



International management, business and relations in Latin America

IM, business and
relations

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Abstract

Purpose – This paper aims to draw on international relations (IR) literature to analyze, from a critical standpoint, recent developments in international business (IB) and international management (IM) in the USA, and the emerging debate between mainstream and critical researchers in Anglo-American literature. It also aims to show that these important undertakings overshadow the political role of international disciplines and constrain the development of a critical perspective in IB from Latin America.

Design/methodology/approach – Based on an interdisciplinary approach, this paper addresses the main debates on IR regarding the “international” and the control of international fields of knowledge by the great powers to foster a critical perspective in IB from Latin America.

Findings – Critique from a universal perspective which does not differentiate IB and IM in the Anglo-American literature is important, but constrains the appraisal of specific national and regional issues that are of vital importance to the development of a critical perspective in IB from Latin America.

Practical implications – This critical perspective moves beyond disciplinary boundaries and raises implications for research and teaching of IB and IM in Latin America.

Originality/value – This paper problematizes, from a perspective focused on the political economy of knowledge, the overlooking of debates about the “international” and of specific conditions that both enable and constrain the development of fields of knowledge from a less asymmetrical standpoint.

Keywords Management strategy, International business, South America

Paper type Conceptual paper

1. Introduction

International research (IR) in business management in the USA was “often treated as a specialized and rather esoteric field” (Bartlett and Ghoshal, 1991, p. 6). More recently considerable effort and investments from both government and business corporations have been undertaken in the US to define and differentiate international business (IB) and international management (IM). Those undertaking aimed to foster a global orientation to these crossing borders-oriented fields of knowledge in business management.

In the early 1990s, it was admitted that US academics in business management had developed theories “without being sufficiently aware of non-US contexts, models, research, and values” (Boyacigiller and Adler, 1991, p. 263). In the late 1990s, it was suggested that the main holders of academic knowledge were not ready “to accept ‘the other’s’ *strange knowledges*” (Calás and Smircich, 1999, p. 662, emphasis in the original). More recently, it was concluded that few scholars in the USA were prepared to agree that much of management knowledge today “is the product of scholarly work



by researchers in North America, especially the United States, and secondarily by scholars in Western Europe” (Tsui, 2004, p. 492). This domestic issue of global repercussion illustrates how difficult it has been and will be to overcome the ethnocentric feature of knowledge in business management and the state of underdevelopment of the two international disciplines of this increasingly important field.

This is a highly concerning but not surprising picture. Although placed at the center of the world academic system, US academics in general are said to “pay little attention to the knowledge that the rest of the world produces, are unlikely to travel outside the United States for study or research, and are unenthusiastic about internationalizing the curriculum” (Altbach, 1997, p. 318). The IR literature points out that this picture is also explained by the way the “international” has been defined by the great power(s) and how such definition has enabled the great power(s) to lead and control international fields of knowledge in the name everyone’s interests.

Although internal debates on IB and IM have not achieved significant consensus and progress (Dunning, 1989, 2001; Vernon, 1994; Sullivan, 1998; Toyne and Nigh, 1997, 1998; Boddewyn, 1999; Martínez and Toyne, 2000; Contractor, 2000; Buckley, 2002, 2005; Shenkar, 2004; Boddewyn *et al.*, 2004; Kedia, 2006 and Griffith *et al.* 2008), especially from a less domestic or ethnocentric standpoint, they have contributed to reinforcing US dominance in business management. Unsurprisingly, they also triggered the emergence of critique on the US dominance in both IB and IM in the Anglo-American literature (e.g., Jack *et al.* 2008; Westwood and Jack, 2007; Westwood, 2006).

In this paper, we argue that although this emerging critique is chiefly important to challenge the dominant national feature of these “international” disciplines or fields, it also represents a major challenge to the “rest” of the world in general, and to Latin America in particular, for two main reasons: firstly, because it does not differentiate IB and IM, although the research agenda of the former is particularly important from a Latin American perspective because of its more eclectic and complex theoretical base (and, more specifically, for recognizing debates and developments in international political economy); and secondly, because such critique draws upon a universal standpoint which actually represents Anglo-American or Euro-American perspectives, at the expense of the “rest of the world” in general, and more particularly, Latin America (Guedes and Faria, 2010).

