Economy is usually considered to create the core of globalization. Global business offers various communicative resources. While politics is basically still structured on the basis of the nation state system, transnational companies transcend borders much more easily. With such organizations, the “end of the nation state” seems to have begun. My own professor in Georgetown, Hanna Batatu, once said – and he was a communist – that capitalists are the real internationalists.

However that vision has almost vanished nowadays, in Trump’s United States as much as in „Brexit Europe“ – why? My answer is because the real potential of economy and business to overcome national power and other structures is, in fact, much more limited than we thought. We might have overestimated the global spirit of worldwide business. There is no such thing as a clash between global economies and local cultures. Economy very often is the local culture. We are left with what Bassam Tibi once called the “half modernity”: material products circulate world-wide, but business communication, except for certain information elites, remains attuned to local conditions, in internal as well as in external business communication.

Some theoretical remarks are necessary: in what follows, I will concentrate not on traditional trade but on transnational corporations. I will basically follow a modular theoretical perspective through a combination of structuralism and post-structuralism, in what we might call a “system-communication approach”. Systems like business companies follow autonomous programs and interests, but they also communicate internally as well as with external environments and through these interaction processes power relations and interests can be influenced.

Organizational communication of transnational corporations can be subdivided in three basic levels:

- **System-internal global interactions**: face-to-face or mediatized. Global teams have often been considered the nucleus of a new post-Westphalian global community. Manuel Castells, for instance, believes that we live in the age of new corporate networks.
• **System-environmental observational communication**: the famous diffusion of innovation or even circulation of ideas. Observation is sort of the classical mode of global communication, one-way communication, a mostly non-active reception of artefacts and texts by businesses who observe and analyze the world in order to stay innovative.

• **System-environmental discursive communication**: external communication, directed towards external publics. Marketing is a non-active form of persuasive communication that seeks to influence rather than merely understand the world.

### Systems and Stakeholders

A typology of global enterprises must be the first step of any analysis of global business communication. Transnational enterprises seem to differ greatly from politics, because they have fused national organizations into single transnational systems, thereby omitting the national systems’ interests and granting high-density dialogic communication which is clearly directed towards cosmopolitan globalism. Remember that globalization, free trade and the WTO removal of national barriers has been promoted by large companies for several decades now.

However, there are structural differences between the so-called „global players“. The economic literature subdivides them into three broad types: ethnocentric, polycentric or geocentric enterprises. Ethnocentric global corporations are mere extensions of companies that retain a firm national base and operate through global product chains that leave the core business in a single country. Polycentric types are “multinationals” in the sense that its different parts operate more or less globally independent. Only a third geocentric type of global corporations – for example joint ventures – are based on the ideal typical model of equal partnership across borders. A global “flattening process” seems to be going on, with more and more upcoming countries participating in transnational businesses. However, the geocentric model still in the minority. Most global players are, in fact, national companies, which are operating world-wide.

The consequences of these structural differences for communication are immense. While the ethnocentric model has extended into low-cost countries, the creative core of many product chains remains national in character and the scope of real trans-border dialogue is limited. It might be greater than in the decentralized polycentric model, but it is surely no equal global partnership, but national vertical system hierarchies constantly intervene into global business dialogues. For us communication scholars, structural differences in business are important, since the mere geographic extension of global players is no indicator of dialogue-friendly power relations. The
inflationary talk of “global players” reveals that we have got used to measuring internationalization on the basis of economic sales figures – not on the quality of global communication. As a result we are disappointed about people like Trump, who reminds US global enterprises of their “America first”-duties, but in reality most corporations seem to adjust quite easily to right-wing populist governments, since most ethnocentric or even polycentric “global players” have a national base to which they can re-adapt.

Internal Interaction

Despite structural limitations, communicative potentials in global business do exist. Global (virtual) teams are considered to be the blueprint for or even the nucleus of the world community. Transnational interactive business communities create a “third realm” across national borders. However, concrete academic analyses of interaction processes in global teams are hard to find. Unlike political diplomacy, global business interaction is no distinct research area. Perhaps our lack of theoretical insight in this field is one reason for the current failure of globalization.

We could simply transfer general schemes of negotiation like the Harvard concept of negotiation (Fisher et al.) to the business sector (“positions” must be reformulated as “interests” and agendas and frames retuned until a win-win-through situation is reached through rational deliberation etc.). However, economic organizations are more than mere accumulations of micro-negotiations. Interaction in companies only develops where neither power structures nor handling routines seem to suffice and no “programming” of behavior seems to exist. Interesting enough, within the scattered economic literature we see a growing interest in “storytelling” and “narratives” in companies as an expression of both formal and informal programming (we also speak of a company’s “climate” or “culture”). In global comparison, some basic types of narratives seem to exist, for example, anti-racist, diversity or cosmopolitan narratives. However, we have no clear empirical picture how widespread and stable they are. A German scholar, Gregor Halff, argues that an analyses or corporate literature (speeches of CEOs and the like) does not reveal any stable global narratives in transnational corporations. Just remember Apple’s and other companies’ attitude towards Trump: after his election they sounded anti-racist, but within months they have bowed down to his nationalist economic policies.

