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Volume 30 (2), 2021

INFLUENCE OF TRANSNATIONAL CORPORATIONS ON THE GLOBAL ECONOMIC ORDER

The global economy has been in a state of permanent crisis for the last 10 years, the beginning of which is considered to be the financial crisis of 2007. Many studies have been devoted to identifying the reasons for deepening this crisis and gaining global scales, but there is no explicit answer to questions related to measures to overcome crisis phenomena and to create the basis for further sustainable development and its regulation.

In our opinion, one of the main reasons for the failure of national economies and the global economy as a whole to ensure a positive development trend is the significant influence of modern monopolies and monopolistic associations both on the national and international levels.

From the early 1970's to the beginning of the nineteenth century, transnational corporations have become the engine of the global economy and the driving force behind the spread of globalisation, but at the current stage, reaching a large size and with considerable financial resources, they become an obstacle to the development of a free market and support and development of competition.

Most publications in scientific sources are devoted to the analysis of tendencies of development of transnationalization of the world economy and substantiation of efficiency of activity of transnational companies as the organisation of the world economy, but insufficiently covered the shortcomings of activity of transnational corporations and revealed negative influences on the state of development of the global economy.

In a scientific article in order to find ways to overcome the stagnation of the world economy, the influence of international monopolies on economic relations has been researched both within individual states and within the global economy, trends in their development have been identified, and measures have been developed to improve the situation.

JEL: A1; C1; F01; F23; F6

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Introduction

World monopolisation began to develop quite actively after the Second World War, and globalisation of the world economy contributed to these processes. So far, the share of transnational corporations in the world trade reaches almost 70%, in industrial production – more than 60%, but the most dangerous in our view is that transnational corporations own 80% of patents, licenses and know-how. In addition, almost all of the global commodity markets are under the complete control of transnationals. The list of these markets and the share of transnationals in these markets are shown in Table 1 (Hiratsuka, 2011; Adam, 2017; Morse, 2018; Ushanov, 2017).

Table 1

The world markets with the highest concentration of transnational corporations (%)

№	Name of the product market	The share of transnational corporations in the market
1	Pharmaceutical market	95
2	Iron ore market	90
3	Wheat market	
4	Tobacco market	
5	Coffee market	
6	The corn market	
7	Timber market	
8	Foreign direct investment market	85
9	Bauxite market	
10	Copper market	80
11	Tin market	
12	Tea market	
13	Manufacturing Electronics Market	
14	Chemical products market	75
15	The banana market	
16	Oil market	
17	Rubber market	70
18	Automotive market	

Source: compiled by the authors (Hiratsuka, 2011; Adam, 2017; Morse, 2018; Ushanov, 2017)

Analysing the data in Table 1, we can say that in the world market situation is that transnational corporations control the markets for the production of goods with the highest level of value-added.

The current state of development of the global economy is characterised by the acceleration of mergers and acquisitions, which results in a decrease in the level of competition and the monopolisation of certain industries in the world market.

The Literature Review

Adam S. (2017) focuses on identifying the impact of transnational corporations on financial market development.

Bair J. (2015) paid attention in his study to the study of the impact of transnational corporations on the activities of the United Nations.

Cârlea D. (2010) paid attention to the study of the impact of Codex Alimentarius on the state of competition in global food and pharmaceutical markets.

Cobham A., Gray J., Murphy R. (2017) in their work analysed the level of taxation of transnational corporations in different countries of the world, identified the general trends and approaches of these companies to optimise tax payments.

Gostiuk M.T. (2010) conducted a research towards the monopolisation of the world food market, which revealed its trends, the impact of transnational corporations on the quality of food.

Katasonov V. (2018) explored the use of international law by transnational corporations in disputes with governments of host countries.

Morse S. (2018) outlined the Organization for Economic Co-operation and Development's approaches to regulating the activities of transnational companies and analysed the taxation methods for multinational companies.

Nellis S. (2018) analysed the state of Apple's development and provided an estimate of its future pricing policy in the global market.