A review of IR literature shows that a critical approach from Latin America should recognize what the “international” has been about from the standpoint of the great power(s) (Kissack *et al.*, 2007) and, correspondingly, the specific conditions that both enable and constrain the control of international fields of knowledge. Cox (1981), a critical scholar in international political economy (IPE) reminds us that theories are always for someone and to serve some purpose and adds that the basic tenets of IR must be theoretically reviewed because of the decreasing power of the hegemony (Cox, 2007).

In the early 1960s, the field of IB addressed critically the political features of the flows of foreign direct investments of multinational corporations (Hymer, 1968; Vernon, 1966). According to Hymer’s neo-Marxist seminal work, the internationalization of capital further reproduces uneven development within countries and between countries. This phenomenon was labelled “the law of uneven

development” (Hymer, 1972) and had a clear connection with dependency theory (Santos, 1970), a major contribution in IPE from Latin America. In the late 1980s, the field pointed out the importance of political issues at both national and inter-national levels to theorize business corporations (Boddewyn, 1988; Grosse, 1989) although both IPE and dependency theory were coming down in the US academic context at that time (Vernengo, 2006). Those issues have been neglected by IM and that an overall process of “managerialization” of IB in the post-Cold War led to their marginalization within IB. Although those contributions have been undertaken mainly in the USA they are extremely important for a critical perspective from Latin America within a contemporaneous international context marked by asymmetrical neoliberal globalization.

This paper is divided into five sections. The second section of this paper draws on the IR literature to show that the state-centric definition of “international” established by great power(s) excludes the rest of the world from the governance of international fields of knowledge and that the IPE literature challenges that dominant definition and provides grounds for a more equal and democratic world order. The review of IR and IPE helps explain why critique from Latin America should differentiate IB from IM and engage with the former. The third section accomplishes an engaging review of IB in order to point out opportunities for a critical perspective in IB from Latin America. The fourth section analyses the interplay of IM and IB from the perspective of the US to reinforce the importance and limitations of a critical perspective in IB from Latin America. The final section summarizes the main antecedents and implications of a critical perspective in IB from Latin America.

2. Understanding the “international”

The colonizing or imperialistic role of academic knowledge is not a surprising feature from a Latin American perspective (Escobar, 2007). There are many accounts, for instance, of US foreign-oriented policies and programs that aimed to block the spread of communism in Latin America through the mobilization of academic institutions and knowledge in the Cold War period (Carothers, 1991). The IR literature remarks that in the Cold War period each side was interested in “cultivating closer links with the developing world to the disadvantage of the other side” (Jackson and Sørensen, 2007, p. 198). One interesting account tells us how the training of Chilean economists at the University of Chicago from as early as the 1950s, by the so-called “Chicago Boys” and as part of a Cold War program to counteract left-wing tendencies in Latin America, led to the neoliberal reconstruction of Chile in the 1970s. Such experiments later became a model for the formulation of neoliberal policies in the USA and the UK in the 1980s (Harvey, 2005, pp. 8-9). This helps explain why Latin America, a region that has been “invaded by the United States over a hundred times this century alone” (McClintock, 1992, p. 89), is taken as an example of successful domestication in the USA from the perspective of IR and also why it is expected not to lead or control international fields of knowledge.

In the field of business management, the few authors who address the political feature of knowledge from an international standpoint draw upon postcolonialism. The recent postcolonial critique in IB and IM (Özkazanç-Pan, 2008; Jack *et al.*, 2008; Westwood and Jack, 2007; Westwood, 2006) challenges the US dominance in “international business and management studies” (IBMS) through a universal

standpoint that is problematic from the perspective of Latin American as it overlooks not only important contextual issues, but also debates on the “international” undertaken by IR and IPE.

