New rules and no rules: international business in the age of Trumpism

Critical Perspectives on International Business

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Abstract

Purpose – This viewpoint paper aims to examine how Trumpism and the resurgence of economic nationalism are reshaping the political context of international business (IB). It argues that IB scholarship should move beyond treating politics as a contextual constraint and instead make politicisation central to analyses of how the meaning, legitimacy and acceptable forms of cross-border economic activity are constructed and contested.

Design/methodology/approach – The paper adopts a conceptual approach, drawing on IB, international relations, political economy and political sociology. The contributions use illustrative examples from Trump administration policies and related contexts to examine how multinational enterprises (MNEs), states and societal actors co-constitute politicised business environments.

Findings – The contributions show that trade policy, foreign direct investment and MNE operations are increasingly embedded in narratives of sovereignty, national identity and geopolitical rivalry. MNEs are not only adapting to politicised environments but also helping to shape them through strategic, discursive and non-market actions.

JEL classification – D72 – Political Processes: Rent-Seeking, F23 – Multinational Firms; International Business, F53 – International Agreements and Observance; International Organizations, F55 – International Institutional Arrangements, P16 – Political Economy, Lobbying, Elections, Legislatures, and Voting Behavior

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Research limitations/implications – The paper calls for future research on how politicisation unfolds across institutional contexts, how firms engage in discursive and non-market strategies and how geopolitical narratives influence investment decisions and legitimacy assessments.

Practical implications – For managers and policymakers, the paper highlights that navigating contemporary IB environments increasingly requires attention to the symbolic and political dimensions of policy and strategy. Firms must manage not only regulatory and economic constraints but also the narratives through which their activities are interpreted by governments, the public and other stakeholders.

Social implications – The paper highlights how MNEs can shape public debates on globalisation, national identity and economic sovereignty, raising questions about their societal responsibilities in politicised environments.

Originality/value – The paper contributes to IB scholarship by shifting attention from politics as a contextual constraint to politicisation as a process through which the legitimacy and organisation of IB are actively constructed and contested.

Keywords Politicisation, Trumpism, Economic nationalism, Multinational enterprises, Geopolitical fragmentation, Corporate political activity

Paper type Viewpoint

1. Introduction

The election of Donald Trump in 2016 and his subsequent return to the presidency marked a significant shift in the political context within which international business (IB) operates. Trumpism, which is characterised by nationalistic discourse, protectionist trade policies and scepticism towards supranational institutions, has altered the institutional and regulatory environment in which multinational enterprises (MNEs) operate (see De Matas, 2017; Wilson, 2021; Wraight, 2019). Trade policy, foreign direct investment (FDI) and MNE operations more generally are becoming increasingly embedded in highly polarising political narratives concerning sovereignty, national identity and geopolitical rivalry (Koveshnikov *et al.*, 2026).

IB research has long recognised the importance of politics in shaping the environment in which firms operate (Beugelsdijk and Luo, 2024). Research on institutional differences (Kostova and Zaheer, 1999), political risk (Kobrin, 1979), non-market strategy (Boddewyn and Brewer, 1994) and corporate political activity (CPA) Lawton *et al.* (2013) has generated important insights into how MNEs navigate regulatory environments and manage relations with governments and other political actors. Much of this work, however, has primarily examined politics as a contextual condition or outcome to which firms must adapt. Political institutions, policy shifts and regulatory regimes are typically treated as dimensions of the environment that influence firm behaviour. Less attention has been given to analysing how these political environments themselves are actively constructed, contested and transformed through processes of politicisation in which MNEs, firms, states and other actors are mutually implicated (see Perchard *et al.*, 2025).

In this viewpoint, we argue that the current political environment brings these politicisation processes more clearly into view and requires IB scholars to make them more centred in their theorising. For example, policies such as tariffs are being used to articulate particular political narratives around national sovereignty and geopolitical competition. At the same time, the language of foreignness and national identity is becoming increasingly central to political discourse, positioning MNEs and cross-border economic relationships within broader struggles over identity and legitimacy. These developments suggest that understanding IB phenomena in the current environment requires closer attention to how political meanings are constructed and contested and to the ways in which MNEs themselves become participants in these processes.

This also raises a set of normative questions that have remained relatively underdeveloped in mainstream IB research. If MNEs are not merely responding to politicised environments but also participating in the discursive and institutional processes through which those environments are constructed, stabilised or contested, then the role of the firm cannot be understood only in strategic or instrumental terms. What role do MNEs play in legitimising particular political narratives and forms of economic order? When firms engage in visible accommodation to nationalist political projects (see the last contribution), are they simply protecting their licence to operate (Suchman, 1995), or are they also helping reproduce forms of polarisation and fragmentation? These questions push IB scholarship beyond the analysis of MNE adaptation to geopolitics and towards a more explicit engagement with the political and normative implications of MNEs operations in contested environments. It requires engagement with political theory to ask questions about the ontological nature of the MNE as a corporation (Burmester, 2013), as well as normative-ethical reflections on what should be their role in our societies (Rhodes and Fleming, 2020).

The contributions in this viewpoint address these questions in different ways. The first contribution by Elsahn and Sharkawi conceptualises tariffs not merely as economic instruments but as symbolic political acts that shape public narratives about globalisation, sovereignty and national identity. By highlighting the symbolic dimensions of tariff politics, Elsahn and Sharkawi argue that MNEs must complement operational responses with discursive CPA to maintain legitimacy in politically contested environments. In the second contribution, Gillmore and Reilly examine how geopolitical contagion emanating from Trump-era economic nationalism affects FDI patterns, focusing on Ireland as a highly FDI-dependent economy. They demonstrate how political shifts in a dominant home country can diffuse through MNE networks and reshape investment decisions in host economies, even in the absence of direct policy changes. In the third contribution, Koveshnikov argues that Trumpism challenges several foundational assumptions of IB theory, including expectations of institutional convergence, the efficiency of global markets and the relative separation of economic activity from political ideology. Koveshnikov calls for a recalibration of core theoretical frameworks such as institutional theory, the liability of foreignness and the OLI paradigm to better account for an increasingly fragmented and politically contested global environment. Finally, in the fourth contribution, Burmester offers a critical perspective on the role of MNEs in recent political developments. Burmester argues that MNEs are not merely passive actors responding to political change but actively participate in shaping political narratives and structures of power, including through their self-interest deployment of "foreignness" within nationalist politics.

Taken together, the contributions shift attention from politics as a condition to which MNEs adapt to politicisation as a process through which the meaning, legitimacy and acceptable forms of IB are actively constructed and contested. In doing so, this viewpoint opens a conversation not only about how MNEs contend with contemporary political challenges but also about how they participate in shaping them (Perchard *et al.*, 2025).

2. The symbolic politics of tariffs (Ziad Elsahn and Talia Sharkawi)

"My fellow Americans, this is 'liberation day.' Been waiting a long time. April 2, 2025, will forever be remembered as the day American industry was reborn, the day America's destiny was reclaimed, and the day that we began to make America wealthy again. Going to make it wealthy—good and wealthy. For decades, our country has been looted, pillaged, raped and plundered by nations near and far, both friend and foe alike. American steelworkers, autoworkers, farmers, and skilled craftsmen—we have lot of them here with us today—they really suffered gravely. They watched in anguish as foreign leaders have stolen our jobs, foreign cheaters have ransacked our factories, and foreign scavengers have torn apart our once-beautiful American dream… In a few moments, I will sign a historic Executive order instituting reciprocal tariffs on countries throughout the world" (Donald Trump, April 2, 2025 [1])

2.1 Introduction

The resurgence of protectionist discourse and policy, as exemplified by President Trump's "Liberation Day" tariffs, poses a critical challenge to MNEs and prevailing conceptions of globalisation. As the opening quote illustrates, Trump's rhetoric signals that tariffs are not only economic instruments but also public acts through which leaders justify policy, communicate sovereignty, assign blame and perform national identity. Existing work in economics, political economy and IB has generated substantial insight into the drivers and economic consequences of tariffs, and IB in particular has emphasised how MNEs adapt through operational and supply-chain reconfiguration (Contractor, 2025). While such focus has advanced our understanding of MNEs operational adaptation to tariffs, we argue that this overlooks how tariffs operate as political-symbolic instruments that construct socio-political realities and reclassify the legitimacy of cross-border transactions and MNEs.

