

# NATIONAL AND TRANSNATIONAL IN THE CONTEXT OF THE KNOWLEDGE-BASED SOCIETY

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## **Abstract:**

The beginning of the 21st Century raises a series of questions about the role and the importance of the national state in and the economy which is in a continuous process of globalization and in which the new "global gladiators" is gaining more ground.

The influence exerted by transnational corporations in the world economy is huge, if we consider that they have financial assets exceeding gross domestic product of some small developed country than developed countries. In the fight continues to seize new markets, in the desire to maximize the profits, these companies unable to compete with the giant national states and change the balance of forces on the world market.

Following their own purposes, these giant companies often enter into in conflict not only with the host countries of their branches, but with the country of origin.

**Key words:** transnational, national, foreign direct investment, financial assets, globalization

**JEL classification:** F5, E6.

The new economy and knowledge society marks a new stage in the evolution of human civilization. "Positive features of computer science and extend to modern globalize economy and the effects of objections or criticisms computer revolution coincide with the reproaches addressed to contemporary globalization."<sup>1</sup>

In this context, early this century raises questions about the role and importance of nation-state in an economy which is in a continuous process of globalization and the new "global gladiators" is gaining more ground.

The influence exerted by transnational corporations in the world economy is huge, if we consider that they have financial assets exceeding gross domestic product than developed countries.

Now, one thing became transnational are common for most people, because probably very few people who have not heard of Coca-Cola, McDonald's, IBM, Panasonic, Vodafone, Royal Dutch-Shell, Nestle, General Motors or tens and hundreds of companies that have reached almost planetary expansion.

The fight continues to seize new markets, the desire to maximize profits, these companies manages to compete with giant national states and change the balance of power on the world market. Given that this expansion of planetary in scale, a question naturally arises, who will be the role of the state?

"The state ... carries three important functions. First protect the basic needs and interests of those who control the means of production ..., secondly ensure social harmony ... and became an agent of moral authority, finally, no state can survive if you can not defend appropriate ... to outside attack."<sup>2</sup>

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<sup>1</sup> Mircea Malița – "Zece mii de culturi o singură civilizație. Spre geomodernitatea secolului XXI", Editura Nemira, București, 1998, pag.185

<sup>2</sup> Patrick Dunleavy, Brendan O'Leary – "Teoriile statului. Politica democrației liberale", Editura EPIGRAF, Chișinău, 2002, pag.290

It remains to be seen whether the state will be able to guard against "external attacks" of transnational companies.

Even though until now, the state was regarded as a dominant economic force, is remarkable for several decades transfer of power<sup>3</sup>: the states to transnational corporations. Thus, G.H. von Wright says that "the nation state is eroding ... Erosive forces are transnational ... the transnational forces are largely anonymous and therefore difficult to identify."<sup>4</sup>

Mircea Malita speaking of the modern state claims that it is undeniable that the nation state is changing and changing tasks<sup>5</sup>. In support of this idea, he tries to list some "symptoms" of this phenomenon: the assignment of sovereignty in the integration process, increasing decentralization and transfer of powers to local bodies, loss of control over the globalize economy, harmonization of legislation with the acceptance of other countries etc.

At the beginning of the third millennium is evident that the state functions have changed, requiring a rethinking of the functions and its role in this era of globalization. "Nation-State ... entered the regression in terms of the attributions legal or effective..., but no coherent group is unable to take over any prerogatives, or to model them for us precepts, yet mysterious ..."<sup>6</sup>

World markets become increasingly competitive, knowledge, creativity and have more relevance than ever. If past growth is achieved by increasing the supply of capital, labor and the quantity of recovered resources, the new economic growth based on increasing the amount of knowledge and the number of innovations to adapt them rapidly and widely available.

Power the new economy is intelligence, innovation, information and knowledge, and action speed. Knowledge, ideas, brain power became the main economic resources.

Fernand Braudel pointed out that, in its evolution, the state remained "what has always been a bundle of functions, different power, only its means of action have changed, major tasks remain the same."<sup>7</sup>

Currently we are "witnessing changes in power states, but these changes have nothing to do with the reduction, but the restoration of power around the building and international relations."<sup>8</sup>

This transformation of state functions is supported by more than one author, speaking of a period of transition "from the nation-state to the global community, the assertion of the interdependence of the domestic and transnational links"<sup>9</sup> ideology supporters << end >> (theory that proclaims the end of nation-states), states that "nation-state will be ... dominant international actor", the idea leading them to claim that "in foreign relations, to be used by all <<players >> with transnational in nature."<sup>10</sup>

One of the trends currently influencing the state evolution is due to failure "of governments to deal with economic forces beyond national borders, especially with large multinational corporations - whose decisions outside the control of the nation state."<sup>11</sup>

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<sup>3</sup> Liviu Voinea – "*Corporațiile transnaționale și economiile naționale*", Institutul Român pentru Libera Întreprindere, București, 2001, pag.77