2.1 A review of the “international” through IR

A review of the IR literature suggests that the development of a critical perspective on IB or IM demands a critical analysis of the “international”. The field of IR, which has reproduced the interests of the great power(s), in accordance with the premises of its dominant approach – i.e. (neo) realism – in the USA, leads debates on the “international”. (Neo)realism tradition defines the “international” system as anarchic and a locus of potential threats against the dominant power(s). Through this dominant tradition in IR, the great power is legitimately expected to control international fields[1] of knowledge and mobilize them as power tools of international relations and foreign policies in the name of everyone’s interests (Cox, 2007, 1981).

Interestingly, not all knowledge in IR from the USA represents the neo-realist approach. Critical approaches are marginalized in the USA, but internal debates between perspectives or traditions have been useful for the worldwide diffusion of knowledge in IR (Jackson and Sørensen, 2007). The dominant debate between the (neo)liberalism and (neo)realism traditions in IR in the Cold War illustrates this picture. The former seems to oppose the latter. However, the (neo)liberal perspective has been of chief importance to further diffusion and imposition of US theories and policies, in particular those informed by (neo)realism (Gilpin, 2001; Strange, 1996).

As members of the great powers – a term from world politics that refers to the ranking of states primarily in terms of their military and economic capabilities – academics from Europe have challenged the US dominant perspective of the “international” from different perspectives (e.g., Halliday, 1994; Wight, 1966). They tackle the imposition of a national and state-centric perspective and posit that the “international” should be related to the complex processes in which people self-organize at both local and global levels (Kissack *et al.*, 2007). From such extreme theoretical perspective, each person would be able “to understand how and why others may see things differently; and from there work towards some accommodation” (Cox, 2007, p. 526). In a post-Cold War world marked by a complex interplay of unilateralism and multilateralism, European perspectives have become increasingly helpful to US foreign policies and to the reinforcement of the dominant debate within the IR literature. Given that “selling American IR” to less liberalized societies “has become more and more difficult” (Wæver, 1998, p. 722) some contributions from Europe have been incorporated by the field in the post Cold War and reinforced the asymmetrical Euro-American control of IR.

The control of IR by the great powers through Euro-American or Anglo-American debates enables the reinforcement of the governance of international fields of knowledge, at expense of perspectives in IR from developing countries or regions (Tickner, 2008; Jones, 2006). Academics in the US claim that European IR suffers from insufficient professionalism and too much local control whereas in Europe it is claimed that “American IR is threatened by parochialism and sequences of fads” (Wæver, 1998, p. 723). They also claim as US scholars stick to narrow-minded approaches some room “will be left for (German, French and British) developments in Europe” (Wæver, 1998, p.724). The Euro-American or Anglo-American resulting duopoly in IR, at expense of

the rest of the world, has been supported by the dominant definition of the “international”. This state of things has been taken as a major justification for fostering IR from the perspective of the “rest” of the world (see Tickner and Wæver, 2009; Wæver, 1998), in particular from Latin America (Tickner, 2003a, b), by the engagement with IPE. This picture suggests that the fields of IM and IB will be controlled by the great powers.

The historical reason for downplaying developing countries in IR is the argument that these countries do not possess the necessary resources to frame and tackle major international issues, especially those related to security and warfare (Acharya and Buzan, 2007). Moreover, in accordance with (neo) realism, a key issue is that developing countries or regions are potential threats to the great power(s). Accordingly, it is very unlikely that a critical perspective in IR from Iran and North Korea would be endorsed by the Euro-American world. This is not necessarily the case of Latin America for two main reasons. First, the region has been portrayed in the USA as an example of successful domestication (see Ayerbe, 2002) – in spite of contrary evidence. Second, is the increasing economic importance of the region in the post-Cold War. The region makes up “a major part of the emerging market world [...] about 1/6 of the population of the rest of the emerging world (discounting China and India) and a slightly larger percentage of GDP” (Grosse, 2007, p. 1); moreover, Brazil and Mexico have been classified as emerging economies by agencies and authors (e.g., Aulakh *et al.* 2000). These issues help explain why authors informed by IPE have partially succeeded in putting Latin America into the IR debates (Tickner, 2003a; Tickner and Wæver, 2009).