Stroeveva O., Ivanushkina, A. (2017) conducted research in the field of the global investment market, identified the place of transnationals corporations on it and identified the directions of internal technological development of these companies.

Ushanov S. A. (2017) identified the place and role of US transnational corporations in the global economy, provided an analysis of trends in the priorities of their activities and identified approaches to their activities in countries of location.

Ylonen M. (2017) provided a deep retrospective analysis of the unification of taxation methods for transnational corporations, which allowed them to determine the share of these companies in the budget revenues of different countries.

The above authors have provided an in-depth analysis of the activities of transnational corporations in their fields of research. However, this study distinguishes a comprehensive approach to determining the impact of transnational companies on the development of the global economy, analysing the most attractive industries of these companies and forecast the profitability of technology corporations in the world.

Aims

The purpose of the study is to comprehensively highlight the role of transnational corporations in contemporary international economic relations, identify leaders of global markets, identify trends, forecast the development of the largest companies in one of the most promising sectors of the global economy and develop proposals for regulating the legal relations of globalisation processes in order to transform transnational economy and competition protection.

Research Methodology

In accordance with the purpose of the study, the following objectives were developed: to identify the sectors of the world economy with the greatest influence of transnational corporations; to study and analyse the dynamics of the circulation of the largest transnational corporations in the world; identify the problematic aspects of transnational companies providing theoretical substantiation; to develop the forecast of development of the most promising branch of the world economy; propose remedial measures.

The recessionary state of the world economy and the recent threatening tendencies on the one hand, and the strengthening of the economic and even geopolitical power of transnational corporations, on the other hand, are forcing scientists to seek new approaches and theories of organising the world economic space in order to promote competition, stimulate competition-technical progress and development of the world economy. The above determines the relevance of the chosen research topic.

Today, the activities of multinational corporations are attracting more and more attention from politicians and scholars alike, allowing one to hope for solutions to pressing issues and contradictions. Thus, the theoretical basis of the study became the fundamental provisions of economic theory, scientific works and methodological developments of domestic and foreign scientists in the field of economics, law, statistics, modeling, as well as legal acts, methodological and statistical materials. The study was based on the application of the methodology of economic analysis, logical generalisation and comparison of results, statistical analysis and graphical presentation of results.

Research on the status and development trends of multinationals over the past five years

Before moving on to the study of the state of development of transnational corporations, it is advisable to consider the economic essence of the concept of “transnational corporation”.

There are many interpretations of this definition in the modern scientific literature. In our view, the most correct in practical use should be the definition that has received international legal approval. This is the interpretation given by the United Nations Conference on Trade and Development (UNCTAD): “A transnational corporation is an enterprise that unites legal entities of any legal form and activity in two or more countries and pursues a single policy and overall strategy through one or more decision centres” (World Investment Report, 2003).

At the present stage, transnational corporations have gone beyond the concept of legal entities and inflated geopolitical colour by their level of influence. In addition, being multinationals, they still have signs of belonging to the national economy of their country of origin. It is these characteristic features against the background of the strengthening of the monopoly power of such corporations in the world markets that determine their behaviour. (Sullivan, 2002; Bair, 2015)

In our view, these features should be reflected in the definition of the concept of a transnational corporation at the level of international law and have appropriate legal regulation.

