embody the idea of free trade liberalism. The role of the state should be reduced to a minimum so that transnational corporations have as much freedom of action as possible, thus increasing the possibility of effective and, most importantly, voluntary functioning and operation of corporations on an international scale, which will result in a gradual equalization of differences in the world, economic growth and an overall increase in prosperity²¹. Also, noteworthy are the concepts of cosmopolitan political realism, placing the state in the position of a controller efficiently monitoring the activities of transnational corporations, able to move flexibly in a world of tightening interdependence. U. Beck argues that “in an era of global crises and global risks, it is the policy of *golden handcuffs*, involving the construction of a dense network of transnational dependencies, that leads to the recovery of national independence (...)”²².

SUMMARY

Liberalism and neoliberalism form the ideological basis for the activities of modern transnational corporations. It is debatable, however, to what extent the promoted idea of a free market and minimal interference by state institutions has contributed to the current economic crisis, which has been staggering and no longer only affects the United States of America?²⁴ And how much have transnational corporations contributed to such a rapid spread of the modern crisis?

The article shows how liberal doctrines and the transnational paradigm empower transnational corporations (TNCs). Liberalization and deregulation create a globalized environment conducive to the development of TNCs. The transnational paradigm sheds light on the broad global influence of TNCs. Thus, the following conclusions emerge:

- Liberalism and neoliberalism are doctrines that, by promoting free markets and minimal state intervention, create favorable conditions for MNC activity.
- The transnational paradigm emphasizes the intertwining of economies and societies around the world, which increases the reach and influence of MNCs.

21 A. Jarczewska-Romaniuk, *International enterprises*, Oficyna Wydawnicza Branta, Bydgoszcz - Warsaw 2003, pp. 70-71.

22 U. Beck, *Power and Counterpower in the Global Era*, Scientific Publishers Scholar, Warsaw 2005, p. 16. ²⁴ The global economic crisis started in the US in 2009.

The article reveals how changes in the global economic order are fostering the growth of the power and influence of the world's largest corporations, providing evidence that liberal doctrines and the transnational paradigm are closely linked to the development and expansion of MNCs.

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