Drawing on symbolic politics and related perspectives on framing and meaning-making (Edelman, 1985; Miller, 2012), we theorise tariffs as instruments that not only impose costs but also shape the discursive environment in which globalisation and MNE activities are evaluated. We show how this draws MNEs into discursive contests over policy meaning, and we argue that this requires that MNEs complement operational adaptation with discursive corporate political activities whereby they engage in the interpretive struggles through which tariff meanings and organisational legitimacy are stabilised or contested. In doing so, we extend IB's understanding of tariff politics and MNE–state relations under contested globalisation.

2.2 Reframing tariffs: from economic instrument to symbolic politics

Tariffs are "taxes levied on goods imported or (less often) exported as they cross a geographical border" (Scitovsky, 2018, p. 13,420). They are typically imposed as *ad valorem* rates or specific charges, raising domestic prices relative to world prices and thereby generating government revenue while redistributing income towards protected producers and industries and away from consumers, importers of intermediate goods and affected exporters (Scitovsky, 2018). Tariffs are therefore consequential for MNEs and exporting SMEs because they alter transaction costs and the economics of cross-border activity. Reflecting this, the IB literature has largely examined tariffs through their material effects, focusing on exporting behaviour (Leonidou, 2004), MNE location and entry mode decisions, and global value chain and supply-chain configuration (Contractor, 2025). In this sense, IB research has primarily treated tariffs as costs to be managed and mitigated.

In political economy literature, the treatment of tariffs has been more expansive. Early contributions grounded in normative trade theory tended to conceptualise tariffs as welfare-reducing market distortions. Yet the persistence of protectionist policies, in spite of their aggregate efficiency costs, resulted in shifting attention towards endogenous theories of trade policy (Magee *et al.*, 1989; Nelson, 1988; Rodrik, 1995). These accounts treat tariffs as politically rational (or politically "efficient") insofar as they can improve the electoral prospects of the parties implementing them (Magee *et al.*, 1989). These perspectives incorporate political choice into general-equilibrium trade frameworks, explicitly modelling rent-seeking and special-interest lobbying (Brock and Magee, 1978) and thus understanding protectionism as an equilibrium outcome of political competition under organised interests (Nelson, 1988).

In political science and international relations, scholarship has long emphasised both the domestic politics of tariff formation and the system-level dynamics of geopolitics, sovereignty and hegemony. For example, on the domestic side, Schattschneider (1935) showed how US congressional representatives traded votes to secure tariff protections for key industries in their own districts, engaging in logrolling that contributed to the passage of the highly protectionist Tariff Act of 1930. At the system level, Kindleberger (1973) linked the interwar turn towards protectionism to national interest politics and the absence of hegemonic stability, contributing to international economic fragmentation. More broadly, international relations perspectives conceptualise tariffs as instruments of economic statecraft used for bargaining, coercion and signalling between states in pursuit of geopolitical objectives (Becko *et al.*, 2025).

Taken together, these perspectives have advanced understanding of the domestic political and geopolitical dynamics that shape tariff policy, as well as tariffs' consequences for firms' international strategies and adaptation. Yet a common thread across them is that tariffs are treated primarily as instruments for achieving political or economic objectives or, in firm-level research, as costs to be managed. This emphasis can obscure the socio-political and meaning-making processes through which tariffs are publicly justified, legitimised and contested by multiple actors. As the opening quote suggests, tariffs are not simply announced; they are typically accompanied by justificatory narratives that seek to render them reasonable and legitimate, and they are often contested by affected actors. In this sense, tariffs are more than economic instruments; they also help produce and stabilise political meanings about nationhood, sovereignty and the legitimacy of cross-border exchange.

This symbolic dimension is particularly salient in contemporary contexts of polarisation and geopolitical fragmentation, where tariff announcements are frequently articulated less in technical terms than through staged, high-visibility performances designed to communicate sovereignty claims and geopolitical intent. Trump-era tariff politics provide a clear illustration. For example, the April 2, 2025, tariff announcement was publicly marked as "Liberation Day", and President Trump repeatedly framed tariffs as a means of restoring national industrial strength, reclaiming independence from an "unjust" global system, and punishing countries portrayed as exploiting the USA. Such framing carries implications that extend beyond cost considerations, as it offers a public narrative about national identity and positions certain countries and, by extension, certain cross-border trade relationships as adversarial or aligned. These narratives structure how firms are interpreted and which forms of cross-border activity are treated as legitimate. Accordingly, tariffs not only alter firms' cost structures, but they can also reorganise legitimacy and, with it, firms' licence to operate as socially acceptable actors in particular contexts (Suchman, 1995).

Theorising these dynamics requires engagement with political science and political sociology, which have long emphasised the symbolic and socially constructed dimensions of policymaking. Edelman (1985), for example, shows how political symbols are used to justify policies and mobilise support. As Miller (2012, p. 18) notes, "signs, ideographs, and story lines must be constructed *just so* if one's favoured interpretation is to prevail over the others…as public policy meaning making often can be a cultural struggle rather than a rational-analytic project". Symbolic politics, in this vein, highlights the importance of framing and reframing whereby policymakers draw on normative and cognitive ideas to position policies in ways that are persuasive and publicly acceptable (Benford and Snow, 2000; Campbell, 2002).

Tariffs are particularly amenable to symbolic politics because they are easily narrated as punishment or protection and readily attached to identity-laden frames such as nationhood and sovereignty. The meaning of a tariff is therefore not constituted solely by its technical specifications; it is also produced through framing, for example, as protection of local workers and industries, and/or as a matter of national security. These meanings are constructed through discourse in speeches, press conferences, executive announcements and signing events, and they compete with counter-frames that emphasise consumer costs or supply-chain disruption. In Trump-era tariff politics, tariff announcements and subsequent commentary have repeatedly mobilised such identity-laden framings, for instance, presenting tariffs as a form of national “independence” and “rebirth” of American industry and justifying them because of “unusual and extraordinary threats” and “national emergencies” which rhetorically elevate the tariff from a policy tool to an identity statement. In doing so, tariffs not only impose costs, but they also help constitute narratives about globalisation and sovereignty that alter what kinds of cross-border organisation appear legitimate.

Attending to the symbolic dimension of tariffs has two implications for IB scholarship. At a more systemic level, symbolic tariff politics can contribute to the normalisation of a more fragmented world order by repeatedly framing interdependence as vulnerability. IB research has examined whether we are witnessing deglobalisation using a range of indicators (Altman, 2025), and it has assessed how decoupling and fragmentation shape MNE strategies (Witt *et al.*, 2023). What remains less developed is an account of how narratives of fragmentation are discursively produced and how these narratives are advanced and contested by multiple actors, including national governments, supranational institutions and MNEs themselves (see Koveshnikov *et al.*, 2026).

At the firm level, a symbolic politics lens draws attention to how policymakers’ framings can position firms as aligned or adversarial depending on how their organisational activities are framed. As such, MNEs can become drawn into discursive struggles over legitimacy in which operational choices are interpreted as political signals. During President Trump’s tariff announcement, he revealed several investment commitments by firms such as Apple and Nvidia, among others, which were positioned as being supportive of American industry. This suggests that MNE strategy becomes partly a problem of meaning-making, because protecting its licence to operate is not only through reconfiguration of activities but also through engagement with the discursive field in which tariffs are justified and contested. Trump-era tariff politics is therefore useful as an empirical illustration because it foregrounds the public staging and moral framing through which tariffs acquire meaning.

2.3 Implications for multinational enterprises

Firm and MNE responses to tariffs are often grouped into market and non-market strategies. IB research has predominantly emphasised market strategies, focusing on operational adaptation to the economic effects of tariffs through actions such as reshoring or nearshoring, price adjustments, supplier switching, location changes and broader global value chain and supply chain reconfiguration (Contractor, 2025). Non-market strategies, by contrast, include CPA, which “refers to firms’ attempts to manage or influence their political environment to achieve their interests” (Elsahn and Benson-Rea, 2018, p. 774). While IB scholarship has examined a range of MNE CPA activities directed at shaping political environments (Lawton *et al.*, 2013), empirical attention to CPA specifically targeting tariffs remains limited (for recent exceptions, see Dolan *et al.*, 2025; Perchard *et al.*, 2025). Complementing this firm-level emphasis, political economy research highlights additional channels through which firms can manage tariff exposure. For example, Mangini (2023) shows that importers can legally reduce tariff burdens by lobbying customs authorities for favourable product classifications, rather than lobbying Congress, and that firms strategically seek classification rulings when tariff rates are high.