Table 2

The world's largest transnational corporations for 2018

Name	Country of Origin	Industry	Revenue, billion USD					Rank				
			2014	2015	2016	2017	2018	2014	2015	2016	2017	2018
Walmart	USA	Retail	476	485	482	485	500	1	1	1	1	1
State Grid Corporation of China	China	Fuel and energy	333	339	329	315	349	7	7	2	2	2
Sinopec	China	Fuel and energy	457	446	294	267	327	3	2	4	3	3
China National Petroleum Corporation	China	Fuel and energy	432	428	299	262	326	4	4	3	4	4
Royal Dutch Shell	Netherlands	Fuel and energy	459	431	272	240	311	2	3	5	7	5
Toyota Motor	Japan	Car manufacturing	256	247	236	254	265	9	9	8	5	6
Volkswagen	Germany	Car manufacturing	261	268	236	240	260	8	8	7	6	7
BP	United Kingdom	Fuel and energy	396	358	226	186	244	6	6	10	12	8
Exxon Mobil Corporation	USA	Fuel and energy	407	382	246	205	244	5	5	6	10	9
Berkshire Hathaway	USA	Financial	182	194	210	223	242	14	14	11	8	10
Apple	USA	Technology	171	182	233	221	229	15	15	9	9	11
Samsung	South Korea	Technology	208	195	177	174	211	13	13	13	15	12
McKesson	USA	Pharmaceutical	138	181	192	198	208	29	16	12	11	13
Glencore	Switzerland	Food	232	221	170	173	205	10	10	14	16	14
United Health Group	USA	Insurance	122	130	157	185	201	39	35	17	13	15
Daimler	Germany	Car manufacturing	156	172	165	169	185	20	17	16	17	16
CVS Health	USA	Insurance	126	139	153	177	184	35	30	18	14	17
Amazon	USA	Technology	74	89	107	136	178	112	88	44	26	18
Exor	Netherlands	Financial	151	162	152	155	161	24	19	19	20	19
AT&T	USA	Telecommunications	128	132	146	163	160	34	33	23	19	20
Phillips 66	USA	Fuel and energy	161	149	86	н/д	91	19	23	74	94	67
E.ON	Germany	Fuel and energy	162	151	129	42,8	42,8	18	22	32	254	255
Gazprom	Russian Federation	Fuel and energy	165	144	99	91	112	17	26	56	63	49
AXA	France	Insurance	165	161	129	143	149	16	20	33	25	27
Industrial and Commercial Bank of China (ICBC)	China	Financial	148	163	167	147	153	25	18	15	22	26
Total SA	France	Fuel and energy	212	212	143	128	149	11	11	24	30	28
Chevron	USA	Fuel and energy	202	203	131	107	134	12	12	31	45	33
General Motors	USA	Car manufacturing	155	156	152	166	157	21	21	20	18	21
The revenue of the top 20 companies			5493	5227	4548	4458	4987					

Source: compiled by the authors.

Based on the above, we propose our own interpretation of this definition: a transnational corporation is a legal entity that owns foreign funds, through which it operates in order to

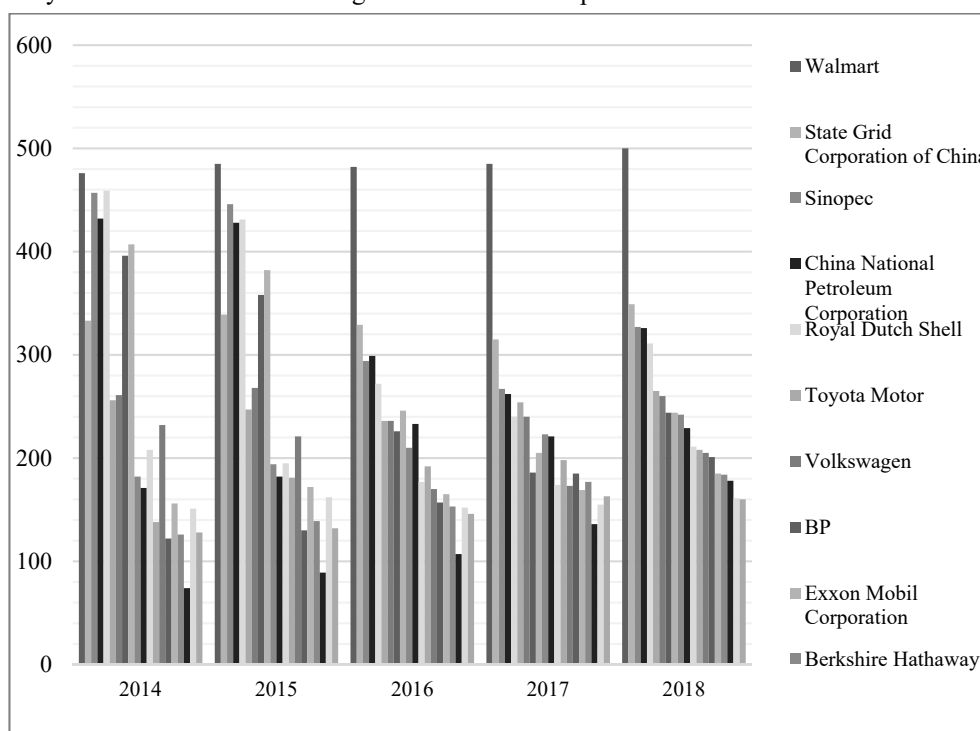
maximise profits by optimising the organisational and production process, achieving total market control, and all strategists, directly or indirectly, are accepted for the benefit of the country of origin.

