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THE INFLUENCE OF MULTINATIONAL CORPORATIONS ON INTERNATIONAL POLITICAL DECISION-MAKING

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Abstract :

Abstract: Multinational Corporations (MNCs) are considered the driving force of the global economy. Since their emergence in the late nineteenth century, they have marked a significant turning point in prevailing global economic activities. Today, these corporations constitute an influential power in shaping economic, social, and political events and transformations worldwide. Consequently, they have become the dominant force controlling key economic activities globally—a feature that remains one of their most prominent characteristics. This dominance is attributed to their operation within a vital economic system based on the internationalization of factors of production, particularly labor and capital. Furthermore, these corporations serve as the primary catalyst for globalization, which acts as the fundamental driver of the economic development process in most countries. They operate through a complex network of organizational structures engaged in global production, and their emergence represents a sophisticated model for organizing economic activity within advanced capitalism through their control over various global activities

Keywords: Multinational corporations, political decision, sovereignty, economy, state

1. INTRODUCTION

The most significant phenomenon to appear on the global scene, particularly since World War II, is multinational corporations. They are enormous economic entities that transcend national borders by operating in a single arena for their production operations and a single consumer market for the disposal of their products. They are distinguished by the diversity of their activities, the variety of their products, and their global geographic spread. In an attempt to maximize revenues, they expand their influence into every nation with their current structure.

One of the most significant aspects of the global economic system today is multinational enterprises. Particularly in the latter half of the 20th century, they have a significant impact. Thanks to the World Trade Organization's privileges, they have entered international markets. Their earnings have skyrocketed to levels that are on par with or higher than national and international budgets. They no longer operate as a collection of separate and rival organizations, but rather as a single, integrated body. All of this has helped them play a huge and vital part in world economic, political and even legal life.

Significant changes have taken place in a variety of areas for the global community, especially for developing and poor countries that are trying to progress by pooling their resources and skills to spur growth. This is not a choice for their own benefit; rather, it is a responsibility and an unavoidable course of action, as not implementing these tactics could exacerbate the situation and further isolate them from affluent countries. Developed countries aim for this because they are better in every aspect—political, military, industrial, and economic.

The topic of multinational corporations and their effects on international relations is important because it affects the entire world and has a wide range of implications. Economists are no longer the only people interested in it; politicians and lawyers are also interested in it, which has made it a rich subject for research and study as well as an effort to dissect and comprehend this entity. In the opinion of many international law specialists, it is no longer solely a subject of international law but rather a person of it, and it is necessary to acknowledge its legal personality. Additionally, it has been able to become an activity through the world's economic development, which has helped to its emergence and spread, because of its characteristics and the structure of the global system.

Furthermore, because it touches on one of the key elements of global economies, its capital and extensive global reach give it significant influence on the global scene, which raises the question of how much of an impact multinational corporations have on global political decisions ? This article must be divided into two sections in order to address its main issue:

The political, strategic, and economic functions of multinational oil companies in the first section, large corporations and American political decision-making in the second.

2. The political, strategic, and economic functions of multinational oil companies

Around the world, money is the lifeblood of economic systems and has a significant impact on them. Those with more of it will, of course, have more influence and power. Corporations are now the organization that pools enormous amounts of capital. Powerful corporations with financial assets and balance sheets that equal those of entire nations have arisen over time as a result of the pursuit of profit.

The most well-known of these businesses are American corporations, each of which focuses on a distinct economic and commercial domain, ranging from the banking and media sectors to the weapons and petroleum industries.

Because of the way they form blocs and alliances, each one has dominated its industry and gained some degree of monopoly and market control. It is true that certain large corporations have gone beyond simply spending their money to meddle in domestic and foreign matters as well as directly and indirectly in global political decision-making. This protects their interests, boosts their revenues, and guarantees the survival of their company.

Given that the majority of these large corporations are American-based, their economic might and political clout helped to shape American politics, which in turn affected all peoples worldwide.

2.1 Multinational corporations and their impact on the decision-making process.

While some accuse multinational firms of the most serious offenses and the most serious crimes, others praise them for their growth and progress.¹ Perhaps another reason for this is that the activities of these companies are not limited to the economic sphere alone, but extend to the point of interfering in the internal affairs of host countries. Prominent examples of this include the interventions of United Fruit in Central America and ITT Telecom in Chile, among others. They resort to bribing officials in host countries to secure favorable deals.²

Without a doubt, these businesses represent the worldwide division of labor between industrialized and developing nations and are a continuation of global capitalism. Therefore, countries take measures to defend themselves from the activities of these corporations that they feel harmful, or to attract them when they believe they are in need of them.

Regarding the relationship between big multinational corporations and their influence on decision-making, Michel Gertman points out that deciding on the budget, taking into account estimates for sales, management and investment costs, and profits, is a crucial step in the decision-making process as well as the relationships between the parent company and its branches located around the globe.

2.1.1. The concept of the process of choosing decisions

Given that decision-making is a crucial component of the political process, research on the subject has grown steadily since World War II. It's possible that studies looking at the history of diplomacy or the operations of governmental institutions made ambiguous references to the idea of decision-making. Economists have concentrated on the choices made by investors, producers, and consumers, while psychologists have investigated the hidden motivations behind human choices. Management scientists have looked into ways to make executive bodies perform better and make decisions more logical. On the other hand, political science has concentrated on choices that show how the factors influencing policy-making processes behave.

Two parties participate in the decision-making process: the one making the decision and the environment that supports it both before and after. The state, acting through those authorized to communicate its substance through decisions and actions, is the deciding party. In contrast, there are temporal and spatial dimensions to the environment. There is the pre-decision environment, which is both internal to the decision-maker's thinking and external to it; these are the objective

and psychological environments. However, there is also an objective and psychological component to the environment after the decision. The decision-making process is comprised of these continuous data sets³.