The IPE literature challenges IR state-centrism by stressing the need to incorporate non-state actors like multinational corporations and international organizations into the analysis of the international system. It also challenges some of the assumptions of liberal-economic theory, particularly its assumptions about the harmonious nature of international economic relations conducted according to liberal principles.

The pursuit of less asymmetry in and through business management from a Latin American perspective requires the critical recognition of what the international has been about from the perspective of great power(s) and why the great powers control international fields of knowledge. Accordingly it also requires the recognition of how the IPE literature has challenged IR and provided conditions for changes within and through international fields of knowledge.

2.2 A review of the “international” through IPE

Inasmuch as IR has been insulated from the realm of social sciences and subordinate to the realm of US international relations and foreign policies (Hoffmann, 1977; Wæver, 1998), debates on IPE provide a better understanding of why a critical perspective in/from Latin America should differentiate IB from IM and engage with the former.

The sharp distinction between politics and economics was increasingly questioned in the early 1970s, mainly as a result of the processes of European decolonization and the oil crisis in 1973. Developing countries from the South claimed for reform of the international economic system through the mobilization of dependency theory and structuralist theories of international relations which highlighted negative aspects of interdependence[2]. As politics and economics have been historically divorced from each other in the USA the study of international political economy was fragmented into international politics and international economics and has been quite neglected

because of the relative power of IR (Spero, 1977). IPE states that researchers should address both political and economic domains rather than just the former as IR does (Strange, 1970) and that “neither international economics (because of its lack of understanding of power and its fixation with abstract theory) nor IR (because of its fixation with the state and military power) are adequate to a proper understanding of the international political economy” (Tooze, 2000, p. 284).

IR and IPE differ to the extent that the former focus on war and peace and on conflict and cooperation between states whereas the latter shifts our attention to “issues of wealth and poverty, of who gets what in the international system” (Jackson and Sørensen, 2007, p. 176). The IPE literature challenges the strong assumption of state-centrism (namely, strong Eurocentrism) held by IR and the exclusion of economics, taken as merely “low politics”. Accordingly, the current literature portrays transnational corporations (TNCs) as complex and globally interdependent organizations that seize power to influence the administration and governance of international organizations (IOs), international development agencies, national governments, and both public and private organizations. It also argues that TNCs have governance powers with regard to the development agenda at both national and supranational levels (Stopford and Strange, 1991; Strange, 1994; Gilpin, 2001) and that a more equal and democratic order is possible if governments, particularly of developing countries, can regain control over the economy for the benefit of welfare purposes.

The asymmetrical scenario of disputes between IPE and IR in the US help explain the demise of the critical perspective in IB inaugurated by the work of Hymer and also why the dispute between rival theories of complex interdependence (Keohane and Nye, 1977, 1998) and the world-system theory (Wallerstein, 1974, 2000, 2005) remain neglected by both IB and IM. These issues are crucially important to enable a critical perspective in IB from Latin America to engage with Anglo-American debates and foster some transformation of the field.

A second key argument from IPE lies in the recognition of the influence of ideologies and interests in the production and diffusion of academic knowledge. IPE authors challenge the idea that knowledge related to the international system can be taken as neutral or universal. This argument has sustained a marginal debate in IR from Latin America on the voices of the so-called “Third World”, calling for a political economy perspective of knowledge. Arlene Tickner draws upon this debate to point out the “precariousness of the Third World as both an object of study and an agent of IR knowledge” and that the field of IR should be “opened up to include new spaces in which previously marginalised subjects can acquire a voice” (Tickner, 2003a, pp. 300-2). She adds that an effective IR requires a critical analysis of the political economy of intellectual production and a critical reevaluation of “what constitutes acceptable knowledge in IR” (Tickner, 2003a, p. 323).

Although the field of IPE points out the political economy of academic knowledge, it has been constrained to unfold this argument from a perspective that challenges the privileges of the great powers. Tooze (2000, p. 285) points out that even Susan Strange (1994), one of the most important academics in the field of IPE in Europe, seemed “reluctant, [. . .], to apply the analysis of the political economy of knowledge [. . .] to the knowledge actually produced by academia”. This background helps explain why a major theoretical contribution from Latin America – namely, dependency theory – has

been recognized by the field of IPE. The dependency theory, taken as one of the “most original contributions from Latin American critical thought in the twentieth century” (Escobar, 2007, p. 180), was constructed in Latin America, with the support of the US. It was raised within a context of overt confrontations between developed and developing countries and of great importance of Marxism in social sciences (Halliday, 1994).