While both market and non-market strategies are important levers for managing tariff exposure, we argue that in polarised contexts, where tariff announcements are publicly justified through narratives of sovereignty and independence, MNE operational decisions can become politically contested and construed as evidence of alignment or misalignment. Under these conditions, firms may face pressures to respond in ways that go beyond less visible forms of influence, such as lobbying. As MNEs are drawn into discursive contests over what tariffs mean and whom they benefit, traditional CPA, focused on lobbying, information provision and bargaining over design (Hillman and Hitt, 1999), remains important, but it may be insufficient when tariffs are justified through identity-laden frames that do not rely primarily on technical cost–benefit reasoning.

We therefore propose discursive CPA as a complementary subclass of CPA which involves firms' efforts to participate in the meaning-making process through which tariffs (and other policies) are justified, contested and stabilised. Discursive CPA targets not only policy outcomes but also the interpretive environment in which MNE strategies and policy instruments are evaluated. It includes attempts to counter or redirect dominant framings, for example, by challenging depictions of tariffs as pro-worker or by highlighting the cost implications for consumers. For example, following the tariffs announced by President Trump, Walmart announced that they might have to raise their prices as a result of the tariffs, to which Trump responded that they should "eat the tariffs" and "should stop trying to blame Tariffs as the reason for raising prices throughout the chain. Walmart made billions of dollars last year, far more than expected" (Ward, 2025).

Discursive CPA, in turn, highlights the importance of business diplomacy as an increasingly central dimension of MNE strategy (Doh *et al.*, 2022) under symbolic tariff politics. Business diplomacy, in this context, is not limited to relationship management with government officials; it also involves managing the firm's legitimacy across multiple political audiences and institutional contexts. Because symbolic framings differ across home and host countries and because alignment in one context can be interpreted differently in another, MNEs face a multi-audience challenge that is inherently discursive. A firm's public positioning must be orchestrated across stakeholders who may hold conflicting expectations about a particular issue. To navigate these tensions, MNEs require what we term discursive political skills, which refer to the competencies needed to operate across contested political environments and narratives. These include frame fluency or the ability to recognise the dominant frames through which tariffs are being justified and to translate firm positions into language that is locally legitimate, alongside the ability to maintain coherence across audiences with divergent normative expectations. As such, MNEs are increasingly expected to manage not only the economics of cross-border organisation but also its public meaning.

We should note that our discussion so far has sought to theorise how MNEs respond to the symbolic dimension of tariffs. Yet these dynamics also raise normative and ethical questions. In environments where tariffs operate through public narratives about sovereignty and national identity, MNE responses to tariff politics can contribute to the discursive environment in which those narratives are stabilised or contested. When firms engage in discursive CPA, whether through public positioning and visible commitments, they are participating in meaning-making that can have consequences beyond immediate policy outcomes. Symbolic tariff politics can create incentives for firms to perform compliance in ways that reproduce dominant narratives, including framings that cast interdependence as vulnerability or normalise polarising representations of particular countries. As Perchard *et al*. (2025, p. 20) note, "deglobalization is not merely an external phenomenon imposed upon firms but a process that firms themselves influence and, at times, actively promote to align with their strategic interests".

This raises a normative question for IB researchers: when firms engage in business diplomacy (Doh et al., 2022) and align (explicitly or implicitly) with particular political narratives around tariffs, are they merely managing risk and protecting their licence to operate, or are they also helping stabilise narratives that contribute to polarisation and the normalisation of a more fragmented world order? Scholars in organisation studies and business–society research have long debated the role of corporations in the public sphere. Political CSR, for example, argues that firms increasingly operate as political actors, particularly in contexts where state capacity is limited or contested (Scherer *et al.*, 2016). A contrasting line of critique questions whether such a role is compatible with democratic ideals and the possibility that corporate participation displaces rather than strengthens democratic governance (Rhodes and Fleming, 2020). Such normative debates, however, have been less prominent in mainstream IB research on nonmarket strategy, where CPA is often evaluated primarily in instrumental terms. A symbolic politics lens points to the need for IB to engage more explicitly with political theory when theorising MNE strategy in contested environments. This means treating questions about the "proper" role of MNEs – what kinds of narratives they should endorse and what forms of alignment are acceptable – as part of the research agenda.

3. The contagion of Trumpism and the shifting foundations of foreign direct investment in Ireland (Edward Gillmore and Marty Reilly)

3.1 Conceptualising geopolitical contagion in the multinational network

Contemporary FDI patterns are increasingly dictated by geopolitical forces (Saittakari *et al.*, 2023), signalling a return to state-led interventionism. As noted by Yu and Wang (2023), this is manifested through the intensified use of direct policy instruments, including tariffs and investment barriers, which serve to formalise geopolitical rivalries within the global investment landscape. The notion of geopolitical contagion provides a particularly useful lens for understanding how political tensions originating in one national context can spread across borders via the actions and behaviours of MNEs. We highlight how contagion ignites a process of realigning corporate strategic priorities, thereby reshaping investment behaviour in host economies. Further, contagion captures the way protectionism, strategic reorientation and nationalist perceptions diffuse through organisational networks and global value chains, often with consequences that are both cumulative and difficult to avoid.

The resurgence of Trumpism in the USA exemplifies this dynamic. Trump-era economic nationalism, characterised by protectionist trade policies, reshoring incentives and a confrontational stance towards globalisation, has altered the conditions under which MNEs must evaluate their international investments and global footprint. These shifts have not been confined to the USA; rather, they have radiated outward, influencing investment decisions in host countries deeply integrated into US-led global technology networks. Ireland, as a small, open economy whose growth model is heavily dependent on inward FDI from US multinationals, is particularly exposed to such contagion effects.

We examine how contagion arising from geopolitical tensions and Trumpism poses a structural threat to FDI in Ireland. We argue the primary threat is not a sudden exodus of multinational activity but rather a protracted and gradual erosion of investment momentum through heightened uncertainty, altered corporate policy, and shifts in global capital allocation. Such changes risk the hollowing out of economies heavily dependent on FDI. This structural risk is particularly acute because shifts in corporate capital allocation frequently culminate in severe intra-firm reorganisations. These changes, which can include subsidiary downsizings, closures or relocations, tend to rupture localised cooperative networks and compromise the underlying knowledge base of the country or region (Reilly *et al.*, 2023a, 2023b). By conceptualising contagion as a mechanism of political and social turmoil that cascades from its US origins throughout a firm's global value chain, this chapter illustrates how domestic volatility in a dominant economy generates far-reaching systemic risks for FDI-dependent host countries.

3.2 Contagion as a mechanism facilitating the transmission of geopolitical tensions

In a period of heightened global uncertainty characterised by escalating geopolitical frictions, anti-globalisation populism, techno-nationalist agendas and protectionist trade policies, multinational firms are encountering growing strategic and operational hurdles (Beugelsdijk and Luo, 2024; Bretas and Tippmann, 2025). Evidence from the World Economic Forum Global Risk Report (WEF, 2026) highlights that geopolitical competition is playing an increasingly decisive role in shaping the strategic choices of firms engaged in cross-border activities. We posit that contagion can be seen as the diffusion of shocks and strategic responses experienced across borders through interconnected economic and organisational systems. Unlike direct coercion or regulatory enforcement, contagion operates indirectly, shaping firm behaviour through changes in perceived risk, opportunity and constraint (Ciravegna *et al.*, 2023). When there is a paradigm shift in political conditions in a major economy, MNEs internalise these changes and adjust their strategies accordingly, transmitting the effects to host economies through altered investment decisions.

This dynamic resonates broadly with institutional theory, which has long recognised that cross-border transfers within MNCs involve not only the movement of capital and resources, but also the transmission of organisational practices, norms and, critically, logics (Kostova and Roth, 2002; Kostova *et al.*, 2008). The concept of institutional frictions arising because of the transfer of practices highlights that the institutional environment of the home country fundamentally shapes what is transmitted to subsidiaries and how receptive host-country environments are expected to be. Extending this perspective, it has been demonstrated that MNEs are potent carriers of home-country institutional templates (Ferner *et al.*, 2004; Ferner *et al.*, 2012), which aligns with the geopolitical contagion we describe here. In this sense, geopolitical contagion is not merely an economic phenomenon; it operates as a form of institutional transfer, whereby the political ideology of the home country is diffused through the MNE's organisational network and materialises as altered strategies and practices in the host-country subsidiaries.