The number of transnational corporations is steadily increasing, there are currently about 85000 in the world, they control more than 850000 subsidiaries worldwide. At the same time, about 65% of parent companies are located in developed countries, and 60% of subsidiaries are located in developing countries. The United States, Western Europe, Japan, China, Hong Kong, North Korea have become world centres of concentration for multinational corporations as countries of origin (Friedman, 2002; Ylonen, 2017; Ushanov, 2017; Buckley, 2009).

The list of the most influential international corporations, according to the Fortune Global 500, is shown in Table 2. According to this rating, the influence of the corporations of the fuel and energy sector has been weakening over the last 5 years.

Figure 1 clearly illustrates the dynamics of revenue development of the largest transnational corporations over the last 5 years and the trends in their ranking.

Figure 1
Dynamics of income of the largest transnational corporations in the world for 2014-2018

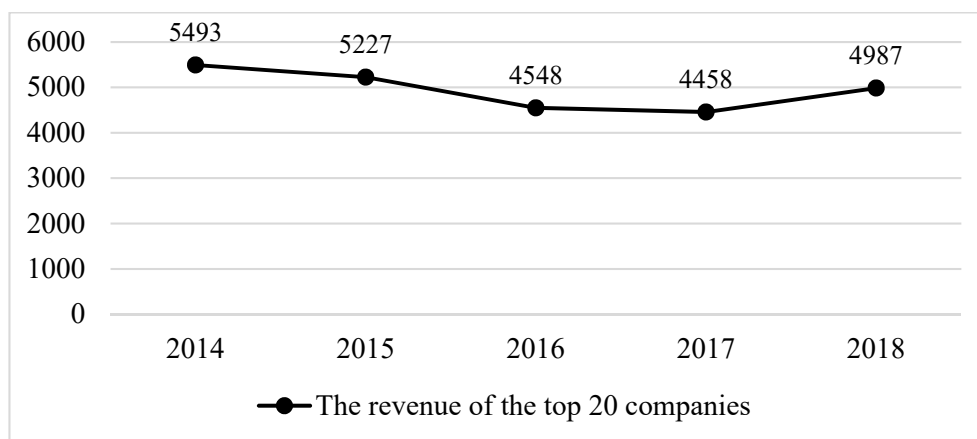


Source: compiled by the authors

Figure 2 allows us to trace the dynamics of revenues of the largest transnational corporations for 2014-2018, the composition of the list of TOP-20 of these companies differs slightly by year, but its essence is to identify the turnover of only the leaders of the rating. We see a trend towards a decrease in the aggregate revenues of the TOP 20 transnational corporations in the period from 2014 to 2017, and only in the last year there is a certain increase in this indicator. This trend is almost exactly the same as the overall change in the volume of income of the 500 most powerful companies in the world: yes, in 2015 this amount was 12.5 trillion. USD, in 2016 – 12 trillion. and in 2017 – 12.06 trillion. \$. A prime example is United Health Group, which has risen from 39th place in 2014 to 15th place in 2018, and has almost doubled its revenue. But the most worrying is Amazon's growth from 112th place in 2014 to 18th place in 2018, with the company's turnover growing 2.5 times.