Early dependency theory concentrated on the structural constraints faced by the governments of host countries. The state was portrayed as subordinate to international capital, which in turn contributed to the continued underdevelopment of the Third World (Santos, 1970, p. 231). A revisionist approach to dependency theory proposed a less unbalanced relationship between multinational corporations (MNCs) and the host country (Cardoso and Faletto, 1979), that is, the host country’s economic development was shaped by a “triple alliance” between multinationals, the state and local capital (Evans, 1979).

As of the mid-1980s, these issues were dismissed. As a result of the advance of neoliberal globalization, bilateral, regional and multilateral treaties and agreements proliferated from a perspective of benign interdependence, “with multinational firms often playing an important role in their design and application” (Boddewyn, 2007, p. 147). In Latin America, the imposition of neoliberal reforms supported by the Washington Consensus (Williamson, 2004) was accompanied by the increasing power of governance of TNCs. Local governments were compelled to attract large volumes of foreign direct investment (FDI) by giving special concessions to TNCs and IOs, supported by a complex interplay of unilateralism and multilateralism in their relations with the great powers.

Not surprisingly, dependency theory was rediscovered more recently by researchers who pursued a more comprehensive understanding of globalization (Hettne, 1995). These authors posit that TNCs bring benefits in less developed countries only under certain political and economic conditions[3]. In states that are weak and have underdeveloped local economies, TNCs dominate the host country, becoming monopolists in their industries without contributing to local development (Sklair, 2001). In countries in which the state is weak, TNCs influence important governmental policies, such as tax policies, currency emissions, trade and monetary systems, welfare policies, ecological issues and labour unions (Chang and Ha, 2001, p. 33). Only in states that are strong and have well-developed local economies can TNCs bring some degree of development to the host country (Sorensen, 1983; Gilpin, 2001).

Unlike analysts informed by IPE in general and by dependency theory in particular, IR analysts in the US portray Latin America as an example of successful domestication. In spite of important ongoing debates on its possibilities and limitations (see Vernengo, 2006) dependency theory has the virtue of suggesting that there are degrees of freedom for the region within the international system. This helps explain why dependency theory has been contemplated by IB (e.g., Doh, 2005) and ignored by IM. These arguments sustain why a critical perspective from Latin America should differentiate IB and IM and engage with the former.

3. An engaging review of IB

In his address as outgoing President of the Academy of International Business (AIB), John Dunning (1989) argued that the field of IB was not ready for the major challenges ahead. He argued that IB had to inaugurate a third stage of evolution. The first stage

(mid 1950s-late 1960s) was marked by a pedagogical perspective in which IB was taught and researched by a reduced number of academics (some of them helped found the AIB). The dominant logic was to add an “international” dimension to domestic businesses.

The second stage, he added, was led by non-US academics from outside business schools, who addressed international aspects in their respective topics or disciplines. Their studies were politically oriented and accompanied the rise in foreign direct investment (FDI) originating from the USA during the 1950s and 1960s from the perspective of home and host countries. Hymer’s neo-Marxist seminal work inaugurated this second stage. His work, which has been acknowledged by leading scholars in international political economy, economics and business, reflected the position of a Canadian academic in the US during a historical period in which critiques abounded – especially in IPE literature – about the role of US multinationals worldwide (Jones, 2000).

In response, the so-called “Multinational Project”, run mainly by economists and based on prevailing mainstream economic theories, was conducted by Vernon (1994) at Harvard Business School (HBS) and received the firm support of US government and corporations. Its main purpose was to investigate and theorize motivations and determinants of FDI for MNCs from a perspective contrary to Hymer’s.