These behaviours are particularly powerful in a global economy characterised by complex value chains and centralised corporate governance structures. Strategic decisions about location, expansion and capital allocation are often made at the headquarters level, informed by assessments of political risk and policy stability across jurisdictions. When the political environment in a dominant home country becomes volatile or hostile to globalisation, those assessments shift, even if host-country conditions remain stable (Contractor *et al.*, 2026). In reacting to these domestic macro-shocks, corporate headquarters routinely tighten surveillance and control, pushing peripheral subsidiaries into narrow, task-driven "implementer" mandates that structurally undermine their capacity to act autonomously, to leverage embeddedness within local ecosystems or to contribute to localised innovation (Reilly and Sharkey Scott, 2014).

Contagion thus converts domestic and localised political uncertainty into a transnational economic force. Crucially, contagion does not require direct exposure to specific policies. A host country may not be the intended target of tariffs or trade sanctions yet still experience declining investment as firms reassess the overall desirability of maintaining or expanding foreign operations in light of their domestic incumbent political administration (Contractor *et al.*, 2026). This indirect transmission distinguishes contagion from more traditional forms of policy spillover and makes it particularly relevant for understanding contemporary geopolitical risks within multinationals. Consequently, we highlight that while the beneficiaries of such volatility and contagion can be difficult to isolate, the subsequent long-term shift towards reshoring and protectionist mandates may ostensibly serve the home economy's domestic agenda at the expense of global integration and geographically dispersed subsidiaries.

3.3 Trumpism and the intensification of protectionism and investment retrenchment

The Trump administration marked a significant departure from long-standing US support for trade liberalisation and multilateralism. Tariffs, trade renegotiations and explicit incentives to reshore production signalled a willingness to politicise global value chains and challenge established norms of economic openness. These measures functioned not only as direct policy interventions but also arguably to signal that the USA was prepared to tolerate disruption in the pursuit of domestic political objectives. For MNEs, this shift altered the strategic calculus underpinning international investment. As Altman and Bastian (2024) argue, protectionist policies encourage firms to reconfigure supply chains, reassess location decisions and prioritise investments that minimise exposure to political risk. Even in cases where overseas operations are not directly affected by tariffs, a volatile policy environment generates uncertainty and raises questions about the long-term sustainability of cross-border value chain arrangements. Critically, we argue that through the mechanism of contagion, these strategic reassessments transcend US borders to affect Irish-based subsidiaries deeply embedded in US value chains. The scrutiny of these operations arises not from internal inefficiencies or a lack of local legitimacy, but rather from a deteriorating institutional environment in the home country, where the political climate has become increasingly hostile towards global integration. In this way, protectionist contagion has the potential to reshape investment patterns by altering expectations rather than imposing immediate constraints.

One of the most consequential effects of geopolitical contagion is the spread of uncertainty. FDI involves long-term commitments of capital and resources, making it particularly sensitive to perceptions of policy stability and predictability. When political environments become increasingly volatile, firms tend to delay or scale back investment, adopting a cautious, incremental approach to expansion (Barnard and Luiz, 2018). In the Irish context, uncertainty contagion poses a very significant threat. Ireland's economic model relies not only on the presence of multinational subsidiaries but also on continuous reinvestment and upgrading of activities within those subsidiaries (Reilly *et al.*,2023a, 2023b). Heightened uncertainty disrupts this process by encouraging firms to postpone decisions about expansion or even move towards closure and exit from the host market (Reilly *et al.*, 2023a, 2023b). Empirical evidence supports this interpretation – UNCTAD has documented significant volatility in US FDI flows into Ireland, linking these fluctuations to changes in the US policy environment and broader geopolitical tensions (UNCTAD, 2020, 2024). Poidevin (2025) further highlights how global investment has declined amid escalating trade tensions, reinforcing the role that uncertainty plays in shaping investment outcomes. For Ireland, the contagion of geopolitical tension and economic protectionism manifests as diminished investment momentum rather than abrupt disinvestment. This suggests a protracted erosion of multinational activity within an economic landscape increasingly configured by institutional uncertainty and systemic precarity, as US multinationals execute strategic pivots in their global capital and resource allocations.

3.4 Ireland's structural exposure to contagion

Ireland's susceptibility to geopolitical contagion is largely rooted in the structure of its national economic model. Since the mid-twentieth century, Ireland has pursued an inward FDI-oriented strategy centred on attracting MNEs, particularly from the USA. Monaghan *et al.* (2014). Over time, this strategy evolved into the creation of industrial clusters in sectors such as technology, pharmaceuticals and advanced manufacturing, including MedTech, with US firms occupying a dominant position (Cho *et al.*, 2022).

This model has delivered sustained economic growth, high employment and strong integration into global markets. However, it has also produced a high degree of dependence on foreign-owned firms and, by extension, on the political and economic environments of the MNEs' home countries (Webber, 2025). Given that a significant portion of Ireland's output is driven by US multinationals, any shift in Washington's political agenda can trigger an immediate realignment of corporate strategies. These changes can then cascade into specific subsidiary directives and investment patterns (or divestment patterns) that directly impact the Irish economy.

Importantly, this process is not limited to the transfer of economic resources. Consistent with institutional perspectives on MNE subsidiary behaviour (Kostova and Roth, 2002), inward investment simultaneously entails the transfer of institutional and political logics from the home country to the host country. Ireland's deep integration with US multinationals, therefore, means it is also, indirectly, embedded within Washington's shifting political agenda. The subsidiaries of US firms operating in Ireland act as conduits through which home-country political agendas are introduced into the Irish institutional landscape, even when no explicit policy mandate has been directed at Ireland. This aligns with the thinking that US MNEs systematically transfer home-country institutional templates to their overseas operations, often generating tensions with local institutional norms (Ferner *et al.*, 2004; Ferner *et al.*, 2012). This structural exposure also means that Ireland experiences geopolitical shocks asymmetrically. Trumpism and political developments in the USA generate economic consequences in Ireland, even when Irish domestic policies remain stable and pro-investment. Contagion, therefore, operates with greater intensity in Ireland than in more diversified economies, amplifying the effects of geopolitical turbulence.

3.5 The cumulative contagion effects of Trumpism and economic protectionism on Ireland

Geopolitical contagion interacts with broader trends in the global investment environment. Periods of declining global FDI can intensify competition among host countries whilst also magnifying the effects of perceived political risk. UNCTAD's recent trade and development report points to a weakening outlook for global investment, driven in part by trade tensions and geopolitical fragmentation (Poidevin, 2025). In such an environment, even modest increases in uncertainty and risk perceptions can have inordinate effects on capital allocation. For Ireland, this amplification effect is particularly pronounced. As a highly open and exposed economy with a strong reliance on inward FDI, Ireland is much more sensitive to global investment cycles than larger or more diversified economies. When the finite pool of global capital becomes scarcer, contagion-driven risk perceptions can tip the balance against further investment. The economic consequences of contagion for Ireland are gradual but far-reaching. Rather than triggering immediate exits, contagion manifests through reduced new project announcements, delayed expansions and increased conditionality attached to investment decisions. In 2025, subsidiaries of US multinationals in Ireland, including Intel, Meta, Pfizer and Microsoft, all experienced significant layoffs. As of early 2026, Amazon has initiated a further round of layoffs within its Irish operations, signalling a continued contraction of its Irish operations. Over time, these dynamics can weaken employment growth, slow the development of industrial clusters and reduce the spillover benefits associated with multinational activity.

Because Ireland's growth model depends on continuous upgrading within multinational ecosystems, even small reductions in reinvestment can compound into significant long-term losses. Cluster development relies on momentum, complementary investment and the deepening of local capabilities (Andersson *et al.*, 2025; Cho *et al.*, 2022). Contagion disrupts this momentum by injecting uncertainty into strategic planning and capital allocation. Ireland's dependence on FDI is not unique, though, and the experience highlights a broader dilemma faced by FDI-dependent economies. Integration into global production networks delivers substantial benefits but also exposes host countries to political risk generated elsewhere. Ireland cannot directly influence US domestic politics, yet its economic performance can be shaped directly by shifts in US political priorities and incumbent administrations. Contagion thus reflects an asymmetry of control, where host economies bear the consequences of political developments beyond their jurisdiction.