According to Richard Snyder, decision-making is the social process through which a problem is chosen to be the focus of a decision. One of the few options that are produced by this selection is selected for implementation⁴.

"Determining a reasonable formula for action from among several competing alternatives, and all decisions aim to achieve specific goals or avoid undesirable outcomes," is how Dr. Ismail Sabry Muqalled defines this procedure.⁵

There are those who differentiate between the decision and the process of making it. Given that the decision articulates the consequences of the circumstance, it is undeniable that the political decision-making process encompasses more than just the decision. On the other hand, the decision-making process includes all relevant information about the situation, such as inputs, outputs, and how they interact. Decision-making entails compiling information and generating alternatives to address an issue, whereas decision-making refers to picking the most likely or best alternatives.⁶

Consequently, a decision is a selection between options that is aided by advisors or a working group that explains the advantages and disadvantages of each option. American political scientist David Easton defines a decision as "the outcome of a political system based on which power is distributed within society." ⁷ According to Easton, politics refers to the authoritative distribution of values at the level of the entire society. In this sense, a decision is different from politics since it is a decision made at a certain point in time among a number of options. However, politics is a broad field. We believe that the political choice is:

1. A choice made voluntarily and with the intention of being in line with reality.
2. The decision maker is confronted with a circumstance (issue) that has been identified in terms of location, time, and subject.
3. The decision entails a shift from the previous environment's conceptual framework, which can be characterized as the world of goals and objectives, to the reality, which we can characterize as a problem that the political decision maker had to deal with.

2.1.2. Multinational oil firms' influence on decision-making:

Branches operating overseas typically have a three- or five-year planning policy that is approved after being reviewed by the group's general management. The only purpose of this planning policy is to monitor future estimates.

The general management at headquarters frequently makes decisions. As a result, the executives who establish the company's planning and budgeting policies frequently miss the main board meeting held at the headquarters. Because they believe they are free to adhere to the company's declared policy, the managers of the massive corporation make their decisions independently of other executives.⁸

How do choices get made? Who produces them? Do national and international businesses use different approaches?

Some might contend that managers of such large organizations must possess intelligence and be surrounded by a variety of tools, such as computers, accounting, and communication systems, because the judgments they make are very complex and challenging. Some would contend that these businesses need to be led by a strong CEO who works alone in his private office to make choices.

In actuality, the type and character of decisions that need to be made determine how they are made in these kinds of organizations. These choices are arranged by Gertman in a certain order:

1. Strategic decisions: These are also known as founding authority or corporate decisions. They set forth the general direction and policy of the business. This policy is researched, adopted, and approved by the General Management (Headquarters). It is the outcome of a protracted political process in this instance, which involved constant back and forth between the corporate office and its subsidiaries⁹.
2. Administrative decisions: These are the choices that establish the institutional and organizational framework of the employees' and workers' operations. They relate to the organization's system, which includes the defining and classification of job roles, the bonus and incentive structure, and different promotions and sanctions. The general management of the business and its overseas subsidiaries consult with one another before making these decisions. Budgetary choices are included in this.
3. Political decisions: These choices frequently fit into a pattern of routine actions and procedures. Additionally, the Administration Directorate, Finance Directorate, Marketing Directorate, and Production Directorate may be included in the overall framework of strategic decision-making. Nonetheless, the main company and its subsidiaries continue to communicate in this area.
4. Operational choices: These are choices that are not foreseen from a political, administrative, or strategic standpoint. The person making the decisions is given some latitude in the process. Whether they involve multinational or single-national companies that have foreign subsidiaries engaged in production or distribution in another country, these decisions are about the management of subsidiaries overseas and are not within the General Directorate's purview.

"Some of these decisions concern very important power stakes for the activists working within the multinational group," Gertman states. "The group will have to make a decision if it lacks the capacity to invest in both Africa and America at the same time, for instance. The president will make this selection based on how much the president is influenced by either the Africa region manager or the Americas region manager. Each has a particular "region," and as a result, a significant role in the group's policies."¹⁰

So, considering all of what we've discussed in this sequence of decisions that must be taken, we see that whatever these decisions are, the final conclusion is the outcome of a thoroughly researched internal process centered on different interactions between internal and external workers. As we previously stated, it's not a very intelligent and influential CEO making important choices by themselves from thousands of kilometers away. Furthermore, the multinational corporation is not the only entity affected by these decisions; other significant elements such as rival businesses, governments, unions, and customers are also involved.¹¹

It is important to remember that the massive oil corporations we are examining here were and still are mediators between nations that import and export oil. They have a significant impact on choices, frequently over the heads of rulers, though this is slowly shifting as more direct contracts are made between these two groups of nations.

While international oil companies were granted the authority to set the announced crude oil prices, production levels, and investment plans under the concession system, exporting nations' actions to manage their oil wealth fell short of these companies' expectations. They just involved changing the conditions of the two parties' connection while they made the choices required to protect their respective interests.

Therefore, the foundation of diplomatic relations is the oil that oil-producing nations export to importing industrialized nations. This is because oil, a valuable and necessary resource, is not evenly distributed throughout the world and is mostly found in small and developing nations that lack the sophisticated technology necessary to exploit it, while large industrialized nations are essentially deprived of it.

As a result, the latter have been compelled to use every means to seize this vital resource through their massive corporations, which give them the power to decide how best to accomplish this goal in order to establish their hegemony on the ground. They do this by using their administrative, technological, and influence control on the one hand, and their strategic control on the other, even if it means overthrowing governments, as they did with Dr. Mossadegh in Iran in 1952, or by overthrowing Saddam Hussein and occupying Iraq in 2003.