<sup>4</sup> Georg Henrik von Wright – "*The crisis of social science and the withering away of the nation state*", în *Associations*, 1, 1997, pag.49

<sup>5</sup> Mircea Malița – *op.cit.*, pag.124

<sup>6</sup> Eugen Ovidiu Chirovici – "*Națiunea virtuală. Eseu despre globalizare*", Editura Polirom, Iași, 2001, pag.114

<sup>7</sup> Fernand Braudel – "*Jocurile schimbului*", volumul 2, Editura Meridiane, București, 1985, pag.194

<sup>8</sup> Linda Weiss – "*Mitul statului lipsit de putere. Guvernarea economiei în era globalizării*", Editura TREI, București, 2002, pag.257

<sup>9</sup> Elena Florea – "*Națiunea – realități și perspective*", Editura Științifică și Enciclopedică, București, 1982, pag.23

<sup>10</sup> *Ibidem*, pag.25-26

<sup>11</sup> Andrei Josan – "*Integrare supranațională și globalizare: state naționale versus piețe globale*", în „*Dimensiunea istorică a globalizării*”, Editura Nema T.E.D., București, 2001, pag.102

State functions will be adapted to the new society about globalization, as "moving from state authority to the market was largely a result of state policy. There were those transnational corporations to steal power from governments. It was given on a platter - and, moreover, he was given the <<reasons of state>>."12

Indeed, transnational corporations have become so powerful that took over some state functions."Speaking in terms of global power relations, assertion of transnational corporations has increased, but rather reduced role of national state."13

They have considerable power transnational leads to increasing their influence not only in countries of origin, but also in many states, operating or intending to expand business in the future.

Perhaps transnationalization colonization of yesterday meets today, the fact that these corporations power becomes higher than the national states, and the army is taking the place of foreign direct investment.14

Following their own purposes, these giant companies often enter into conflicts not only with the host countries of their branches, but with the home, because as Alvin Toffler says, "sometimes cooperating <<country>> them, and sometimes exploiting it, sometimes executing its policy, and sometimes it is serving to promote their policy, transnational companies are not only good or only evil."15

David C. Korten one of the most frenzied supporters of the fight against globalization, and implicitly against transnational corporations in his work entitled "The post-corporate", says corporate excesses brake there are two alternatives: corporate conscience and criticisms of each of them. But, he also concludes that this would be the best solutions to stop the exploitative activities of these firms. "Corporations are not people, they have no conscience" and "victories are expensive, limited and generally only temporary, because I do nothing to change the nature of the corporation or to decrease the power."16

What you need to understand is that we can not stop the momentum of these "engines of growth". You have to try to accept their positive and negative sides, and why not learn from their struggle to achieve their objectives. At the same time, there is no doubt that the importance and role of nation states has changed significantly since the end of the Keynesian Era. "They have become less autonomous, less exclusively have control over economic and social processes of their borders, and are less able to maintain its national character and cultural homogeneity."17

But even if we speak of a decline in the nation-state, does not mean that "sovereignty is cornered in that state replaces transnational companies."18

A reminder of the power of transnational corporations does not mean that "the global economy, to which we turn, national economic interests do not exist or matter."19

We can not say that the Member or to disappear, at least in the foreseeable future. Indeed, "the gradual integration of the global economy through international production, the balance of power shifted from states to international markets. This shift

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12 Susan Strange – "Retragerea statului. Difuziunea puterii în economia mondială", Editura TREI, București, 2002, pag.64

13 Alvin Toffler – "Al treilea val", Editura Politică, București, 1983, pag.436

14 *Există o deosebire între consecințele IED în raport cu țara de origine, astfel în fostele colonii influența capitalului american, japonez, britanic este mai benefică decât influența capitalului francez, belgian și olandez, mai ales din punct de vedere al know-how-ului*

15 Alvin Toffler – *op.cit.*, pag.436

16 David C.Korten – "Lumea post-corporatistă. Viața după capitalism", Editura Antet, 1999, pag.174-175

17 Paul Hirst, Grahame Thompson – "Globalizarea sub semnul întrebării. Economia internațională și posibilități de guvernare", Editura TREI, București, 2002, pag.363-364

18 Susan Strange – *op.cit.*, pag.66

19 Robert R.Reich – "Munca națiunilor", Editura PAIDEIA, București, 1996, pag.133

has led, in relation to the civil society of territorial transfer of powers to transnational corporations non-territorial States."<sup>20</sup>

Robert R. Reich argues that modern nation state, which is about 200 years is not what it was, "is endangered nationalism based on practical needs of economic interdependence and security within the borders to foreigners from outside. We have the opportunity to redefine who we are why we are together and we owe each other as citizens of the world. We are free to choose."<sup>21</sup>

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<sup>20</sup> Susan Strange – *op.cit.*, pag.66

<sup>21</sup> Robert R.Reich – *op.cit.*, pag.270