THE ROLE OF TRANSNATIONAL CORPORATIONS AS NON-STATE ACTORS IN CONTEXT OF GLOBALIZATION

Aliona ZELENEAC

CZU: 327:334.73:502.131.1 zelenyakalyona@gmail.com

TNC-urile sunt actori semnificativi non-statali care influențează diverse domenii ale vieții sociale. Această cercetare explorează rolurile TNC-urilor la nivel global, regional și local, evidențiind impactul lor asupra tranzițiilor economice și integrării regionale. Studiul examinează atât efectele pozitive, cât și pe cele negative, recomandând o creștere echilibrată, echitate socială și protecția mediului pentru dezvoltare durabilă. De asemenea, oferă sugestii specifice pentru Moldova în gestionarea relațiilor cu TNC-urile.

In today's globalized world, TNCs have emerged as powerful non-state actors. They manage to influence global economic governance, policy-making, and socio-economic dynamics, while raising concerns about democratic governance and environmental sustainability. In the post-Soviet space, including Moldova, TNCs have driven economic transitions and regional integration. Understanding TNCs' impact helps create policies that promote balanced growth, social equity, and environmental stewardship. This research is essential for guiding sustainable development strategies and maximizing economic opportunities while addressing challenges.

Research on TNCs has progressed from classical political thought to modern neoliberal policies. Western researchers such as Adam Smith [1], David Ricardo [2], Robert Keohane [3], Joseph Nye [4], Raymond Vernon [5], and others, put the grounds for the topic's investigation. Despite historical limitations, Russian researchers Tsygankov P. [6], Lebedeva M. [7], Belous T. [8], Yudanov Yu. [9], etc., focused on monopolies, state interactions, and the flow of FDI. Romanian academics Liviu R. [10], Liviu G. [11], Carmen R. [12], etc., studied TNC competitiveness and multinational cartel activities. In Moldova, the subject is still little examined. However, there are some complex researches as Sterpu V. [13], Sarco A. [14], Ginu-Chisca M. [15], and others have researched the pecularities of TNCs interactions with Moldova's economy and global integration.

To understand the research topic more deeply, it is essential to define key terms. In such a way, non-state actors represent entities that lack sovereign state attributes but possess influence over global politics; transnational corporations are business entities operating in multiple countries, controlling assets, and engaging in economic activities across borders; globalization is the process of increasing interconnectedness among states, societies, and entities, encompassing economic integration, cultural exchange, and shifts in political power.

Speaking about the evolution and growth of TNCs, it can be divided into 5 distinct periods. 15th Century - 20th Century: TNCs like the British East India Company focused on extracting resources from colonies. 1918-1949: Second-generation TNCs like GM expanded globally post World War I, particularly in industrial sectors. 1950-1979: TNCs such as General Motors expanded globally in industrial sectors. 1980-1995: TNCs like Microsoft prioritized technology and global expansion with financial backing. 1995-2005: Companies like Amazon emphasized digital transformation, sustainability, and stakeholder collaboration.