2.2 The concept of international relations in multinational corporations:

According to Dr. Esmat Mohamed Hassan of Alexandria University, "international relations" is a collection of activities, interactions, actions, and reactions between different countries of the world and across national borders. It draws the attention of individuals, groups, and peoples because it is closely related to the general welfare and the satisfaction of the material and moral needs of citizens within their countries, and it has a direct impact on global security and stability. Within their general framework, multinational corporations have multiple concepts of international relations, and different authors have different definitions of the term.

2.2.1. The concept of international relations:

As opposed to interactions of conflict and the struggle for power, which are likely to incite disputes, result in wars, disrupt peace, and divert people from their aspirations for progress and advancement, relationships and interactions that foster cooperation and solidarity and strengthen the bonds of friendship and good neighborliness between nations lead to the progress of these nations' peoples and the prosperity of their economic and social lives.¹² Pierre Renouvin and J. B. Duroselle claim that In order to analyze and interpret the relationships between political groups organized within a particular territory, or between states, the study of international relations must consider the relationships that exist between peoples and among the individuals who make up these peoples. These relationships include the exchange of goods and services, the flow of ideas, and the reciprocal influences between civil forms and expressions of aversion or sympathy.¹³

When states regulate these relationships, they become a point of contention or negotiation between governments. Thus, state behavior is at the "heart of international relations." But is all of this enough to determine relationships and their effects on or across states, or is there another factor—the main economic organizations and emotional currents—that might have a bigger impact?

Geographical borders and regional regulatory frameworks may be crossed as a result of the migration of these factors, such as large multinational enterprises. They might make an effort to shape societal and demographic trends, as well as the economic, social, and even political mindsets of others. Some currents could make choices without hesitation and lead them to make trade-offs that cause the public to react negatively.

2.2.2. The concept of international relations among multinational oil companies:

Since the rise of imperialism, colonialism, and nationalist sentiment, the dominance of giant economic powers, like multinational corporations, has been apparent in international relations. They have attempted to illustrate the dynamics of these forces and evaluate the degree of their influence, using statistics and the results thus far, as well as their own research as a foundation.

The conventional belief that held sway until the end of the previous century, according to which the political elite and rulers should have exclusive control over military matters and foreign policy, has ceased to exist as of late. International relations are now related to war and peace calculations as well as the provision of essential food and energy materials, which in turn have become a tool of influence and a powerful weapon with which decisions are made and global problems and issues are addressed. This was the time when international relations were determined by individual factors and the personal qualities of political and military leaders and commanders.¹⁴

International relations, which are referred to by the adjective "international," include a lot more ground than just the interactions between two or more governments. Non-state international actors are becoming more and more numerous, each with a unique and independent identity that influences the international economy and environment while interacting with states, such as superpowers or, more significantly, as powerful and pressuring forces in the global political, economic, military, technological, environmental, and other spheres of influence. This includes global firms and strong, diverse organizations that have an impact on our modern society.¹⁵

The massive oil firms, often known as cartel companies, are one of these powerful and successful organizations in the realm of international relations. Furthermore, the content and substance of international relations are no longer limited to the military and security concerns that formerly dominated foreign policy agendas and interstate interactions. Instead, they are being overshadowed by other challenges that need to be handled globally, like dependency between rich and poor nations, environmental damage, food sources, energy problems, and space use. As a result, Dr. Esmat Mohamed Hassan states that discussing global politics or relations is preferable to discussing international relations.¹⁶

In addition to causing border disputes, revolutions, and several domestic coups, oil has altered international legal ties, forged new alliances, and shattered old ones.

There are still contentious regions in the Middle East, Latin America, and Europe due to oil, and even international maritime law has been frequently broken and occasionally altered to accommodate new oil interests.

THE INFLUENCE OF MULTINATIONAL CORPORATIONS ON INTERNATIONAL POLITICAL DECISION-MAKING

Border disputes were also triggered by oil, including those between Tunisia and Libya, Algeria and Tunisia "over border point 33," Iraq and Kuwait and the small Gulf states, and Egypt and Israel "when Israel made its withdrawal from Sinai conditional on the sale of a portion of Arab oil."

It is important to note that new coalitions like the G8, the Gulf Cooperation Council, the European Union, and the Organization for Economic Co-operation and Development (OECD) now have their own energy policies and comparatively more integrated coordination in oil relations. Some Western countries, such as Germany and Italy, also have unique energy links with Russia, Britain, Norway, and the newly independent states.

In particular, consider the involvement of the Caspian Sea neighbors—Kazakhstan, Turkmenistan, Azerbaijan, Iran, and Turkey—as well as the policy of building pipelines to ease trade in oil connections with the former Soviet Union, including Ukraine and Azerbaijan.

2.3. International political risks and the planning of major oil companies in the decision-making of developing and Middle Eastern countries:

The previous and current US administrations are dealing with a number of energy-related concerns. A basic problem existed that was mostly unrecognized and concealed from the public. Major American oil firms were forced to establish themselves in their home countries and other reasonably safe oil regions in the 1970s after leaving the Middle East, as we previously discussed. However, the businesses' dissatisfaction with the discovery of substantial new oil reserves in the United States in the 1990s compelled them to search overseas once more¹⁷. Prior to his appointment as George W. Bush's vice president, Dick Cheney's energy policy report, which was written by businessmen and oil magnates, continued to support the long-standing tactic of looking for new prospects for American oil firms outside of the Gulf, supposedly for energy security concerns. However, luck turned out to be too wonderful to be true.

2.3.1. The first period is the period before the invasion of Iraq:

True, there have been some profitable acquisitions of oil reserves in Canada and West Africa. But the North Sea has not yielded any major new oil fields for several years. American oil companies have been unable to penetrate Mexico, their temporary entry into Venezuela has been curtailed, the Caspian Sea region has proven disappointingly oil-poor, and the North Caspian is expensive, tax-heavy, and, so far, accessible only via Russian pipelines.¹⁸

In Russia itself, Vladimir Putin's government, under pressure from public opinion, has begun to take actions that threaten the country's non-state oil barons and create anxiety among potential foreign investors in Russia's oil fields.