Hymer’s work was in line with the main premises of dependency theory (Cardoso and Faletto, 1979; Evans, 1979). This helps explain why his famous PhD thesis on “The international operations of national firms: a study of foreign direct investment”, though completed in 1960, was posthumously published only in 1976 as a result of “MIT’s original refusal to sponsor its publication” (Pitelis, 2002, p. 10) and also the many attempts of reframing his critique over the last decades (Buckley, 1996; Dunning, 2006). The critical contribution from Hymer – taken as the “father” of the theory of the “international firm” (Dunning, 2006; Shenkar, 2004) – has been substantially overshadowed by the construction of a more managerialist approach in IB, in parallel to the advance of neoliberal globalization and the dismay of IPE approaches within IR and IB in the post-Cold War[4].

Researchers in IB addressed North-South issues and bargaining processes between governments and MNCs[5] in developed and developing countries through an asymmetrical theoretical dispute (Hymer, 1972, 1976; Vernon, 1966, 1971; Gilpin, 1975). Buckley and Casson (2003) exemplified the heat of the debates at the time over the international political economy and the monopolistic power of the multinationals by the frustrated attempts to establish a code of conduct on TNCs between 1974 and 1992 (Sklair, 2001).

Not surprisingly, the recent debates have not resulted in substantial changes regarding the dominance of mainstream economics (Shenkar, 2004; Meyer, 2004; Toyne and Nigh, 1998; Sullivan, 1998), the striking dominance of US authors in the main journals (Shenkar, 2004; Inkpen and Beamish, 1994), the high correlation between a country included in a paper published in the *Journal of International Business Studies (JIBS)* and its position in the US trade rankings (Quer *et al.*, 2007), and the lack of interdisciplinarity within the IB literature (Dunning, 1989; Toyne and Nigh, 1998; Martínez and Toyne, 2000). In the 1990s, with the advance of neoliberal globalization and the rise of IM, many IB departments were dismantled in the USA. In accordance with the standard set up by the HBS, other IB departments merged with strategic

management departments and with economics departments (Shenkar, 2004, p. 162). This overall process of further managerialization of IB in the post-Cold War has been accompanied by a complex interplay of IB and IM from the perspective of IR.

4. A critical appraisal of the IB-IM interplay

Defining and differentiating IB and IM has become a major issue to the great powers. This process was led by the USA (Martinez and Toyne, 2000; Contractor, 2000; Boddewyn *et al.*, 2004) and seconded by Europe (Buckley, 2005), at the expense of the “rest” of the world. Differentiating has become less important in the USA than institutionalizing and controlling those fields as a result of the rising importance of international fields of business management, from the perspective of IR, in the post-Cold War.

A main issue has been the debunking of the ascendancy of IB in relation to IM, as a result of the rising importance of management in comparison to business in the USA. The corresponding process of managerialization of IB has been of chief importance not only to the international expansion of US business schools in the post-Cold War, but also for the interests of US government and corporations. In the same fashion as the debate between (neo)realism and (neo)liberalism was helpful to the worldwide diffusion of IR knowledge and policies from the USA, the rise of IM and the process of managerialization of IB in the post-Cold War were helpful to the international performance of US government and business corporations and also both IM and IB (CIBER, 2005; McDonald *et al.*, 2002).

Such interplay of IB and IM was formally inaugurated in the USA in the late 1980s through the emergence of a particular standpoint on the ethnocentric feature of business management knowledge. The work of Hofstede in particular has become a landmark in this process as it problematized the worldwide transfer of management knowledge and techniques from the US by taking for granted the transfer of business and policies from the US across the world. By problematizing management in a particular way this work, produced by a European author, triggered the rise of IM and the managerialization of IB (Parker, 2005; McDonald *et al.*, 2002).

Similarly to what happens in the field of IR, a debate between the USA and Europe was established, at the expense of the perspective of developing countries and regions in both IB and IM. In the USA researchers argued that IB needs a more practical perspective and that this could not be provided by Europeans. In response, in an attempt to restore the ascendancy of IB over IM, European authors replied in the mid-1990s that IB is deductive, analytical and axiomatic, whereas IM is merely practical, empirical and prescriptive (Buckley, 1996). This key European author in IB disclaims the autonomy of IM, but agrees that orthodox IB allows a small role for management and that this partially explains important gaps between IB and international strategic management or international strategy that could be sorted out by the engagement of IB with a more managerial standpoint.