Crucially, the institutional frictions generated by this contagion are not experienced uniformly. Within Ireland, US MNE subsidiaries face mounting pressure to reconcile the strategic directives transmitted from headquarters (and shaped by the US administration) with the distinct institutional environment in which they operate locally (Beugelsdijk and Luo, 2024; Kostova and Roth, 2002). This creates a dual layer of institutional friction: one between the local US subsidiaries and their home-country headquarters, and another between the subsidiaries and the Irish host-country environment. In Ireland, these US subsidiaries, deeply embedded in both local networks and the host-country institutional fabric, are simultaneously rendered vulnerable and strategically responsive to this geopolitical contagion (Röell *et al.*, 2024). To navigate these layers of institutional friction, subsidiaries may actively use non-market strategies to co-construct and buffer their operating environments (Mellahi *et al.*, 2015). Rather than acting as passive recipients of headquarters-driven mandates, subsidiaries can leverage their institutional embeddedness to navigate and partially mediate the pressures transmitted from the US political context. Indeed, subsidiaries may try to leverage institutionally derived influence to reframe how headquarters-led strategies are interpreted and implemented locally (Padrón-Hernández and Gillmore, 2026). However, the necessity for such localised manoeuvring, where Irish subsidiary managers must constantly safeguard their unit's strategic charter (Reilly *et al.*, 2023a, 2023b), highlights the exhausting and precarious nature of maintaining FDI momentum amidst protectionist contagion.

This dilemma underscores the structural nature of the threat posed by Trumpism-induced contagion. The risk is not simply episodic disruption, but the potential embedding of a "political risk premium" that shapes overseas investment decisions. Importantly, the impact of such policies and risk perceptions can become enduring, even if specific policies change. We highlight how contagion provides a powerful lens for understanding how Trumpism and contemporary geopolitical tensions can threaten FDI both in Ireland and within other FDI-dependent economies. Through protectionist policies, heightened uncertainty and shifting political narratives, domestic developments in the USA have been transmitted across multinational networks, reshaping investment behaviour far beyond US borders. For Ireland, the primary danger lies not in an immediate exodus of multinational activity, but in the protracted attrition of reinvestment that underpins its FDI-dependent growth model. As geopolitical volatility becomes an enduring feature of the global economy, Ireland's experience illustrates how contagion transforms domestic political change into a systemic challenge for host countries reliant on foreign capital. Understanding these dynamics is fundamental to assessing the structural precarity of Ireland's economic development model within a global investment landscape increasingly defined by geopolitical fragmentation and institutional volatility (Ciravegna *et al.*, 2023; Contractor *et al.*, 2026; Poidevin, 2025).

4. Trumpism as a challenge to international business theories and concepts: a call for theoretical recalibration (Alexei Koveshnikov)

4.1 Introduction

In the past decade, IB scholarship has largely operated under the prevailing assumptions of growing globalisation, liberal institutional integration and the diminishing relevance of nation-state protectionism. However, the rise of *Trumpism* – a populist-nationalist ideology characterised by economic protectionism, anti-globalist rhetoric and the politicisation of trade (see De Matas, 2017; Gusterson, 2017; Hafner-Burton *et al*, 2019) – has challenged many of the foundational premises on which IB theories have been built and developed. As a result, I would argue, in 2025, IB scholars are faced with the need to reassess and recalibrate – at least some of – the established IB theories to be able to account for an increasingly fragmented, politically volatile and ideologically polarised global environment (see Cui *et al.*, 2025; Luo and Tung, 2025; Witt, 2019).

As such, Trumpism is more than a set of political tactics or personal preferences. It embodies a coherent, in many ways controversial – in comparison to what has, at least throughout the last decade, been considered as desired in the West – worldview that prioritises economic nationalism, unilateralism and transactional foreign policy. In practice, it has manifested through policies such as trade wars (e.g. with China), withdrawal from multilateral agreements (e.g. the Trans-Pacific Partnership or the Paris Agreement on climate change), the weaponisation of tariffs and open scepticism towards global institutions such as the World Trade Organization and the United Nations.

When looked at more closely, these developments challenge three foundational assumptions in IB theory:

(1) the efficiency of global markets and free trade (challenged by protectionism);
(2) the convergence of institutional environments (challenged by national divergence and decoupling); and
(3) the apolitical nature of economic globalisation (challenged by the politicisation of global commerce).

With these challenged assumptions, I would argue that IB scholars need to rethink and recalibrate at least some key IB theories and concepts.

4.2 Revisiting institutional theory in international business

One of the most influential theories in IB is *institutional theory*, which posits that MNEs must align with the formal and informal rules of the institutional environments in which they operate (Dunning and Lundan, 2008; Kostova and Zaheer, 1999). While the theory assumes some variation across national political systems and market ideologies, IB research has predominantly applied institutional theory under assumptions of relative stability and gradual convergence. This has supported the idea of institutional isomorphism, which posits that global economic integration enables MNEs to transfer and adopt practices across borders more easily (e.g. Rosenzweig and Singh, 1991).

Yet, Trumpism directly defies this logic. The aggressive promotion of “America First” policies, decoupling from global norms, and overt regulatory divergence in areas such as data privacy, environmental regulation and taxation illustrate that institutional environments are diverging rather than converging (see Nerger *et al.*, 2021; Stiglitz, 2021). As such, MNEs now face a world of institutional multiplicity where they must navigate conflicting regulatory systems and heightened political scrutiny as well as engage in non-market strategies to mitigate political risk (Butzbach *et al.*, 2020; Ritvala *et al.*, 2021).

This shift calls for a recalibration of how institutional theory is applied in IB to better account for institutional fragmentation, the resurgence of national identity politics and state-driven reshaping of market logics (see Edman *et al.*, 2024; Vaara *et al.*, 2021). This shift also invites a more critical lens on the MNE itself – seeing an MNE not as a politically neutral profit-optimising, revenue-generating entity but as a politically embedded actor, shaped by and shaping the ideological landscape in which it operates. Future IB work should explore how MNEs navigate competing institutional logics, engage in selective compliance or resistance, and manage their legitimacy amid rising geopolitical and societal pressures (Hartwell and Devinney, 2021; Sun *et al.*, 2021). In doing so, IB can contribute to reimagining the MNE as a vehicle not just of economic optimisation but of societal engagement.

4.3 Reconsidering the liability of foreignness

Another long-standing and central IB concept is the *liability of foreignness* – the idea that foreign firms face inherent disadvantages in host countries because of unfamiliarity, cultural distance and regulatory discrimination (Zaheer, 1995). Existing research has long recognised that these liabilities may also include political and institutional dimensions (e.g. Zhou and Guillen, 2016). Yet, Trumpism highlights how such liabilities may increasingly be shaped by geopolitical and ideological considerations.

It intensifies the salience of foreignness by framing foreign firms not merely as economic actors but as symbolic representatives of broader geopolitical, technological, or ideological interests. With such framing, foreignness becomes increasingly politicised and subject to heightened public and governmental scrutiny. For example, Chinese technology firms such as Huawei and TikTok have faced restrictions and divestiture pressures in several countries because of concerns surrounding national security and technological sovereignty (Luo, 2022). While such cases are not entirely unprecedented, they illustrate how liabilities associated with foreignness may increasingly emerge through political narratives and geopolitical tensions rather than solely through traditional informational or institutional disadvantages.

These developments suggest that geopolitical and ideological conditions reshape the sources and intensity of existing liabilities of foreignness. In politically polarised environments, liabilities become more closely linked to firms' perceived geopolitical affiliations, national origins or symbolic associations with particular political systems. As a result, foreign firms face reputational challenges and legitimacy concerns that extend beyond conventional market-based barriers.

To understand these developments better, future IB studies should examine how geopolitical and ideological conditions propagated by Trumpism influence the emergence and severity of liability of foreignness across contexts and industries, and how these effects interact with firm characteristics such as ownership structure, home-country origin, or sectoral specifics. Research should also examine the organisational responses through which MNEs seek to mitigate such liabilities, including legitimacy-building strategies, local embeddedness initiatives, stakeholder engagement and discursive efforts aimed at reshaping perceptions of foreignness (see also Grosse *et al.*, 2021).

4.4 Refining the eclectic paradigm (OLI framework)

The eclectic paradigm – also known as the OLI framework (Ownership, Location and Internalisation advantages) – remains one of the foundational frameworks in explaining why firms internationalise and how they choose locations and entry modes (Dunning, 1980). As an inherently eclectic framework, OLI accommodates a wide range of determinants of internationalisation, including institutional and political conditions. However, Trumpism highlights the need to reconsider the relative salience and interaction of OLI components under changing global conditions.

Ownership advantages have traditionally emphasised firm-specific assets such as technology, managerial capabilities, brands and knowledge. However, in increasingly politicised environments, firms must rely on geopolitical and nonmarket capabilities that enable them to navigate ideologically contested contexts and maintain legitimacy across multiple jurisdictions. Location advantages likewise become more politically contingent and dynamic. Trade agreements, industrial policies, sanctions and national security concerns increasingly influence the attractiveness of locations alongside traditional considerations such as costs, market size and institutional quality. As a result, firms start to prioritise geopolitical alignment, institutional compatibility and political stability in addition to efficiency considerations. Similarly, internalisation decisions increasingly involve balancing economic benefits against political and institutional exposure. In politically sensitive sectors or environments characterised by regulatory uncertainty, firms adapt by relying more heavily on partnerships with locally embedded actors or politically connected organisations to navigate institutional complexity and reduce political vulnerabilities. Such decisions do not replace conventional internalisation logic but rather reflect its adaptation to more politically contested environments.