Recognizing the difficulties faced by American multinational corporations even in the United States (Alaska, for example, where life is difficult and costs are high), Dick Cheney's report on energy policy recommended that the US administration support initiatives by Saudi Arabia, Kuwait, Algeria, Qatar, the United Arab Emirates, and other suppliers to open up areas of their energy sectors to foreign investment.¹⁹

But herein lies the strategic problem for American oil companies and the governments whose interests they most closely represented. The modest initiatives undertaken so far by the countries

cited in the Cheney Energy Report have been largely related to gas rather than oil, and even these initiatives were withdrawn by 2001. However, as emphasized above, the world's most lucrative oil reserves, and the remaining giant and super-giant fields, both developed and undeveloped, are indisputably located in the Gulf. Moreover, capital and operating costs are a fraction of those in mature oil-producing regions such as the United States, the North Sea, Canada, and Indonesia. According to the Energy Information Agency (EIA), the average capital cost of bringing a medium-sized oil field (50 to 200 million barrels) into production in typical Gulf geological formations is \$2.784 per barrel of production per day, and operating costs are less than \$1 per barrel. By comparison, the capital and operating costs of a medium-sized oil field in Alaska are four times those figures.²⁰

It is no wonder, then, that Kenneth Dyer, CEO of Chevron-Texaco, said in a speech in California in 1998, "Iraq has enormous reserves of oil and gas, reserves that I sincerely wish Chevron could access." A few years later, Archie Denham, chairman of Conoco-Phillips, the new American multinational oil company resulting from the merger of Conoco and Phillips Petroleum, was repeating those same words.

What prompted the growing number and size of independent oil companies, which were also moving abroad in search of higher profits? Saudi Arabia and Kuwait stubbornly refused to grant these companies access to their oil exploration, development, and production resources, while Iraq and Iran were completely off-limits to American companies for political reasons. Yet another unexpected development in the story of the oil industry's disillusionment occurred. In Iraq, which possessed oil reserves that might rival those of Saudi Arabia, President Saddam Hussein began awarding some of its most valuable oil fields to non-American oil companies. According to the U.S. Department of Energy, "the country is said to have signed several multibillion-dollar deals with foreign oil companies, primarily Chinese, French, and Russian."²¹

This was, of course, before the invasion. In 1997, Iraq signed a contract with the Chinese to develop the Ahdab field. That same year, it signed another contract with the Russian oil company Lukoil to develop the giant West Qurna field. Other companies—such as Australia's BHP, Italy's ENI/AGIP, Spain's REP. SOL, and a consortium including Shell and Malaysia's Petronas—were also showing interest in developing or redeveloping a large number of Iraqi fields.

These developments must have irked Dick Cheney and his colleagues in the oil industry. "America's strategic competitors were unscrupulously stealing the market from American oil companies, and something had to be done." The seriousness with which the administration took these developments is revealed by an excerpt from Ron Suskins' account of Paul O'Neill's time as Treasury Secretary. O'Neill reportedly saw "documents... being prepared by the Defense Intelligence Agency, the intelligence arm of Secretary of Defense Donald Rumsfeld, showing oil fields and oil exploration areas in Iraq." One document was titled "Foreign Solicitors for Iraqi Oil Field Contracts," and it listed companies from 30 countries, including France, Germany, and Russia.²²

2.3.2. The second period after the invasion of Iraq

A document containing maps of Iraq marked "super-giant oil fields" with crosses, and a particular field with a "distinctive mark indicating it is a production-sharing field." These fields had been identified for development by foreign bidders after the U.S. invasion of Iraq. The CIA

THE INFLUENCE OF MULTINATIONAL CORPORATIONS ON INTERNATIONAL POLITICAL DECISION-MAKING

notes also outlined "plans for how the world's second-largest oil reserves would be divided among international contractors" after the U.S. took control of Iraq.²³

But none of these arguments were more than empty rhetoric. Why would the US administration hand over Iraq's precious oil to competing companies from Russia, Germany, and France? Clearly enough, the reason the Defense Intelligence Agency was so interested in this matter was that these "foreign oil seekers" had already begun seeking Saddam Hussein's favor and had already concluded deals with him, such as the one with the field marked "production-sharing."²⁴

While the United States' strategic rivals' incursions into Iraq's oil fields were being diligently studied, Dick Cheney remained deeply concerned about the United States' dangerous dependence on foreign oil, and even entertained the idea that the country might have to reactivate a major nuclear energy program.²⁵ However, he realized that even if Americans' lingering fears about the near-catastrophic energy technology on Three Mile Island could be overcome, it would be many years before such an oil-saving energy program could be implemented. Meanwhile, according to the Council on Foreign Relations and a host of independent energy experts, America is now threatened by a growing oil supply-demand gap that could cause a sharp increase in the price of oil. So what does this mean for the American economy and for an administration closely associated with the oil industry?

In 1996, the U.S. General Accounting Office (GAO) commissioned a panel of expert energy economists to estimate the benefits to the U.S. economy of continuing to import large quantities of cheap foreign oil ("cheap compared to the marginal cost of domestic substitutes") and to compare these benefits with the costs of occasional, but severe, supply disruptions and associated oil price crises.²⁶ GAO experts calculated the benefits of oil imports compared to the economic damage caused by oil price shocks, and noted the existence of studies on this issue.

One such study calculated the cost of the 1973-1974 oil shock to oil-consuming developed countries at about 25 percent of their combined GDP. Another study estimated that a similar price shock would cost the U.S. economy \$209 billion in the year of the shock. However, the GAO economists reasoned that "because shocks do not occur every year, the annual cost, taken as an annual average, would be lower."²⁷ They also pointed to a third study, conducted in 1993, which estimated that oil shocks could cost the US economy an average of \$73 billion per year, between 1972 and 1991.