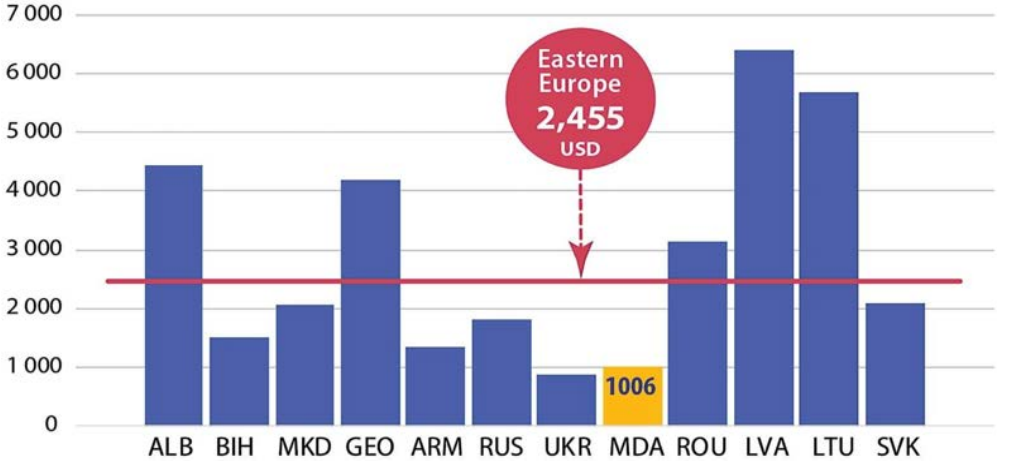
TNCs exert significant political and economic power through their vast financial resources, which enable them to influence global markets. They engage in extensive lobbying efforts to shape policies that benefit their operations. TNCs also leverage their leadership in technology and innovation to shape industries and economies worldwide. Their dominance in global supply chains allows them to influence labor conditions and environmental practices across multiple countries. Additionally, TNCs' market dominance in certain sectors grants them substantial control over prices and competition, further solidifying their political and economic influence on a global scale.

TNCs have a dual impact on the global landscape. On one hand, they drive technological innovation, stimulate economic growth, and create employment opportunities worldwide. Conversely, their operations often contribute to environmental degradation, exploit labor in developing regions, and foster cultural homogenization. Balancing these impacts requires effective regulation and oversight to foster sustainable development globally.

In the Republic of Moldova TNCs operate in various sectors, largely due to foreign direct investment. In 2022 it reached $586 million, a significant 50% increase from the previous year. However, it still lags behind other Eastern European countries (Table 1).

Table 1

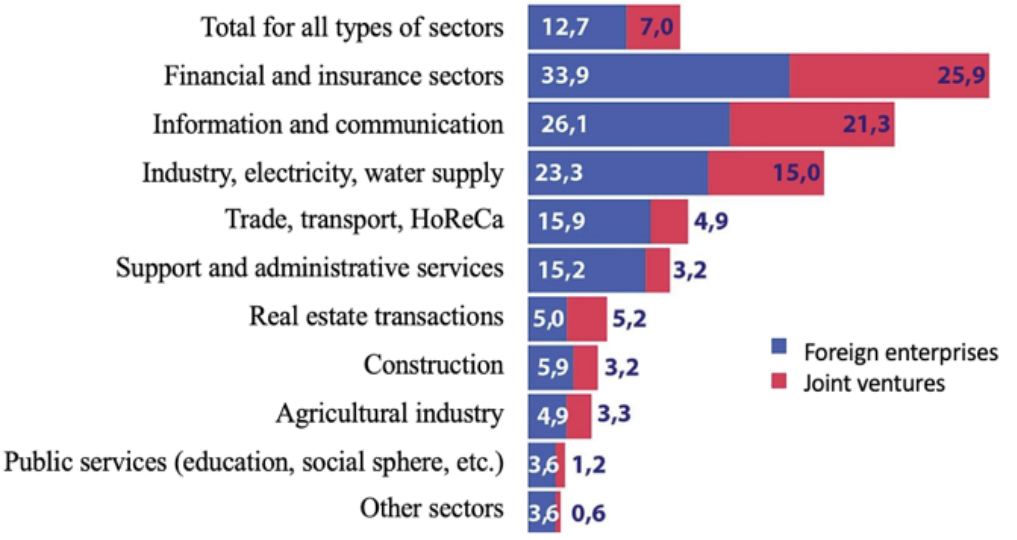
Total FDI flow per capita: RM in comparison with other countries



Experts attribute this lag to various factors, including the limited involvement of TNCs in the capital of state-owned companies [16]. Speaking about the spheres of activities there is invested in financial activities and insurance in amount of 59.7% and information and communications in 47.4%, contributing 19.7% of the gross value added to the national economy (Table 2).

