

The nature of transnational power

Gerard Destanne de Bernis, *Relations Economiques Internationales*, Fifth edition, Dalloz, Paris, 1987, pp 1 336.

True, we live in an age of fatuous hyperbole but I believe it would be no exaggeration to say that this monumental work will remain for many years the crowning achievement of Professor de Bernis of the University of Grenoble, and a member of RMR's Editorial Advisory Board. Originally conceived by his colleague Prof Maurice Bye, this edition has been totally revamped. What this work exhibits in abundance is sparkling intelligence, wit, organizational technique and inexhaustible research capability by unquestionably the paramount social scientist in France.

It is a tribute not only to an outstanding European scholar that has taught several generations of his countrymen, but no less so to the thousands of foreign students in all continents, not least in the former French colonies. Because of his forward-looking social perspectives he has been anathema to the French ruling political oligarchy and their extensions in France's fossilized academic milieu. This is as it should be, for he is an *homme engagé* glimpsed in his uncompromising hostility to the colonial wars of the political-militarist caste. For although de Bernis is a scholar of universal distinction he has never belonged to the cloistered breed or has he ever severed his moorings to the social and revolutionary changes that are coursing through our universe.

Teacher and economic theorist, he remains par excellence, a man of action who continues to give his time unstintingly and zealously as an economic and social adviser not only to the developing world, but no less so to several leading socialist and capitalist economies. This work reflects that experience. As Gunnar Myrdal was fond of saying: its relatively easy to be a rebel, but a highly competent and compassionate rebel is another matter. Within this work

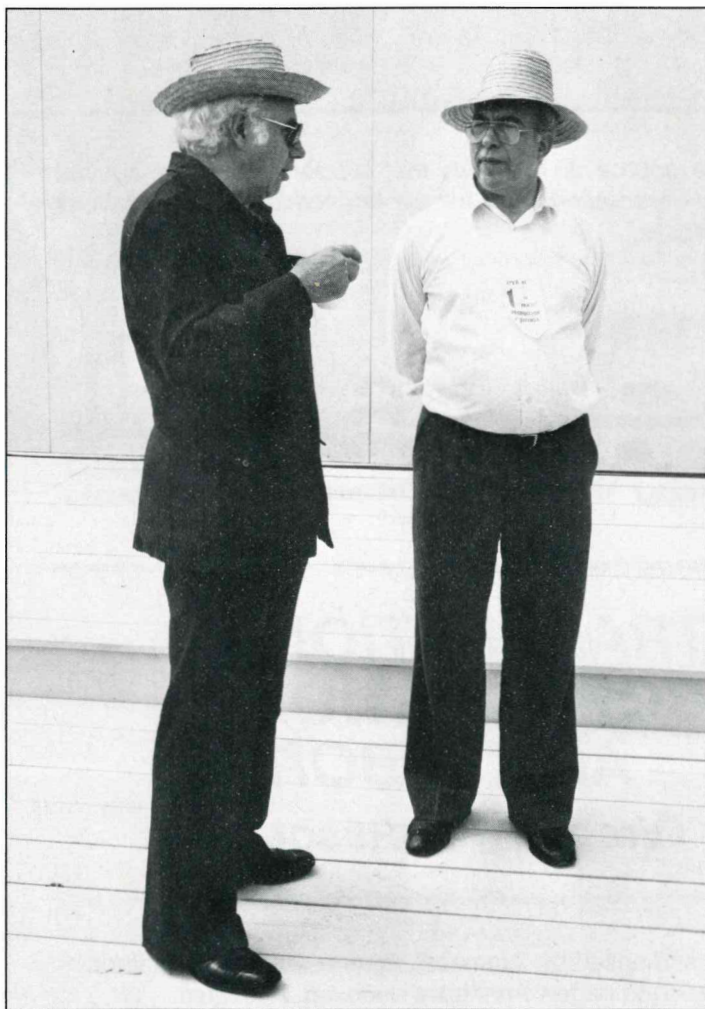
readers will not be treated to a parade of mathematical formulas and graphs, although they are there, but not intrusively so, although de Bernis himself is a professional mathematician of the highest calibre.