Regarding future oil shocks, the GAO pointed to a 1990 study that estimated that three hypothetical shocks occurring between then and 2020 could cost the United States an average of about \$22 billion per year.

Based on the above, and particularly the recent study, GAO economists concluded that most estimates indicate that "the day-to-day benefits that the United States derives through its companies from its reliance on cheap foreign oil far outweigh the occasional, but severe, costs of disruptions to global oil supplies."²⁸

3. Large corporations and American political decision-making:

In this section, we will address oil companies and American political decision-making through the influence of money owners in the American political establishment, in addition to

economic considerations and their importance in American foreign policy, while mentioning the role of pressure groups and interests and the power of the cartel in imposing its economic and military hegemony. This will be done through the following three demands:

3.1. The cartel's power to impose its economic and military hegemony:

3.1.1. About the cartel:

The so-called oil monopoly' power is the cartel's power. The "Seven Sisters," often known as the oil monopolies, had total control over every aspect of the world's oil business until recently. They controlled more than 70% of the world's refining industry, owned more than 50% of oil tankers, and controlled almost 80% of the world's oil production (except from the US and the former Soviet bloc).

These monopolies possess potential and capabilities that surpass those of the producing nations, and when needed, they receive assistance from the governments to which they belong. Knowing that the eighth company, French (CFP), joined them later, we are familiar with multinational corporations in general and the giant oil companies in particular, known as the seven sisters. Five of these companies are American, the sixth is Dutch-British (Shell), and the seventh is British (BP)²⁹.

Unmatched globally, the influence of these super-corporations not only helps control the price and supply of oil, but also shapes policies, makes choices, and has a direct impact on nations and the global market. These businesses did not appear all at once; rather, they developed gradually as a result of both the advancement of discoveries and the expansion of the petroleum industry's concentration. Some were founded using their original names or names that differ from their current ones. Others underwent multiple name changes before their legal position changed as a result of mergers, divergence, or separation.

Since consuming countries cannot give up this vital and strategic commodity, we will try to illustrate in this section the strategic aspect of the major industrialized nations' attempts to restrict the ability of oil-exporting nations to use it as a tool of pressure on both producing and consuming nations. Their total control over exploration, production, distribution, and marketing activities at all crucial and delicate phases of their attempts to establish their dominance is indicative of this³⁰. These monopolies have several characteristics, including:

- High costs, as fixed costs constitute a large percentage of the total costs borne by companies in the oil industry, and are evident in all operations, including production, transportation, refining, distribution, etc.

The huge capital involved: It is well known that oil is not used as a raw material. Therefore, the process of searching for, discovering, manufacturing, and consuming it in very large quantities requires the establishment of large projects with producing countries that require huge capital. Consequently, not everyone can enter this industry. However, the current rise in oil prices and the revenues of producing countries has enabled them to enter any project that requires such huge capital.

- Isolating this sector in the countries in which it operates from other economic sectors, and managing it according to the capitalist production model. Consequently, it has witnessed significant development while other sectors have stagnated. These companies have also been keen to establish all other integrated petroleum industries, including refining, processing, and petrochemical

industries, in their own countries or in neighboring, high-tech Western countries with which the companies deal within the framework of specific deals, often based on financial and economic calculations. This is done in order to fully control this industry and prevent it, as much as possible, from being acquired by developing, producing countries.

- Its exclusive control over all stages of production within exporting countries, especially with regard to determining and monitoring production and its volume.

Building huge production capacities to be used when needed, whether to pressure prices to be controlled, to increase production if demand increases, or to set them aside as a reserve to be used in the event of a supply shortage.

- Its monopoly on setting the price, thus challenging the share of exporting countries and their participation in controlling the market.

3.1.2. Imposing its economic and military hegemony:

Oil firms' policies, which imposed their hegemony and controlled its technology, extended beyond the boundaries of the oil business. Instead, their policies became a part of the policies of the governments of consumer countries, and their influence spread to the governments of those countries as well. By applying pressure on host exporting nations and employing all methods unique to the oil industry, such as cutting production and prices whenever they felt appropriate, keeping "secret" issues pertaining to inaccurate reserve disclosure, and other forms of influence and dominance, these corporations indirectly supported the policies of their governments.

By defending them, whether by military threats or political pressure on the host nation, they safeguarded their governments in return. In the Middle East, Western nations—particularly the United States and, before it, Britain—have frequently overthrown governments that have refused to comply with their orders and directives.³¹

Thus, oil companies became the implementing arm of Western governments' policies, on the one hand, and the continuous and increasing supply of oil through the markets they controlled, on the other. This also played a role in ensuring stable supplies and ensuring access to them at cheap prices that served their economic interests. This enhanced the importance of these companies and facilitated their rapid and increasing growth until the early 1970s, when OPEC countries imposed pricing policies.

As for its policy after the Ramadan War of 1393 (October 1973), or what was called the "Price Revolution," it changed in accordance with the changes that had occurred, and according to the results that it expected to occur in the future. Thus, it drew up a policy based on:

- An appropriate pricing policy that facilitates the transition to other powerful energy sources.
- A vertical integration policy for the subsequent stages of the oil industry.³²

After the "oil shock" and the resulting price revolution after the Ramadan War and OPEC's decision in 1974, companies tried to change their policy, especially after the establishment of the International Energy Agency, and the adoption of consultation and coordination between them. Consequently, the activity of oil companies was no longer limited to the oil industry only, but expanded to include other fields. Among the reasons that made these companies take this direction,

there are - according to Khilaf Abdul Jabbar - two main reasons, a general reason and a specific reason:

1-General reason: This is due to the transformations that the oil industry underwent, especially after the 1973 crisis, and the resulting effects, including slow economic growth, high inflation rates, and the entry of oil-exporting countries into the oil industry and their control over a portion of it. This led to a loss of confidence in some existing investments, and the resulting shift in capital to explore other areas to increase returns. The International Energy Agency (IEA) relied on oil companies to achieve its objectives. All of this led to a significant change in the structure of companies' investments, after their activities had been characterized by specialization in the field for which they were established. This change was aided by the diversification of investments due to the following:

1-1- Low cost levels in some industries.

