

The Nation-State and Transnational Corporations in Conflict, with Special Reference to Latin America by Jon P. Gunnemann; Corporate Power in an African State: the Political Impact of Multinational Mining Companies in Zambia by Richard L. Sklar

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The Nation-State and Transnational Corporations in Conflict, With Special Reference to Latin America by Jon P. Gunne-
mann. New York, Praeger Publishers, 1975. Pp. 272, \$17.50.

Corporate Power in an African State: The Political Impact of Multinational Mining Companies in Zambia by Richard L. Sklar. Berkeley, University of California Press, 1975. Pp. 245, \$12.00.

What *The Nation State* demonstrates is that the consultations and debates of 29 people sitting in the salubrious surroundings of Aspen for a few days do not add up to a book. This particular group of 29 contained more than its share of knowledgeable, thoughtful and reasonable people. Their papers and their words were packaged with more than the usual care, by a conscientious and thoughtful editor. But what was produced in the end was the record of a debate, not a book. A tyro on the subject would come away confused, unsure why so many good and earnest men could produce so little consensus. An expert on the subject will cull a few tidbits from the proceedings, but at a cost that may not justify the effort.

The book is structured loosely around three areas: an opening presentation of the conflict between multinational enterprises and nation states; a discussion of some legal and political aspects of the conflict; and an explanation of the possibilities of international action.

The book suffers from the fact that so much of it is presented in the form of debate, with an occasional neutral commentator thrown in to analyze the argument of the adversaries. The opening debate, which involves the chairman of a big multinational enterprise on one side and an economist advisor of President Echevarria of Mexico on the other, illustrates the limitations of the format. The two thoughtful statements of the protagonists move majestically past each other, making scarcely any contact as they go. A neutral observer, assigned the role of bridging the two statements, makes his own sophisticated and plausible contribution. But the gulf in the end is just as wide as it ever was.

Because of the fragmented structure of the discussion, some subjects get particularly inadequate treatment. One of these is the economic dimensions of the operations of the multinational

enterprises. In the spirit of the adversary proceeding, Ronald E. Müller of *Global Reach* fame,¹ is assigned the task of introducing the subject. His statement has the virtue of brevity. But its conclusions are a replay drawn from the adversary's brief in *Global Reach*. The heated responses of the businessmen present do nothing to clarify the issues.

The highlights of *The Nation State* are two: a summary and analysis by the editor, Jon P. Gunnemann, who tries valiantly to package the discussion and fill the holes; and an earnest and informative defense of Gulf Oil's operations in Venezuela by a Gulf Oil official, Luis Alcalá Sucre. But \$17.50 is too much to pay for the opportunity of reading these proceedings.

Richard L. Sklar's *Corporate Power in an African State* is another matter altogether. This is a rare and important book. It falls in a class with Charles F. Goodsell's *American Corporations and Peruvian Politics*,² and T. H. Moran's *Copper in Chile*.³ However, it is in some respects superior to both, because of its ability to link an individual case to a larger set of important ideas.

The book represents the sophisticated effort of a political scientist to test some major generalizations about multinational enterprises and nation states, using the case of the copper companies and Zambia. It avoids stridency, advocacy, and cant. In the end, it succeeds in hardening and enriching some basic ideas in the literature, and launching a few new ones.

Like Moran, one of Sklar's objectives is to help the reader understand the interplay between the economic and political needs of a developing nation and the business imperatives of an international industry. Sklar's task is a little easier than that of Moran because Zambia is a less economically sophisticated state. But the large lesson offered by the two works is not dissimilar. The key actors in both systems are caught up in a conditioning mechanism that leaves them only limited room for choice. Within the areas of choice, a surprising amount of restraint, rationality, and accommodation is encountered. If the relationship between the mining companies and the host state is headed for a breakdown, it will be the result of these restraints, not the result of individual acts of malevolence or stupidity or unbridled greed.

1. R. Barnet and R. Müller, *Global Reach* (1975).

2. C. Goodsell, *American Corporations and Peruvian Politics* (1974).

3. T. Moran, *Multinational Corporations and The Politics of Dependence* (1974). See Review in 1 INT'L TRADE L.J., No. 2 (1976).

Sklar emphasizes another point that is central to an understanding of the relations between the copper companies and Zambia. There has been no disagreement between them over one objective: to maintain high and stable prices for Zambia's copper. The copper firms could conceivably provide higher and more stable prices if they were allowed to link their Zambian ores firmly to their own downstream smelters and fabricating facilities in other parts of the world; but that seeming solution would be patently unacceptable to Zambia. The obvious alternative for Zambia has been to develop a cartel among the copper-exporting states; but that stratagem has predictably failed, victim to the fact that the copper of the exporting states has had to compete with copper and other metals from uncontrolled sources. Despite the fact that Zambia and the copper companies share a common objective, therefore, they have been unable to find a comfortable basis for a long-term relationship.

Sklar offers a particularly sensitive analysis of the ambivalence of various key groups involved in the interactive process between states and enterprises. Inside the Zambian subsidiaries of the foreign firms, officials are seen walking a tightrope between the demands of the Zambian government and the needs of the copper companies. Sklar himself is bemused by the extent to which these officials manage to respond to both sets of interests before the irreconcilable elements in their positions are encountered.

Meanwhile, on the Zambian side, various elites are seen emerging, not unlike those that have been identified by the Latin American scholars of *dependencia* persuasion. A "managerial bourgeoisie" is identified, entrepreneurial and conservative, partly inside the government bureaucracy and partly outside of it. Its half-conscious strategy is to use the foreigner as an interim prop, but never to lose sight of its objective of controlling Zambia's enterprises and professions. Another Zambian group consists of a labor aristocracy, the miners themselves, eager to maintain their elevated wage levels and perquisites in Zambian society.

In the end, the author sees the most interesting and most important issue for Zambian development as one internal to Zambia — a struggle between bureaucratic and popular power, with the bureaucratic wing trying to use its links to the international economy as a way of advancing its internal position. Shades of Mao Tse Tung and Lin Piao, cast in an African setting.

One point of criticism of the Sklar work, lest this review seem altogether unbalanced. Most of the field work on the book was completed by 1968; events after that date are covered by observations that are not tightly integrated into the structure of the book. That is a pity; a book written unambiguously from the perspective of 1973 might have been even more rewarding.

*Raymond Vernon**