In the USA, IM authors tend to overlook the political disputes from Europe between IB and IM. It has been pointed out that despite the lack of consensus on the scope of IM it is undisputable that IM exists and that it differs from IB (Boddewyn, 1999). The definition of IM provided by the International Management Division (IMD) of the Academy of Management, supported by considerable investments to raise the number of countries on the membership list, differs from the definition of international

business[6] by comprising “topics that most IM academics would consider to be legitimate ‘management’ ones” (Boddewyn, 1999, 1999, p. 4). Such “minimalist” and ethnocentric definition has been particularly important to block the proposal from the “margins” that IM should not exclude international organizations[7] (as the World Bank, International Monetary Fund, and World Trade Organization).

The political interplay of IM and IB within the USA and across the Atlantic explains why the important legacy of IPE within IB has been dismissed and why it should be embraced by a critical perspective from Latin America. It also helps explain why the definition of IM remains an unfinished business, and why developing countries and regions remain excluded from debates on the two international fields or disciplines of business management. Not surprisingly, Contractor (2000, p. 8) concluded categorically that what exists is both overlapping and distinction. He does not problematize the US dominance, seconded by Europeans, in both IB and IM. By reinforcing the dismissal of IPE and the corresponding problematization of world interdependence Contractor points out that IM and IB differ to the extent that the former does not address the interactions between companies and supranational institutions whereas the latter addresses these interactions as well as the international aspects of functional areas of management.

In parallel to the process of managerialization of IB and political disputes regarding disciplinarian hierarchy within business management, there have been important efforts in both Europe and the USA toward the restoration of the political contents of IB. A number of researchers agree that effective research in IB should contemplate key international questions, including political events, social processes, historical matters, and other topics neglected by the dominant literature in business management (Shenkar, 2004, pp. 167-9). Meyer (2004, p. 261) stresses that IB researchers should challenge the typical way MNCs have been investigated in order to address the role of these corporations in society. IB researchers should pay attention to both the positive and negative impacts of MNCs in developing regions, particularly in Latin America (Ramamurti, 2004; Grosse, 1989, 2005), with particular emphasis on abuses and externalities – topics that were at the centre of IB debates in the 1970s. Although those Euro-American efforts overlook dependency theory for reasons address in this paper they should be embraced by a critical perspective in IB from Latin America.

5. Final considerations

This paper has fostered an interdisciplinary critique to analyze the current debate between mainstream and critique in IB and IM. Analysis showed that a critical perspective from Latin America in business management could not afford disregarding the particular way the “international” has been defined by the great power(s) and how such definition both enables and constrains the control of international fields of knowledge.

The fields of IB and IM have been set up in the USA to provide an international orientation to business management. However, the current state of ethnocentric underdevelopment could be further explained by the debates on IR and IPE that remain overlooked by both mainstream and critical academics. From the perspective of Latin America, the current duopoly reproduces and reinforces the asymmetric picture established in the field of IR, and more specifically, blocks the recognition of the debate within IPE with regard to the political economy of knowledge in international fields.

The critical perspective from Latin America proposed in this paper engages with both mainstream and critical literatures from great powers and restores the debates on the political economy of knowledge put forward by the field of IPE as a particular way of to fostering a less asymmetric “international” field of business management. The critical engagement of Latin American academics with those debates could enable business management to go beyond the current asymmetrical “crossing borders” orientation (Jack *et al.*, 2008). Accordingly we argue that the US dominance in IM and IB has become problematic not only from the perspective of Latin America, but also from the perspective of the great powers themselves.

The fields of IB and IM are too important to remain controlled by the great powers. In post- 9/11, the rising concern of US researchers with the effects of terrorism on international business and corporate strategies (Griffith *et al.*, 2008; Knight and Czinkota, 2006; Czinkota and Ronkainen, 2005) illustrates how close the field of IB gets to the field of IR and its problematic asymmetrical features. This also indicates the political importance achieved by IB from the perspective of the great power(s). Finally, it also shows how problematic the control of international fields of knowledge and the current IB-IM interplay could become not only to developing but also to developed contexts.