2-1- The financial size of companies, which enables them to invest within or outside their countries.

3-1- Benefiting from the monopoly advantage that prevailed in the oil industry at one time in the hands of these companies, as they were the only ones in the field, which enabled them to enter any field of industry without fear of loss.³³

2- Specific reason: This is mainly due to the changes that have occurred in the oil sector, including in particular:

1-2-OPEC countries have relative control over the production phase, which is the second major link after exploration in the oil industry chain. This has made them remain keen on the remaining subsequent operations to ensure the continuity of supplying Western consumer countries through their networks, and to ensure that the exit of the production phase is absorbed and managed in their favor.

2-2- Complete knowledge of the world's oil reserves and their geographical distribution, and consequently the age of these reserves, as well as any changes in the direction of the composition of energy sources that Western oil-consuming countries aspire to, which they will not be able to give up at any price.³⁴

Following a drastic shift in 1980, when the consumption of the major energy-consuming nations started to somewhat decline, and the emergence of new oil-producing regions like the North Sea, Norway, Alaska, and the Caspian Sea, which resulted in a decline in production in exporting nations, oil companies adopted a new policy. This had a significant impact on the price of oil, which fell to its lowest level in the summer of 1986, when it was only \$9 or less per barrel. This caused oil firms to revitalise their oil activities and alter their stance once more. Three primary axes were the emphasis of this policy:

A- Giving up non-oil activities: In this sense, a number of businesses sold off a sizable portion of their non-oil operations. EXXON, for instance, sold its office equipment division and sold off its mechanical and chemical companies. All oil groups had progressed the process by 1983, and the majority of American businesses now accounted for over 81% of their total revenue. Alongside this program of divesting from non-oil enterprises, production shifted to other locations.³⁵

B- Giving a strong impetus to mergers within the oil sector:

THE INFLUENCE OF MULTINATIONAL CORPORATIONS ON INTERNATIONAL POLITICAL DECISION-MAKING

In recent years, there have been numerous mergers and acquisitions among companies. For example, Mobil Corporation purchased 75% of Superior Oil for \$5.7 billion. All of these transactions demonstrate a process of intense concentration within the petroleum industry (vertical integration). The abandonment of diversification and investment in various sectors has led petroleum companies to reconstruct vast oil reserves in many other locations around the world³⁶.

C- Restructuring the oil sector:

As an extension of the movement to refocus on oil activities and abandon other sectors, oil companies have restructured their assets in the United States and abroad. This restructuring process revolves around three axes:

First axis: Focus on important sectors such as exploration and production, while ensuring the goal of integration.

The second axis: Modernizing production tools in refining branches by making huge investments in them to provide surplus conversion capacities for use when needed.

The third axis: Abandoning low-yield sectors that are exposed to competition, particularly in the refining and distribution sectors, which are widely distributed.

What can be concluded from reviewing the evolution of the energy policies of major international oil companies is that these companies have made a strong comeback in the oil sector, having previously begun investing in various other energy sectors, in order to reassert their control over the petroleum industry. On the other hand, we can deduct from this development the importance of oil in the future and the significant role it will play. Furthermore, investments in other energy sectors have cost them more than they have yielded in profits, especially after new discoveries in the oil fields of the North, Alaska, Norway, the Caspian Sea, and Latin America.

3.2. considerations and their importance in American foreign policy:

Fast scientific advancements have transformed technology and information systems, bolstering American policy instruments targeted at attaining global supremacy. In terms of controlling the most sophisticated information systems, the United States is currently the most developed industrial nation. It also has a scientific and technological advantage that no other country can match. These modifications have produced a collection of essential facts that have eventually reinforced America's position as a global leader.³⁷

3.2.1. Economic considerations

The technological impact is particularly focused on the international political pyramid, the assumptions of international political alliances and balances, and the concept of national security within the strategic framework, in addition to its impact on the prevailing political values globally, such as democracy, ideological centralism, and global citizenship, in terms of its impact on the components of comprehensive power. The technological variable has begun to play a major role in determining the international pyramid and determining the various ranks within it. Technologically advanced countries will enjoy an absolute advantage in the future in the arena of competition to ascend to the top of the international pyramid.³⁸

Dominance at the top of the international pyramid in the information and communications age is completely different from the dominance that prevailed in the previous era, especially after World War II, when it was based primarily on direct influence supported by military force and ideological dominance, as was the case with the former Soviet Union and the United States. This formula, as experience has revealed, led to the economic exhaustion of the dominant pole and then its strategic weakening in the long term. The international dominance of yesterday's world was military in nature and political in content.