Figure 2

Revenue dynamics of the 20 largest transnational corporations in the world for 2014-2018, billion USD



Source: compiled by the authors.

In addition, studies show that overall revenue declined most for fuel and energy companies over the analysed period, while retailers, financiers, and high-tech corporations increased their revenues.

The TOP-5 industries that account for the highest revenue, accounting for 57% of the total turnover of the largest transnational corporations in the world, rated Fortune-500, are shown on Table 3.

As can be seen from Table 3, most of the turnover of transnational corporations is in the financial sector, in addition, its weight and impact are increasing.

We compare the list of industries that brought global corporations maximum revenue in 2018 with the 2014 list, which are shown in Table 4.

Table 3

The ranking of the most profitable industries in the world in the activities of transnationals in 2018

Industry name	Share of total revenue, %
1. Banks and finance	21
2. Trade	15
3. Pharmaceutical	7.5
4. Distribution	7
5. Fuel and energy	6.5
6. Others	43

Source: compiled by the authors (Fortune-500, 2018).

Table 4

Ranking of the most profitable industries in the world of multinational corporations in 2014

Industry name	Share of total revenue, %
Banks and finance	26
Fuel and energy	11
Pharmaceutical	8
Technology	7
Car manufacturing	5.5
Others	42.5

Source: compiled by the authors (Fortune-500, 2014).

Comparing the data, it can be seen that the pharmaceutical and financial sectors have held the leading position for 5 years, while the automotive, fuel and energy and high-tech industries have lost their places, and have been replaced by trade and distribution.

Problematic aspects of the activities of transnational corporations and finding ways to solve them. The study showed that in those sectors of the world economy where the concentration of transnational corporations has not reached critical importance, there transnational companies demonstrate a sufficiently high efficiency in the organisation and production of goods or services and the use of resources. For example, such companies pay a great deal of attention to scientific and technological developments, the introduction of new technologies, the search for new ways to improve their own competitiveness. However, in those areas where transnational corporations have reached a monopoly level, there are problematic aspects that cause threatening trends in their development to national economies and the world economy as a whole, namely:

1. Food industry. In 1963, the World Health Organization (WHO), together with the Food and Agriculture Organization (FAO) at the United Nations, created the Codex Alimentarius Commission, whose task is to develop and implement uniform standards in the production, packaging and labelling of foodstuffs, pharmaceuticals and agricultural products. At present, the commission consists of 188 members and representatives of manufacturing companies as non-voting observers. The document developed and approved has come into force since 2010 (Gostiuk, 2010).

At first glance, it is a very useful and necessary initiative to unify approaches to the processes of production, labelling and standards of analysis and verification of foodstuffs in order to protect consumers and resolve disputes between producers. However, Codex contains rather ambiguous points that reinforce the role of transnational food corporations and protect them from competition from small national producers.

In addition, according to the Codex provisions, animals, milk and meat used for commercial purposes must be used with growth hormone and antibiotics, otherwise, the product is not allowed on the market.

For example, in 2009, a law was passed in the United States requiring organic farms to buy seeds from only one Monsanto supplier. However, studies carried out in France by the independent CRIIGEN Institute together with UNICAEN have shown that MON 810 corn and its seeds from this producer are dangerous to human health because they are a genetically modified product and cause diseases of the cardiovascular system, kidney, liver, etc. (Cârlea, 2010).

2. Pharmaceuticals. The previous paragraph covered the main provisions of the Codex Alimentarius, the effect of which extends to pharmaceuticals and healthcare.