Trumpism, therefore, does not undermine the OLI framework *per se* but suggests that internationalisation decisions increasingly involve geopolitical and ideological considerations alongside economic logic (e.g. Batschauer *et al.*, 2020). Relatedly, firms increasingly engage in selective de-internationalisation strategies, including strategic divestments, local spin-offs and operational decoupling, not only for efficiency-related reasons but also in response to political pressures, geopolitical tensions and changing legitimacy conditions (van Tulder *et al.*, 2022). Consequently, future research should further examine how geopolitical and ideological dynamics reshape the operation and interaction of OLI components in contemporary IB.

4.5 Accentuating geopolitical capabilities

Trumpism also sheds new light on the strategic responses of MNEs to political risk. Traditionally, global strategy frameworks emphasised arbitrage, aggregation and adaptation as key mechanisms through which MNCs create and sustain competitive advantage across borders (Ghemawat, 2001). While these strategic logics remain relevant, rising geopolitical fragmentation and ideological contestation driven by Trumpism suggest that firms increasingly require capabilities that allow them to manage political and societal complexity alongside market-based challenges. In this context, geopolitical capabilities become highly important organisational resources. Such capabilities include the ability to monitor geopolitical developments, engage with governments and external stakeholders, manage legitimacy across different institutional environments and anticipate politically driven disruptions to business operations. Rather than responding solely to economic uncertainty, MNCs increasingly confront ideologically driven shifts that may affect market access, supply chains, stakeholder expectations and organisational legitimacy.

Relatedly, firms require what can be conceptualised as geopolitical agility – the capability to detect, interpret and respond effectively to changing political and ideological environments. Lubinski and Wadhwani (2020) describe related processes as geopolitical jockeying, referring to firms' efforts to cultivate political alliances and strategically position themselves within changing geopolitical contexts. Such capabilities involve not only adapting operational structures and partnerships but also adjusting organisational narratives and legitimacy strategies. Consequently, MNCs increasingly face pressures to position themselves as aligned with host-country priorities and broader societal expectations. In response, firms emphasise contributions to national development objectives, technological sovereignty or social stability, depending on the prevailing ideological environment. This raises important questions regarding firms' ability to manage dual embeddedness – balancing headquarters' strategic priorities and values with host-country political realities (Bhaumik *et al.*, 2024; Röell *et al.*, 2024).

All in all, these developments suggest that geopolitical capabilities are becoming an increasingly important complement to traditional sources of competitive advantage in the Trumpism era. Future IB research should therefore examine how MNCs develop, deploy and institutionalise such capabilities and how they influence organisational resilience and strategic effectiveness under conditions of ideological polarisation and geopolitical uncertainty.

4.6 A call for critical and reflexive international business

Finally, Trumpism exposes the normative underpinnings of IB scholarship. Much of the field has historically maintained a liberal, pro-globalisation stance, assuming the benefits of free trade and integration. At the same time, only limited airspace was given to more critical reflections on whose interests are served by internationalisation, how global capital intersects with national sovereignty, and how MNEs are implicated in new forms of inequality, slavery, polarisation and political conflict (Burmester *et al.*, 2019; Rašković *et al.*, 2024; Temouri and Jones, 2025). The political rise of anti-globalist ideologies forces IB scholars to take a more reflexive and critical stance. Trumpism has shown that global capitalism is not immune to populist reinterpretation. It is time for IB research to recognise its own political embeddedness and to engage more deeply with critical, interdisciplinary perspectives from political science, sociology and cultural studies.

4.7 Conclusion

Trumpism has revealed that the IB environment is far from politically neutral, challenging several foundational assumptions of IB theory. From institutional theory and liability of foreignness to the OLI paradigm and global strategy, the discipline must evolve to incorporate political ideologies, nationalism/populism and protectionism as core, not peripheral, factors. This requires a new generation of IB scholarship – one that is politically astute, theoretically flexible and empirically grounded in a world where globalisation is no longer taken for granted.

5. The weaponisation of foreignness: multinational enterprises, neoliberalism and fascism (Brent Burmester)

5.1 Introduction

The chaos, lawlessness and cruelty playing out in the USA today work for MNEs. It may seem paradoxical, but it is to MNEs' advantage that the guarantor of liberal world order has fallen into the hands of a capricious and alarmingly compromised kleptocracy surrounded by shameless opportunists and charmless ultranationalists. Linking MNEs to the electoral success of Donald John Trump is not challenging. The story runs like this: during the era of globalisation, neoliberal ideology reformatted the world economy; Offshoring and outsourcing gathered pace, and global production networks emerged, commanded by corporations enjoying international monopolies; Industries that had sustained millions in the USA shrivelled, jobs disappeared, poverty and inequality exploded and resentment grew; a populist saviour appeared on reality TV, promising an immediate return of prosperity and punitive measures against irrelevant or imaginary enemies; and voting ensued.

The pieces fit nicely into a solid narrative. That the saviour should be decrepit, orange and a paradigm example of amorality makes more sense than it should. When we sprinkle into this tale a frightening East-Asian nemesis, the infantilisation of political discourse and a secular decline in national democratic competency, the rest follows. Thus, a few dozen giant corporations doing very well at everyone else's expense unwittingly opened the Oval Office door to an authoritarian demagogue. The operative word there is "unwittingly": in this narrative, MNEs did not wish this slapstick fascism on anyone, but their unerring pursuit of profit made it unavoidable.

The following argument refutes the claim that MNEs, in their deregulatory fervour, could not have intended a resurgence of authoritarianism. It emphasises stage (4) of the process, in which Trump channelled the fear and frustration of the American public into a crusade against marginalised sectors of American society. This occurred in defence of MNEs, whose strategic reconfigurations of their political and economic environment chaperoned the USA towards illiberalism. The demonisation of immigrants, non-white populations, social progressives, the rainbow communities and, increasingly, women, conforms to an old script adhered to by the champions and primary beneficiaries of global neoliberalism. In short, MNEs have weaponised foreignness, a status they understand intimately, to evade responsibility for their role in the impoverishment of Americans and to oppress groups whose rights obstruct the ascendency of free-market morality.

5.2 Method in the madness

Why should those whose wealth and influence derive from IB orchestrate the demolition of a rules-based international order stabilised by trade interdependence?

Firstly, for MNEs fully acculturated to the international political economy, *stability* is not as important as orthodoxy teaches. MNEs are unusually adept at navigating an environment we describe in terms of VUCA (volatility, uncertainty, complexity and ambiguity). VUCA differentiates the *international* operating context from the national and explains the relative rarity of MNEs (cf. Van Tulder *et al.*, 2019). Competent MNEs know the dissolution of the post-war liberal order could be costly, but they gamble on it being more costly to their opponents, in markets and elsewhere, than to themselves. This is a raising-rivals-costs strategy on a grand scale (McWilliams *et al.*, 2002).

Secondly, MNEs collude in authoritarian social transformation "even if the engagement makes no economic sense" (Poruthiyil, 2021, p.122). The implication is that economic power wielded through MNEs may serve the same illiberal ends as political and military power, those ends being a capitalism trained to sustain white supremacy, paternalism, subjugation of minorities and the unrestrained use of violence to end dissent. MNEs promote what has been dubbed "hyperreactionary neoliberalism" (Fraser, 2019), not merely in defence of their economic freedom and wealth capture, but to deliver unfreedom to populations for whom the gains of neoliberalism were never sincerely intended. Crucial to the imposition of unfreedom is foreignness, a stigma MNEs encourage fascist governments to weaponise.

5.3 Foreignness unbound

Foreignness is a concept IB knows something about. Textbooks make the same point as the sixteenth-century political philosopher Michel de Montaigne, who observed that "the most spectacular public brutalities are usually visited upon alien peoples" (quoted in Shklar, 1982, p. 22). In IB, foreignness implies greater risk, higher costs, discrimination, vulnerability and exclusion (Zaheer, 1995). MNEs felt all this acutely during post-war decolonisation. Foreignness presented a key puzzle for early theorists on the internationalisation of firms: why go out into a world that punishes the foreign for no other reason than their perceived otherness? Recognition of this political liability was central to developing a solid economic understanding of MNEs, construed in de Montaigne's terms as alien corporations (hold that thought).