Today, the calculations of international hegemony have taken on a new character, based on the establishment of a network of economic interests and political balances, according to formulas of interaction and integration between its parties. The state that succeeds in formulating alliances of interest will be more capable of assuming a leadership position on the global level. This means that the dominant party has come to need international parties to support its policies and bolster its position according to a far-reaching alliance system.³⁹

Accordingly, the economic factor has become the axis of international alliances, playing a direct role in upending political treaties and strategic balances as witnessed in the world today, and undermining major strategic constants in its quest to establish international hegemony. The United States, in its attempt to realize the Asian and European challenge to its global hegemony and in response to the economic competition imposed by the scientific and technological revolution, began to seek international alliances that benefit its economy and productive capacity, rather than prioritize its military identity, as was the case in the past. This has been evident in American policy toward Asia since the early 1990s.⁴⁰

The significance of this American approach lies in the United States' awareness of the importance of economic factors in building influential political action internationally. While small states, in the past, derived their existence from their alliances with major powers, today's major powers are looking to small states for additional strengths that will aid them in their various areas of international competition. Therefore, in his book "The Rivals," Lester Throw defines the future competition for control of the twenty-first century between China, Europe, and the United States according to competitive conditions that rely on economic factors and productive alliances as a criterion. Based on the above, the identity of the international poles will be determined in the future according to their economic productive components and their effective, successful, and positive alliance relations. Thus, the technological factor has become more than a tool for increasing and improving machinery and production; it is now a factor in major changes in international relations.⁴¹

3.2.2. importance in foreign policy

American foreign policy has been based on the economic and financial element, whether in a positive direction (aid) or negative (sanctions). The United States played international economic roles, similar to the Marshall Plan in the 1950s to rebuild Europe after the war. During the end of the Cold War, Washington relied on the economic factor in confronting the Soviet Union and pushing it to collapse. The Star Wars plan adopted by the American administration during the Reagan era was a point that attracted the Soviet Union to an unbalanced race and competition, the result of which was economic and political collapse.

THE INFLUENCE OF MULTINATIONAL CORPORATIONS ON INTERNATIONAL POLITICAL DECISION-MAKING

The close ties between political power centers, wealthy families, and major oil companies also played a major role in strengthening relations with senior officials, ministers, and ambassadors within the US government.

Before assuming public office, President George W. Bush was chairman of the Texas oil company Zapata Offshore, which he founded. When elected to Congress in 1966, he sold his interests in the company but maintained close ties to Texas oil interests, which funded his 1980 presidential campaign. Between his time in Congress and his tenure as Vice President to Reagan, Bush served as U.S. Ambassador to the United Nations and Director of the CIA. He was a member of David Rockefeller's Trilateral Commission. Bush's development as an oil economist influenced his assessment of the Gulf Crisis and subsequent 1991 war.⁴²

The Jewish families that own major industrial companies are a model of access to American decision-making bodies, the most famous of which are the Edgar Bronigman family, the Annenberg family, the Crown family, and the Lord family. Here, the influence of the world of finance on all aspects of American life is evident, from supporting specific parties and funding specific research centers to establishing journalistic institutions and elite clubs, etc.

The collapse of the Soviet Union and the emergence of Japan and Europe as economic powers competing with the United States, coupled with some negative economic indicators, forced the US government to review the status of the White House Economic Advisory Board with a view to transforming it into a council with a legal status similar to the National Security Council, with decision-making authority over strategic economic issues. This trend is reinforced by academic forecasts and statements from US politicians.

The new Economic Council's mission is to coordinate the work of executive agencies on economic issues, such as the Treasury Department, the Federal Reserve (the US central bank), the Business Advisory Council within the White House Financial Services, and the Departments of Commerce and Agriculture. A second aspect of this council's development is its membership in the National Security Council.

John Perkins reported on the role of American companies, stating that they do not work alone, but rather in cooperation with the CIA and the US government.⁴³

Among the most attractive countries for these companies are oil-producing countries such as Indonesia and Saudi Arabia, where American companies have completed massive infrastructure projects in exchange for continued oil flow at agreed-upon prices. They also use the country's surplus oil revenues to purchase US Treasury bonds, the interest on which is paid to American companies implementing various projects here and there.

3.3. The role of pressure and interest groups in American politics:

The influence of pressure and interest groups in shaping the general framework of US foreign policy and its decision-making, including intervention decisions, is undeniable. The role and influence of these groups vary from one administration to another, depending on political circumstances and the nature of the resulting changes.

3.3.1. The role of pressure and interest groups.

Explaining the extent of the effectiveness of these groups in the course of foreign policy begins with a set of factors that have contributed to their growth and consolidation. These factors relate to the nature of the composition of American society and its well-known pluralism, in addition to political factors related to power and the nature of the distribution of its powers. We also touch on the bipartisanship that has contributed to highlighting this diversity within the framework of interests after it had been deprived of it within the framework of parties. Not to mention the general view of the American individual regarding the form of partisan variables in foreign policy, which leads to its influence through interest groups.

Economic and technological factors play a significant role in clarifying and explaining the nature of this influence. If the economic system is the criterion for American policy, based on the fact that the United States is an industrial society and that economic interests necessarily resonate with decision-makers, then technological factors have objectively produced a division of labor and specialization, which has subsequently led to lobbies and groups formed on professional or even general ideological bases. Their only way to secure their interests is to influence the American decision-making process. The weakness of pluralism in foreign policy decision-making and the monopoly of a dominant minority over the decision-making process has supported the work of these groups and made them more susceptible to penetration and interaction, benefiting from the groundwork provided by the weak tendency toward foreign affairs in American society.⁴⁴

The influence of pressure groups and interests on foreign policy is through:

- A- Influencing the president through the presidential elections, exploiting its financial and numerical weight on the one hand, and supporting or frustrating his choices regarding candidates for positions related to foreign affairs, and towards supporting and promoting its choices on the other hand.
- B- The influence it exercises over numerous federal agencies, especially those agencies that deal with foreign affairs, such as defense, foreign affairs, and the economy.
- C- Influencing the legislative authority, as legislative elections are the gateway for these groups to pressure candidates, or through congressional committees.
- D- These lobbies indirectly exert political and economic pressure on military and advanced technology companies, which in turn pushes these companies to influence the American military and political establishment and its decision-making process in favor of the interests of these groups.