According to Stefan Manea, head of the Romanian medicine company HOFIGAL, “Codex Alimentarius is, in theory, a collection of food standards adopted internationally for the stated purpose of protecting consumers’ health, in fact, Codex Alimentarius intends to ban any alternative method of health protection. For example, natural therapies, the use of dietary supplements and vitamins, and all that will be a potential competitor for pharmaceutical chemistry”. The Code’s standards are designed to meet the needs and protect the interests of a narrow range of pharmaceutical giants comprising BASF, Pioneer, Monsanto and Aventis (Gostiuk, 2010).

3. Finances. Transnational companies are concentrating large financial resources that can be compared to the budgets of entire sovereign countries in size. For example, the gross value added of the largest Walmart company in the world corresponds to Vietnam’s GDP. This fact allows transnational companies to influence the financial market, currency fluctuations and the state of development of national economies of individual countries (Cobham et al., 2017; Vogiatzoglou, 2008).

Following the 2001 default, Argentina’s difficult negotiations with the lender community found an agreement to restructure its debt. The Elliott Management Corporation hedge fund, whose core business is independent sovereign debt operations, in the fall of 2012, owning 7% of Argentina’s bonds, sued New York to recover \$ 1.3 billion, destroyed the agreement between Buenos Aires and the creditors built to improve the country’s economy. However, the decision was made in favour of Elliott Management Corp., was the cause of the new crisis of 2014 and the second default of Argentina since the beginning of the 21st century (Katasonov, 2018).

This was made possible by the existence of a mechanism such as the Investor-State Dispute Settlement (ISDS), which seeks to resolve contradictions that arise between states and their investors. The body that performs worldwide arbitration functions using this mechanism is the International Center for Settlement of Investment Disputes (ICSID), which is part of the

World Bank. Thus, corporations have been given the legal instrument to challenge certain decisions of sovereign states that interfere with their interests. At first glance, such a practice seems to be quite useful, but in practice, this reputable international body has become a tool for blackmailing and taming untruthful governments (Matrosova, 2016).

Most transnational corporations actively use the transfer pricing mechanism in their activities. Due to their multinational structure, these companies are actively manipulating prices, enabling them to compete effectively with other producers, as well as to avoid paying taxes. Yes, the tax authorities of economically developed countries effectively monitor the transfer pricing of transnational corporations, but other countries either do not have adequate legislation or sufficient resources, or the desire to counteract abuse to replenish their own budgets. It is possible to change the situation by adopting and enacting legislation that prevents multinational corporations from hiding from taxation, but practice shows that corporations are coming to the protection of ISDS again. A striking example is the situation in India through tax changes, which resulted in the British company Cairn Energy filing a claim for compensation of \$ 5.6 billion on June 28, 2016 (Morse, 2018).

Ever since the mid-1970s, work has been done at the level of the United Nations Economic and Social Council to regulate the activities of transnational corporations. Thus, from 1977 to 1992, the Commission on Transnational Corporations actively worked to develop a Code of Conduct for Corporations that would address all the issues at stake, but due to the wide divergence of views between corporations and host countries, it remained at the level of recommendations. At the same time, the role of transnational corporations has increased so much that at the UNCTAD level at the UN there are calls for the involvement of transnational companies in decision-making on international economic law. However, in recent years, the attention of various countries has been turning to regulate the legal aspects of the behaviour of transnational companies in the world markets, which allows us to hope that this time consent will be found (Moghaddam et al., 2012).

4. Ecology. The practice of some transnational corporations has been monitoring the activities of affiliates in host countries related to the aggressive use of natural resources. For example, Oceana Gold, a Canadian-Australian company, mined gold in El Salvador with major environmental violations, which triggered major public outcry and, ultimately, a legislative ban on mining in that country.

A more striking and global example is the pollution of the oceans, with 90% of all dirt floating on its surface being 350 million tonnes of plastic. Measures and research conducted by Greenpeace, along with other environmental organisations in 2016-2017, revealed that the main sources of this dirt were plastic packaging from Coca-Cola, PepsiCo and Nestle (Greenpeace, 2018).