Table 2

Share of enterprises with FDI by economic sector in RM



Touching the opportunities for the Republic of Moldova in relation to TNCs, we can mention strategic location as a transit hub between Europe and Asia, flourishing ICT sector with advancements in internet infrastructure, integration into the global economy and influx of foreign firms, Growing mechanical engineering sector with companies like Lear Corporation and Dräxlmaier Automotive. While, challenges are governance issues and remittances, heavily reliance on agriculture, lagging behind in FDI acquisition compared to neighboring countries, etc.

In conclusion, TNCs exert significant economic and political power globally, driving growth and innovation while raising concerns about accountability and equity. As recommendation, policymakers need robust regulations and corporate accountability to balance TNCs’ benefits and drawbacks. For Moldova, addressing governance issues, fostering economic diversification, and improving the business climate are crucial. Moreover, strategic cooperation with TNCs with the further engagement of local enterprises to the global value chains can drive sustainable development and better integrate Moldova into the global economy.

Bibliography:

1. SMITH, A. *The wealth of nations.* Oxford, England: Bibliomania.com Ltd, 2002. 749 p.

2. RICARDO, D. *On the principles of political economy and taxation.* Sraffa, P., Ed., The Works and Correspondence of David Ricardo, Vol. 1, Cambridge University Press, Cambridge, 1951. 333 p.
3. NYE, J. S., KEOHANE, R. Transnational relations and world politics: an introduction. In: *International Organization* 25.03. 1971. pp. 329–349.
4. NYE, J. S. *Bound to lead: the changing nature of American power.* New York: Basic Books. 1990. pp. 5-17.
5. VERNON, R. International investment and international trade in the product cycle. In: *The quarterly Journal of Economics Oxford University Press*, vol. 80(2), 1966. pp.190-207.
6. ЦЫГАНКОВ, П. Негосударственные участники мировой политики. In: *Научно-аналитический журнал Обозреватель* - Observer, № 9 (284), 2013. pp. 5-17.
7. ЛЕБЕДЕВА, М. Акторы современной мировой политики: тренды развития. In: *Вестник МГИМО*. 2013. № 1 (28) [Accesat 25 iunie 2024]. Disponibil: https://cyberleninka.ru/article/n/aktory-sovremennoy-mirovoy-politiki-trendy-razvitiya
8. БЕЛОУС Т., *Международные промышленные монополии*. М., Мысль, 1972. 279 p.
9. ЮДАНОВ Ю. Норвежский капитал в России. In: *Мировая экономика и международные отношения*, 2004, № 7, pp. 113 – 119.
10. LIVIU, R. Competitivitatea corporaţiilor multinaţionale. In *Revista Economica*, 2007, pp 61-86.
11. LIVIU, R., LIVIU, G. Transnational companies and their role in globalization. In *LESIJ-Lex ET Scientia International Journal* 16.1, 2009, pp. 397-406.
12. LIVIU, R., CARMEN, R. Cartelurile Multinaționale. In: *Lex ET Scientia International Journal*, 2009, vol 16, p. 418
13. SARCO, A. Impactul corporațiilor transnaționale asupra procesului de infiltrare a capitalului străin în economiile naționale. In: *Buletinul Inovațiilor al Centrului de Inovare și Transfer Tehnologic*, vol. 3, 2019, pp. 34-35. ISSN 2537-6411
14. STERPU, V. Abordarea teoretică a asistenței financiare externe. In: *Integrare prin cercetare și inovare: Științe umanistice, Științe sociale, Centrul Editorial-Poligrafic al USM*, 2022. pp. 217-219. ISBN 978-9975-62-470-1
15. CHIȘCA, M. The Role of Location Advantages of the Republic of Moldova for Transnational Corporations and FDI towards European Integration. In: *Eastern European Journal for Regional Studies*, vol. 1, no. 2, 2016, pp. 115-123.
16. КРАСЮН Т., Функционирование ТНК в странах с переходной экономикой на примере Республики Молдова и Украины. In: *Экономика и бизнес: теория и практика*, № 1-1, 2020. pp. 135-137.

Recomandat
***Cristina MORARI**, dr., lector univ.*