These groups are sheltered by numerous strategic research centers staffed by elite personnel from the US Departments of State and Defense. These research centers adopt the views of these groups, market them within an academic framework for the benefit of decision-makers, or provide foreign policy advice and counsel, which largely determines the direction of interventionist policies. Not to mention, of course, the fact that these groups own numerous influential media outlets.⁴⁵

3.3.2. The most important lobby groups on US foreign policy:

Among the most important pressure groups in the United States of America are:

- 1- Military-industrial complex:

Intervention using armed force is a prominent element of American foreign policy. In addition to its military justifications, it also implies another reality: the creation of capital surplus, and the

fact that military operations and the military production that fuels them are among the most important means of eliminating this surplus through government expenditures for the benefit of the military-industrial sector, without effecting any change in the internal structure of society. This is another feature of interventionist action. Since the early 1950s, the power of the military-industrial sector and its penetration of the Pentagon and the US government in general have become apparent. Despite growing opposition from other sectors of capital, this sector's influence remains significant, often at the expense of other sectors.

The military-industrial structure comprises a broad spectrum of interests and identities that share an objective partnership aimed at achieving their core interests. This partnership is primarily centered on three basic levels: the first includes owners of military industries, the second includes government officials with vested interests and economic ties to military-industrial companies, and the third includes some members of the US legislative branch, which benefits from military spending.

The military-industrial complex's ability to influence the course of political life stems from its ability to provide massive financial assistance to members of the legislative and executive branches in the hope of securing the election of candidates who will take it upon themselves to protect and promote the interests of these companies.

The financial support defense companies provide to political campaigns to support candidates or political parties serves as an ideal mechanism for influencing American decision-making. Such support is not limited to the usual direct methods, but also includes support for influential lobby groups and public relations professionals in Washington, as well as the publication of media publications to be presented to Congress and the administration.

The events of September 11th provided an opportune opportunity for the military-industrial complex to expand its political role by promoting the theory of the external enemy, targeting the president's support. This allowed the president to act freely in trade agreements concluded with companies without referring to Congress, whose role was reduced to the limits of rejection or approval without delving into the details.

The structure of the military-industrial complex is not only implicated in the political roles it plays, but also, crucially, in the enormous economic returns it generates in the American industrial sector and in the international arms trade. This has given these companies tremendous economic power not only within the American domestic sphere, but also in international relations.⁴⁶

provided by the US military establishment play a significant role in supporting American diplomacy and, consequently, the military establishment's own interventionist choices at the global level. These programs provide practical cover for influencing political forces and those in key positions. The military-industrial alliance also contributes to building a psychological base that utilizes financial and personal means to significantly influence interventionist decisions.

2- The role of oil companies in American politics

As the United States (and later Europe and the rest of the industrialized world) became increasingly reliant on petroleum as a fuel and energy source, Washington, the largest consumer of this commodity, became increasingly keen to control petroleum resources, especially in the Middle

East (where its greatest reserves are located), and to manufacture and market it worldwide. Petroleum is "a vital strategic commodity in war, essential in peace, and required for global influence." All of this resulted in American oil companies (and before them the British/Dutch ones) becoming oil and political giants at the same time, and the intertwining of politics and oil in every element of American decision-making increased. Wilbur Greene Egeland argues that US President Truman gave his Secretary of State Dean Acheson a free hand in matters related to the Middle East, under the influence of oil men and companies.⁴⁷

In his book "Oil and Politics," Tawfiq Al-Sheikh sheds light on the growing role of American oil companies in the political decision-making process in the United States, saying: "The twentieth century witnessed a steady development in the size of American oil and industrial companies and their political and economic role, parallel to the development of the American economy from a national scale to a global spread." He added: "With the launch of American companies to various parts of the world, bringing with them financial and technical superiority, the American government found itself forced to abandon the isolation in which it had been living and to head to these regions for the purpose of its interests and protecting its companies, which began to generate large revenues and fund the treasury with taxes. Thus, the individual interest represented by the activities of these companies became part of the national interest due to the great benefits that these foreign investments brought to the American economy."

That is, one of the reasons for rejecting the American policy of isolation is the latter's efforts to pursue its interests and protect its companies, which have spread throughout the world.

Former US President Franklin Roosevelt is credited with saying:

"The annoying thing about this country is that you can't win an election without the support of an oil bloc, and you can't govern without its support."⁴⁸

In his previous book, Tawfiq Al-Sheikh reviews the various methods used by American oil companies to make the political elite represent their interests. These methods include establishing independent research institutes or funding academic research and studies institutions affiliated with major universities, and forming elite clubs that include prominent figures with public influence, such as the Council on Foreign Relations and the Rockefeller Fund. These methods also include directing the media and financing propaganda campaigns aimed at influencing public opinion in favor of any issues the companies need. "All of these methods that these companies resort to lead to one outcome: making the political elite represent and defend the interests of the companies."⁴⁹

Conclusion:

The study demonstrates that multinational corporations have evolved into the primary structural units of the global economy, functioning as massive economic entities with influence that transcends national borders. These corporations, particularly those operating in the strategic sectors of energy, defense, and media, maintain a relationship of fateful interdependence with sovereign governments, including the United States. This research indicates that while governments provide the legal and security frameworks necessary for corporate expansion, the state's political and economic stability has become increasingly reliant on corporate performance. Evidence suggests that this overlap is reinforced by the

movement of political elites between high-ranking corporate positions and public office, as well as the reliance of electoral processes on corporate financial support. Consequently, the political decisions of major powers often align with the profit-driven objectives of these firms. In the context of developing nations and oil-producing Arab states, the impact of these corporations has historically resulted in the exploitation of natural resources rather than the promotion of sustainable development. Ultimately, the rise of these corporations reflects a transition toward a model where global political and economic activities are deeply integrated, often prioritizing corporate interests and market expansion over traditional state autonomy.

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THE INFLUENCE OF MULTINATIONAL CORPORATIONS ON INTERNATIONAL POLITICAL DECISION-MAKING