Beyond the companies’ cultural programming, internal interaction depends on networks. Manuel Castells’ work on the information society is a little contradictory here. He predicted a new era of globalization through networks, knowing, however, that most networks are not “full networks” where all members are connected, but limited structures (so-called “star-networks”, “chains-networks” etc.). Full transnational networks in companies only exist where all members of a team do communicate across
borders with each other. Castells’ paradigm of “horizontal networks as new forms of global communication” dismisses the fact that the existence of networks as such does not say anything about the quality of interaction, because a) there are different types of networks and b) because network analysis is only good for flows and connectivity, but not for any judgement about the dialogical quality of interactive content. There are passages in Castells’ work where he comes close to assessing that the network metaphor is insufficient (arguing that it does not necessarily produce a new global culture).

To sum up: dialogical global communication only takes place where power structures, cultural company programs and the form of networks allow team interactions across borders. It happens, but it happens much less than assumed. In business, like everywhere, global interaction is a matter of cosmopolitan elites. It is not a guaranteed culture within transnational corporations.

One final remark: Economic literature is increasingly aware that occasional face-to-face contact in global virtual teams is important and the sole reliance on mediatization in internal communication through the Internet is insufficient. The older “death-of-distance”-paradigm (Cairncross and others) of the early globalization debate seems to die out. Organizational communication is to a large degree informal communication, which is severely limited when mediatized. Only through informal communication “third spaces” can be created. Even business communities are based on trust as a precondition for the exchange of information and the creation of global knowledge. This explains why “global cities” and regions are increasingly attractive to global corporations: business migration instead of mediatized long-distance communication enhances the workforce and creativity.

**Observational Communication (Diffusion of Innovation)**

Much of global business communication is not interactive but observational. Very often experts speak about the “circulation of ideas” and they seem to imply that humanity is connected through the exchange of ideas, practices and products. However, observation is not an interactive, community-building type of communication, but an interpretive, often monologic process of the encoding and decoding of texts. The theoretical question here is not whether business communication contributes to global community, but to the “global knowledge society” and to the synchronization of modernity through processes of the diffusion or even circulation of innovation.

The answer is, of course, that it does. However, as the leading theoretician of diffusion, Everett Rogers, once argued, internationalization is more important in the knowledge phase than in the adaptation phase. We are using products often without a clear sense of their global inspirations. Those who really do, are called the „global
knowledge brokers”, who often create global epistemic knowledge of their own. Not even all member of a transnational corporations are part of these communities, not to speak of whole societies. The old dichotomy Merton once described, the split between “cosmopolitans” and “locals”, still exists, even in our global capitalist consumer world.

The reasons for the existing gap are a) differences in global competences and access (language, travels, access to foreign media etc.) and b) egocentric interests of politicians and economic systems, which are trying to prevent the free flow ideas through their copyright protection policies. Again Trump is a perfect example, not only for dislike of dialogue (as in the cases of the Iran and Paris treaties etc.), but also for restrictions in global knowledge circulation as in the case his criticism of China as a copy country (which, in fact, all industrial countries are at some point).

External Communication

Global business not only interacts internally, but it also communicates with outside environments and publics. The companies’ marketing is part of the public discourse. The question is: to what degree do marketing strategies follow a globalization narrative? In what sense is marketing and advertisements sending out global messages and promoting global values? In contrast to specialist communication within companies, PR and marketing are forms of lay communication, which are really important as part of our everyday discursive meaning construction, the media and the public sphere.

Our initial assumption would be that global enterprises do send out global messages: the commercials for Coca Cola are available throughout the world. However, the story is much more complex than that. The standard reading in marketing research today is that global advertising is mainly a mix of global standardization and local differentiation. Honestly, I am not happy with this assumption, because I believe that most marketing by global companies is more adapted to local than to global contexts. The product, the label, the icon is global – but the socially fabricated messages are local. German companies sell products in Saudi Arabia with the traditional images of women as housewives – while at the same time our mass media complain about the role of women in that country. This is no exception. We hardly find consciously global messages in corporate marketing. Companies shy away from this and rather adapt to what they perceive as local national and cultural identities.

Economic literature is in general really conservative in preaching the existence of cultural and national differences. Freitag and Stokes demand that companies should show their “commitment to national success”. Quelch and Jocz talk of global firms as “good local citizens”. Cosmopolitan voices like that of Levitt are considered radical
outsiders in global marketing. Even those in search for a “glocal” compromise advocate the combination of global product brands with local customers’ flavor.

Conclusion

In sum, I agree with my German colleague Simone Hucks: Global companies invest globally, their internal communication might be called “glocal”, but their marketing remains local. Therefore, global players or transnational corporations can hardly be considered to be forces promoting global values through communication. Instead, they are highly ambivalent and driving us into “half modernity” — with all the problems of nationalism, racism etc. that we face today.

Thank you for your attention!