IB is slowly coming to grips with the fact that the power of MNEs is not confined to the market and that their dominant positions are not adequately explained by narrowly conceived "business" competencies. Research on CPA shows MNEs are adept at knowing when and how to intervene in policy processes to safeguard their interests (Lawton *et al.*, 2013). Such interventions may be made by individual firms to acquire or maintain an advantage over market rivals, and although this conduct exploits non-market bases of power, it remains economically intelligible. However, when MNEs use their collective influence over the policymaking process in defiance of non-business constituencies, their full purpose can elude economic analysis. Certainly, economic advantages are obtained from obstructing tax reforms, foiling the socialisation of public health services or attenuating the rights of Indigenous peoples, so these interventions might be legitimised as counterbalancing rent-seeking from non-business majorities. However, such efforts also yield wins not reflected in EBITDA.

MNEs intuit that the most primal and perennial question for any political community is "Who are we?" In other words, who will enjoy the rights we reserve for ourselves and, more importantly, who will not? Corporate influence at multiple levels can modify the way that question is answered, because it is always asked anew. While we understand that political interventions serve to mask or minimise the alien nature of MNEs, both within nations and the community of nations, IB scholars have not asked to what extent MNEs exert themselves to stigmatise their enemies with the liability of foreignness.

The relevance and risk of foreignness in the current political moment cannot be overstressed. Democracies around the world are being twisted into intolerant authoritarian regimes. This is all too obvious in the USA, where Trump and, more insidiously, the interest groups he serves are determinedly putting out the lights in The Shining City on a Hill. When liberal democracies enter this downward spiral, they slide towards fascism, and brutalisation of the foreigner lies at fascism's ugly core.

5.4 The new fascism

Fascist governments emerge when anti-pluralist parties ascend to government through the normal democratic process, then set about dismantling that process. They are very big on suppression of free speech and heavy, if not total, control of media, curtailment of academic freedom, subjugation of the judiciary and legislature to the executive branch of government, opportunistic violation of the rule of law, and suspension or dismantling of institutions facilitating democratic participation in government (including the rule of law). What links fascisms across time and space is described as *palingenetic ultra-nationalism* (Griffin, 2007), the harnessing of mass political support through the promise to restore a nation to its former mythic greatness. Crucially, that greatness was made manifest by the subjugation, degradation and humiliation of foreigners at the triumphal nation's hands.

Americans, or enough of them, were primed to believe that they had been robbed of their greatness by globalisation. Globalists, with their deviant insistence that "they" are not intrinsically less worthy than "us", had divided and scattered that greatness among undeserving and untrustworthy strangers, the worst of them disguised as Americans. The pejorative term "globalist" is a canny sleight of hand. Globalisation is inextricably linked with neoliberalism, and therefore deeply implicates MNEs, the finance sector and the mainstream economics profession. But rather than make those links explicit in political discourse, Trump and his cronies laid the blame on a vague cabal of socialists and *foreigners* – the Chinese, probably; effete Europhiles reading wine-stained copies of Marx in smoky cafes; Canadians, obviously; and stubborn Danes – whose spiteful purpose was only to diminish America's righteous hegemony.

It is a striking piece of revisionism, but it worked because globalisation's true champions had sold it on the promise of a watery form of distributive justice. The poor of the developing world would find their place in a thriving global economy, temporarily assuming labour-intensive tasks, unburdening the developed countries, who would then lead all nations into the privatised, high-tech, service-oriented information age. Everyone was going to be better off. But who, really, cares about *everyone*? Properly managed MNEs had no intention of delivering on this promise, and in the wake of its failure, the whole scheme was easily ascribed to domestic practitioners of thoughtcrime and foreigners, the two groups being ideologically indistinct. Thus was America's greatness unmade by an economic programme that refused to privilege American interests, heartbreakingly understood in terms of secure and well-remunerated employment for the multitude.

5.5 Neoliberalism's paleoconservatism

The elevation of populist leaders, Trump included, is associated with the "crisis of neoliberalism" (Duménil and Lévy, 2013). To radically condense the argument, neoliberalism proceeded without sufficient caution or restraint, generated too much dispossession too overtly, evoked a fierce backlash in democracies and led to the inevitable rise of the Strongman. This characterises neoliberals as greedy and inept, rather than conspirators against liberal democracy, but the rise of fascism is not an unintended consequence of neoliberalism.

Emerging from the critical literature in recent years is a picture of an ideology far less purely economistic in character than popularly imagined. "[M]any neoliberals are more than willing to find a middle ground between their own principles and those of an exclusionary culturalist, and even racist, right" (Slobodian and Plehwe, 2020, p. 7). As that middle ground becomes more populous, it moves inexorably rightward, and the Trump administration takes form as "a nationalist and protectionist inflection and intensification of [neoliberalism]" (Dean, 2017, p. 24).

From atop Mount Pelerin, the fathers of neoliberalism embarked on a fundamentally moral project that assigned value to (others') lives insofar as they were lived in, through and for markets (MacLean, 2023; Whyte, 2019). Markets assume priority over human actualisation because they can be engineered to guarantee a "natural" and profoundly asymmetric distribution of power, namely, to the prevailing industrialised nations and the international community in the mid-twentieth century.

5.6 Compliance is collusion

On Trump's return to office in 2025, political scientist and author of *On Tyranny* Snyder (2017) cautioned his fellow Americans not to succumb to anticipatory obedience and resist the far right's demands for compliance with unlawful and immoral policies. America's MNEs ignored his counsel: their aversion to any form of public service and the temptation of uninhibited profit-generation were overwhelming. If MNEs were not actively courting Trump and pressing for favours, they stood aside, encouraging the regime's imposition of foreignness on vulnerable sectors of society.

As evidence, we might cite the example of Palantir, a tech MNE exerting itself to further the cause of illiberalism in the USA. We could dwell on Palantir's obvious profiteering from the weaponisation of foreignness in its enthusiastic collaboration with the US immigration and customs enforcement (ICE) and the Department of Homeland Security (González, 2026; Taylor, 2026). But that is too easy. We might instead point to Apple and Tim Cook's ingratiating award of a gold trophy to Trump and recall Apple's later failure to condemn the killing of Minnesotans at the hands of ICE. Or we could recount how the titans of oil assembled in the White House to be tossed chunks of Venezuela, or list the MNEs that bought themselves exemptions from Trump's tariff frenzy, or adduce any of the alienations underpinning the mass abandonment of DEI initiatives. We might attend to the elimination of consumer and environmental protections; the neglect of public health; and the extinguishing of civil, labour and political rights. MNEs in every sector have been cut loose by the Trump administration's malicious othering. Through amplification of their status as strangers to the nation's values, traditions and identity, opponents of public and private authoritarianism are rendered powerless.

The experience of a US generative AI developer, Anthropic, perfectly exposes weaponised foreignness in action. Anthropic has doubtless taken advantage of the Trump regime's alienation of vulnerable communities, but the lesson lies in its own victimisation. In late February 2026, the US Department of Defence terminated a $200m agreement with Anthropic because the company refused to disable battlefield safeguards in Claude AI. The amplification of Anthropic's foreignness began at once. Trump castigated the company as unworldly leftist nutjobs. Meanwhile, the Secretary of Defence decried Anthropic's ethical position as "fundamentally incompatible with American principles" and immediately designated the company a supply-chain risk to national security, a status normally reserved for entities controlled by foreign adversaries. Other government departments terminated their relationships with Anthropic, and, without hesitation, OpenAI stepped in to serve at the Trump regime's pleasure (Kerr, 2026). Anthropic's offence was the suggestion that a minimal duty of care is owed even to foreigners. In a fascist regime, only an agent of the enemy would think so.

5.7 Alien corporations

IB is interested in foreignness because it subjects MNEs to a competitive disadvantage. Why should an MNE not seek to acquire an advantage over rivals by imposing foreignness on them? Unsurprisingly, research along these lines has been scant. Market strategy can call attention to a competitor's foreignness but cannot intensify it. Political strategy allows MNEs to engineer the attribution of foreignness to their rivals or alter the consequences of foreignness, but the relevant literature has yet to use a liability-of-foreignness lens. Examples offered above suggest IB scholars can approach the weaponisation of foreignness as a firm-level phenomenon.