This picture justifies the construction and diffusion of a critical perspective in IB from Latin America which embraces IPE, aims to restore the critical contribution undertaken by Hymer in the USA, and recognizes the latent importance of dependency theory in the USA and Latin America (Vernengo, 2006; Cardoso, 1977). Such perspective is relevant not only to Latin America, as it could attenuate the processes of managerialization of IB and the extraordinary rise and worldwide expansion of IM led by the great power in the post-Cold War.

A critical IB from Latin America should, for example, address the impacts of the internationalization of state-owned companies and governmental institutions in Latin America and also the south-south flows of FDI within and across Latin America. Moreover it might address the relations between international organizations, domestic and foreign corporations with local governments (Grosse, 2005, 1989) and other “nonmarket stakeholders” (Boddewyn, 2003).

Drawing upon a critical perspective on IR, this paper also helps explain the resistance of Europeans toward “management”, particularly by academics associated with critical management studies (e.g, Parker, 2002). Such resistance has led critical management researchers to overlook the European engagement with business, the complex interplay of IB and IM and, accordingly, the importance of an alternative worldview to raise the relevance of critique in and through business management. Accordingly, the critical perspective in IB from Latin America proposed in this paper might also lead to the construction of critical business studies (CBS) as an alternative to Anglo-American critical management studies (CMS).

Finally, this paper could be taken as a valuable opportunity to the development of critical perspectives in IR from Latin America (and beyond), given the arguments that the field of IR is too important to remain insulated from the domain of social sciences and that it needs critical interdisciplinary developments to raise its relevance (Tickner and Wæver, 2009; Tickner, 2008).

Notes

1. Kedia (2006, p. 243) states that international business education was intensified “by section 6261 of the Omnibus Trade and Competitiveness Act of 1988” which created “the Center for International Business Education and Research (CIBER) programs for colleges of business in the US”.
2. Robert Keohane and Stephen Krasner represent the “mainstream” or the “orthodox” US-based IPE. Susan Strange and Robert Cox represent “critical and dialectical interventions in the dominant practice of American IPE” (Tooze, 2000, p. 281). The most important attempt in IR to construct a cross-sectoral theory came with the idea of hegemonic stability on IPE, explained by the colonization of IPE by (neo)realism in the USA at that time. Such attempt of linking politics and economics resulted in “a feeble creature compared to world-systems” derived from Marxism (Buzan and Little, 2001, p. 31).
3. See the CEPAL review of the Economic Commission on Latin America and the Caribbean, available at: www.cepal.org (accessed November 13, 2009).
4. Dunning (2006, p. 116) finally admitted more recently that Hymer’s thesis and some of his last works were less based on the tradition of industrial organization and more on IPE.
5. Jones (2000, p. 943) emphasizes the critical character of the contributions from Vernon, Gilpin and Hymer. These approaches were left behind by the dominant approaches in the fields of international economics, IB and strategic management, but not by IPE, and influenced the debate over TNCs in other social sciences fields (Sklair, 2002).
6. The AIB was established in 1959, and the IMD in the early 1970s (Contractor, 2000, p. 7). The launching of the *Journal of International Management* in 1993 reinforced in the USA the distinction between IB and IM (Boddewyn, 1999).
7. The internal debates in IM and IB in the USA also lack a consensus over the unit of analysis (Contractor, 2000). Shenkar (2004) asserts that the multinational corporation is the key unit analysis in IB. Vernon (1994) and Buckley (2002) pointed to the understanding of the multinational phenomenon as a major research goal in IB. Some authors (Boddewyn, 1999; Boddewyn *et al.*, 2004) argue that the unit of analysis of IM should be the business company in general rather than only the MNCs. Others argue that the MNC should not remain the single unit analysis in IB (Toyne and Nigh, 1997, 1998) as such focus neglects important aspects of MNCs, in particular the multiple dimensions of the contexts of operation.

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