Doubtless, there will be those that might be appalled by the book's sheer size; but there is no justification for such distress as it is printed within an easily accessible format, with a highly readable print and, what is more, with footnotes at the bottom of the page. The book deserves a much wider readership than those of French mother tongue, but even here again readers with a reasonable knowledge of the language will not find the text rebarbative. This is not because the author "writes down" to his reader, but, because amongst other things, as a dazzling public speaker he has welded his literary style to a simplicity and clarity of expression in which ambiguities and superfluties have been degutted. In fact, as one who has known de Bernis for many years, it would be difficult to imagine him to be ambiguous and ambivalent on any point. It was Bossuet (1614-1704) who said: "le style c'est l'homme." And it is precisely this stylistic elegance that is one of the work's propellants, a treat so rarely in evidence in Anglo-American expositions in the social sciences.

By its sheer size and architectural structure, by which is meant the proportions and relations that characterize this creation, one is not expected to read this book from cover to cover nor is it suggested that it be done. Any chapter or section of specific interest can be selected and read. This is not to suggest that it is "easy" reading, because it is not. It is a work of sustained theoretical profundity, at times deceptively so because of its literary grace.

It is divided into two parts: the first spells out the concepts of applied general equilibrium theory to international economic relations; the second, the theory of applied regulation. But while

Gerard de Bernis (left) with a Latin American colleague at the Second Conference of Third World Economists, Havana, Cuba, 1981.



these two major pillars may seem mind-boggling to the layman they are in fact less formidable. There are 15 chapters of unequal length, and these in turn are broken up into what he calls titres, or what I would prefer to have called subtitles between chapters.

The importance of this edition compared to its precursors is what I consider to be its emphasis on the nature and mechanisms of decisional power within the international economy. Such an approach breaks from the trite two dimensional geometry of price and quantities determined by purely competitive markets. As de Bernis recognizes, and of course he is not writing a treatise on economic history to demon-

strate the irrelevance of purely competitive markets in the world of the last decade of the twentieth century, but to remind us of fundamentals: the centres of decision making on the global market belong to the public and private sectors, the state and the specific class relationships that are related to them. And certain supranational institutions.

The competitive market liturgy which is still the stock in trade of these traditional and lavishly bank-rolled institutes of international economics seriously ignore this fact of life; and not surprisingly, the crushing and pervasive presence of the transnational corporation: their dimensions, political power and the extent to which they dominate markets, and hence prices.

This brings de Bernis to a shattering insight that is the essence of simplicity – one among the hundreds that stud this work – when he reminds us that the statement that “France buys high precision tools from Germany” is a statistical abuse, inasmuch as it is not capitalist countries that normally buy and sell, but firms which do so. Today these representative firms are transnational corporations which have become the forma-

tive moulders and shapers of change in the world market.

What is being said, and that is of crucial importance for the analysis of prices and commodities traded on the international market, is that we are not dealing simply with countries versus countries, but with corporations that are buying and selling from themselves, in which transfer pricing plays a key role. To say that Guatemala sells bananas is a proposition that is simply trite: far more analytically perceptive would be to acknowledge that the R J Reynolds/Nabisco corporation that has swallowed up Del Monte, and the same applies to United Brands, formerly United Fruit, grows bananas on its plantations and sells them on the international market at a price which is oligopolistically determined.

It is reminders of this order which free us from the cursed mythologies of mainstream economics. What staggered me was the historical sweep, or what he labels “le cadrage historique”, which apart from linking historical fact to theoretical virtuosity must be, to the best of my knowledge, the largest chapter in any book ever published; in fact, a book in itself of 227 pages. No doubt a Guinness record which bears comparison to the no less illustrious and unique single page chapter of Keynes’ *General Theory*.

It is to be hoped that this work will be translated shortly into English for it will remain for many years to come not only an invaluable reference work, but what is far more vital is that it provides the reader with an interlocked system of maps that guides him through the maze, thickets and baffling complexities of international economic relations. This is a grand celebration, at once a personal and collective triumph. It is to be hoped that this great and good man will have many more years of what was and is an exemplary creative life.

Frederick F Clairmonte