The focus of this essay, however, is the conduct of MNEs constituting a privileged class of international actors. Like states and intergovernmental organisations, MNEs are non-human actors; unlike their international peers, they are unburdened by the responsibilities of public international law. Chief among those responsibilities is the duty to protect the fundamental rights of humans. For decades, MNEs have fought to evade the attribution of any such responsibility. When we consider an unalloyed exploitation of foreigners, such as supply chain slavery, we find cruelty in service to MNEs, a cogent display of their power, and a key explanator of their superior economic performance (Burmester, 2024). Governing the assignment of foreignness itself must be an MNE imperative, and this is unlikely to be satisfied by diffuse firm-level initiatives aligned by common interest alone. The alternative, a coordinated campaign, would necessarily be long-term, widespread and multi-tiered. But it need not be guided by an explicit manifesto. MNEs are selfish personalities united in their inhumanity and an imperative to maintain an international political order grounded in foreignness itself. They act by instinct, not by instruction. If their campaign has been invisible, it might be better discerned now that we have a language to name it.

Democracy is inherently pluralistic and inclusive: it minimises the liability of foreignness. But democracy also magnifies the alien quality of non-human persons and demands they justify their existence in human terms: this is the essence of the human rights movement. That justification is difficult, better avoided than attempted. Fascism obviates that justification for every corporation entwining itself in the promotion of public aims through its provision of goods and services critical to national security and the suppression of dissent. Doing so, they are celebrated and empowered as they aid and abet the brutalisation of foreigners and the inexorable enlargement of the human population stigmatised as foreign.

Few IB scholars will find the argument presented in this section very compelling. Even the critically inclined are likely to skirt around the questions it raises, believing them the territory of sociology or political science – someone else’s, at any rate. Can we, in good conscience, leave the heavy lifting to our academic neighbours? Though we have seldom had the stomach to admit it, the field of IB became established as the study of firms from technologically and *morally* superior political economies taking it upon themselves to better the unwashed world beyond their home borders. No wonder our field is obsessed with the outpouring of FDI from China: it defied *belief*. Now the USA, the home of the mightiest MNEs, has fallen to illiberalism, revealing that our confidence was profoundly misplaced. MNEs, authoritarian republics in their own right (Ciepley, 2013), will make no sacrifice in defence of human rights unless compelled to do so. Now that the primary source of that compulsion is missing in action, we will discover what spectacular brutalities we have yet to suffer at the hands of the alien corporations.

6. Conclusion

In this viewpoint, we argued that Trumpism and the wider resurgence of economic nationalism and geopolitical fragmentation make it increasingly difficult for IB research to treat politics as just a contextual condition. Across the contributions, trade policy, FDI and MNE operations are shown to be embedded in contested narratives of sovereignty and geopolitical rivalry. Taken together, we suggest that it is not only important to study how MNEs adapt to politicised environments but also to study how these environments themselves are discursively and institutionally produced through interactions among states, MNEs and other actors (Koveshnikov *et al.*, 2026).

We propose three complementary future pathways for IB research that can, in different ways, advance this aim (see a summary in Table 1). First, future IB research can extend existing IB theories by bringing politicisation processes and mechanisms more centrally into studies that examine MNEs' adaptation and nonmarket strategy. Much IB research on political (John and Lawton, 2017), institutional distance (Kostova *et al.*, 2019) and CPA (Mellahi *et al.*, 2015) already provides important insights into how firms respond to political constraints. Our viewpoint suggests that what warrants greater attention is understanding how these constraints are actually produced and stabilised through political framing (Benford and Snow, 2000), public legitimation (Koveshnikov *et al.*, 2026) and diffusion across networks (Andrews, Puhr, and Knill, 2026). Elsahn and Sharkawi, for example, argue that tariffs should not only be treated as an economic instrument but also as symbolic acts that reframe debates around globalisation and the perceived legitimacy of MNEs and trigger firm responses that include discursive contestation and business diplomacy (Doh *et al.*, 2022). In a similar vein, Gillmore and Reilly show the role of MNEs in diffusing and transmitting domestic political changes in home countries to host countries through a process of geopolitical contagion and thus showing how environments become politicised rather than treating them as a given. In this extension path, existing IB theories on CPA and nonmarket

Table 1. Summary of future pathways

Future pathway for IB research	Critical IB moves	What this adds to existing IB research	Illustrative focus from the viewpoint	Possible critical IB research questions
1. Extend existing IB theories by bringing in the politicisation processes	Move from studying how MNEs adapt to politicised environments to analysing how such environments are produced, stabilised and transmitted	Builds on political risk, institutional distance, CPA and nonmarket strategy research but places greater emphasis on political framing, public legitimation, symbolic action and diffusion across networks	Tariffs are not only economic instruments, but symbolic acts that reframe globalisation and MNE legitimacy. MNEs may respond through discursive contestation, business diplomacy and geopolitical contagion across home and host countries	How are political risks discursively constructed? How do MNEs contribute to the production and diffusion of politicised environments? How do tariffs, sanctions or investment restrictions become legitimised as sovereignty claims?
2. Refine and contextualise core IB constructs under politicised conditions	Recalibrate established IB concepts in light of economic nationalism, geopolitical rivalry and ideological contestation	Shows that concepts such as institutional theory, OLI, liability of foreignness and CPA remain useful; however, their mechanisms change when politics becomes more explicit and polarised	Trumpism challenges assumptions about institutional convergence, market efficiency and the separability of economic activity from political ideology. CPA also needs more differentiation between lobbying for policy change and shaping interpretive environments	How does politicisation alter the liability of foreignness? How does CPA differ when firms seek not only policy outcomes but also legitimacy outcomes? How should institutional theory account for ideological divergence rather than convergence?
3. Engage political theory and political sociology more systematically	Move beyond instrumental accounts of firm strategy to examine the democratic, normative and societal role of MNEs	Extends IB beyond risk management and strategic adaptation; Asks critical questions, when corporate participation in the public sphere strengthens democratic ideals and when it displaces or undermines them	MNEs may not only manage political risk but also stabilise polarising narratives. Business diplomacy, symbolic politics and foreignness become linked to domination, exclusion and the erosion of rule-based order	What is the role of MNEs in democratic societies? When does corporate political activity support or undermine democratic ideals? How do MNEs benefit from or resist the erosion of the rule-based international order?

strategy can be extended by placing greater explanatory focus on the political processes that generate and transmit political uncertainty and the role of MNEs in these processes.

The second pathway is for future IB research to refine and contextualise key theories and constructs in light of recent developments. Our viewpoint indicates that many established IB concepts remain useful but require recalibration, especially in highly politicised environments. Koveshnikov, for example, argues that Trumpism challenges assumptions regarding institutional convergence, the efficiency of global markets and the separability of economic activity from political ideology, thereby motivating a recalibration of institutional theory, OLI and liability of foreignness. Elsahn and Sharkawi similarly imply that CPA requires more internal differentiation between traditional activities, such as lobbying, that are aimed at policy changes and other activities aimed at shaping the interpretive environments that shape MNEs' legitimacy judgements. In this refining path, future research is not simply focusing on adding politics to explanatory accounts but also on clarifying how politicisation alters the underlying mechanisms of core IB constructs.

Finally, the third pathway for future IB research that we propose is to engage more systematically with political theory and political sociology to address questions that conventional IB theories were not designed to ask. While it is commonly assumed in mainstream IB research that MNEs can be a force for good (Cuervo-Cazurra *et al.*, 2026), our viewpoint suggests that contemporary IB activities by MNEs are increasingly shaped by struggles over meaning, leading to questions over the legitimacy of MNEs and what forms of cross-border economic activities are acceptable. For example, Elsahn and Sharkawi focus on symbolic politics, highlighting that when MNEs engage in business diplomacy, they may not only manage risks but also help stabilise polarising narratives. Burmester makes this normative dimension more explicit by questioning whether and how MNEs benefit from the erosion of rule-based order and by linking foreignness to broader structures of domination and exclusion. This suggests that the IB needs to move beyond an instrumental evaluation of CPA and ask explicitly what the role of MNEs in our societies is and how their strategies relate to democratic ideals. Engaging with political CSR and its critics (Rhodes and Fleming, 2020) is a potential avenue, but more broadly, IB research requires engagement with political theory to analyse when corporate participation in the public sphere strengthens democratic ideals and when it displaces them.

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This study is conceptual in nature and does not rely on original empirical data. All materials and sources used in the development of the arguments are publicly available and are fully listed in the references section of the paper.

Note

[1.] Remarks Announcing Additional United States Tariff Actions on Foreign Imports | The American Presidency Project www.presidency.ucsb.edu/documents/remarks-announcing-additional-united-states-tariff-actions-foreign-imports

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