

Multinational Corporations And Their Impact On Environment: A Critical Analysis

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Introduction

A Multinational Corporation or Multinational Enterprise is an organization that owns or controls production of goods or services in one or more countries other than their home country. According to the United Nations, a multinational corporation is “an enterprise which owns or controls production or service facilities outside the country in which it is based.” Thus, a multinational corporation (hereinafter referred to as MNC) carries on business in two or more countries. Its headquarters are located in one country (i.e. home country) but its activities are spread over other countries (i.e. host countries). MNCs may engage in various activities like exporting and importing goods and services, manufacturing in different countries. It may also lend its patents, licenses and managerial services to firms in host countries. It can also be referred as an International Corporations, Transnational Corporations (TNCs) or a Stateless Corporations, Global Corporations, etc. It is a business organization that its roots in one country and operation of various sorts in another. The term MNC/TNC is used interchangeably in the instant article.

The universe of TNCs is large, diverse and expanding. They are more powerful, organized, and complex and have a powerful influence in local economies as well as the world economy and play an important role in international relations. The influences of the MNCs are both complex and comprehensive. The ever increasing worldwide influence of corporations on society has been accompanied by the diminishing influence of governments. But the fact of the matter is that many MNCs are wealthier than many countries. Very large MNCs have budgets that exceeds some national GDPs. It is beyond dispute that TNCs are leading vehicles for economic globalization.

The growth in the number and size of TNCs since the 1950s has generated controversy because of their economic and political power and the mobility and complexity of their

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