

# Foreword

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This volume has been planned as a tribute to the work of John H. Dunning. A distinguished British scholar with visiting appointments across the world, his studies of inter-corporate cooperation have become increasingly significant for international management research and for policy makers concerned with structural issues in the corporate-state domain.

Quests for competitive advantage motivating firms and the efforts of governments to enhance structural competitiveness draw much attention in current literature, but happenings in the real world of business cycles, trade conflicts, exchange rate volatility and policy failures as well as market failures raise urgent questions about the potential for more active inter-corporate cooperation. Hard competition between firms and between governments can be destructive, all the more so when there is rivalry in large-scale high risk speculative ventures. Re-orientations of corporate strategies, based on these understandings of *cooperative* as well as competitive advantages, can be seen to offer possibilities for higher, more even, and more stable growth and for more productive corporate inputs into national policies.

Efficiency and social justice perspectives on the balance between competition and cooperation between firms have been obliged to recognize problems of entrepreneurial coordination in interdependent knowledge-based economies. The promotion of recovery in the USA from the underlying recessionary trends in the economy which were accentuated by the September 11th tragedies had become an urgent task while this book was in preparation. The dimensions of this task were dramatized by the collapse of Enron, the US energy firm, which became the largest bankruptcy in US history. Efficiencies which might have been possible under pressures of accountability and transparency in a cooperative network of inter-corporate relations did not develop. The fortunes of thousands of workers and investors have been severely affected but the repercussions are more severe. They have created what many commentators have referred to as the unacceptable face of capitalism which strikes at the very heart and expectations of corporate America.

John Dunning's work has provided a research orientation that can open up possibilities for highly constructive knowledge intensive approaches to international management tasks. It has been an honour to have John as the

lead speaker at Saint Mary's University's annual international political economy conference and as the lead editor of this resulting volume. His contributions to our discussions included a public lecture on the Moral Responsibilities of International Business and this combined efficiency and social justice perspectives in a way which gave greater significance to his introductory chapter on relational assets. An important message of this chapter is that the development of relational assets through cooperation is conducive to higher overall productivity with stability. This is a message for business schools and economic policy institutes. An immediate consequence, for Saint Mary's University, is that it has helped to prepare the way for a conference on the Structural Foundations of International Finance in which the logic of developing relational assets through cooperation will be further explored.

I wish to thank all the participants in our conference for their insightful and enthusiastic contributions to what, I hope, will be a continuing debate among academics, corporate and government policymakers on Alliance Capitalism.

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