Greenwash is a global phenomenon today, a strategy of multinationals aimed at positioning themselves as eco-oriented companies in order to hide the negative impact of their activities on the environment. To this end, advertising companies are being developed, and some transnational corporations are even financing environmental forums. A striking example is the practice of Coca-Cola. The concept of Greenwash was formed in the 1970s, when societies in developed countries reached a high level of environmental awareness (Werhane,

2016). Thus, the pursuit of profits pushes transnational corporations to neglect the environmental impact of their activities.

The problem is compounded by the fact that the “greening” of the consciousness of societies in different countries is at different levels. For example, in developed countries, the public, with a high level of consumer responsibility, is forcing transnational corporations to change their own approaches to technological processes to meet their demands. In developing countries, the environmental requirements of goods and technological processes are much lower than in developed countries. This is due to the fact that these countries are deliberately neglecting environmental requirements in order to obtain the fastest economic effects (Tomohara et al., 2011).

However, there is also a positive trend in this regard, as some transnational corporations have recently made high environmental demands on raw material suppliers, most notably in the food industry. This phenomenon is associated with increased price competition and the importance of social policy for companies (Mataloni, 2014).

Development prospects. Active changes in development priorities and competitiveness factors in the post-industrial globalised world transnational corporations are increasingly paying attention to innovation. It is no wonder that technology corporations have been developing so fast lately. Thus, in the structure of expenditures on research activity in the second-most competitive economy in the world – the US 68% falls on the corporate sector, 20% – on private non-profit organisations, 12% – on public spending. In other leading countries for innovation development and the number of parent transnational corporations, the share of these companies in R&D is: Japan – 70%, Germany – 66%, France – 53%, the United Kingdom – 49% (Ushanov, 2017; Stroeva et al., 2017).

Table 5

Dynamics of changes in the income and profits of the companies with the highest market capitalisation for 2014-2018

Rank	The name of the transnational corporation	2014		2015		2016		2017		2018	
		Revenue, billion USD	Profit, billion USD	Revenue, billion USD	Profit, billion USD	Revenue, billion USD	Profit, billion USD	Revenue, billion USD	Profit, billion USD	Revenue, billion USD	Profit, billion USD
1	Amazon	74	0,27	89	-0,24	107	0,6	136	2,37	178	3,03
2	Microsoft	78	21,9	86,8	22,07	93,6	12,2	85,3	16,8	90	21,2
3	Alphabet (Google)	60	13	71,5	0,44	75	16,4	90,3	19,5	111	12,6
4	Apple	171	37	182	39,5	233	53,4	216	45,7	229	48,4
	Разом	383	72,17	429,3	61,77	508,6	82,6	527,6	84,37	608	85,23

Source: compiled by the authors (The Wall Street Journal, 2019).

Not for nothing, on January 7, 2019, the largest technology corporations in the world, that is, the most expensive brands were American technology companies. Although the largest 20 transnational corporations include only 2 of them. However, according to The Wall Street Journal, January 7, 2019, companies with the highest level of market capitalisation in the

world are transnational corporations that work in the technology industry. This rating is presented in Table 5.

This fact speaks for itself and underscores the importance and promise of high-tech developments.

As can be seen from the table, the total income of these companies in the five years increased more than 1.5 times, but their total profit over the same period increased at a slower rate – almost 1.2 times. Apple saw the highest revenue growth and Amazon revenue.

We make a forecast of their further development, using their income and earnings data for five years based on an exponential smoothing method using the following formula:

$$\hat{Y}_{t+1} = k \times Y_t + (1 - k) \times \hat{Y}_t, \quad (1)$$

Where: \hat{Y}_{t+1} – forecast for the next period $t + 1$; Y_t – the values used for the forecast for the current period t (gross profit for years); k – row smoothing coefficient, $0 < k < 1$; \hat{Y}_t – the value of the forecast for the current period t .

In addition, in the first period (year) $\hat{Y}_1 = Y_1$, that is, \hat{Y}_t in the first period is equal to the income in that period.

The results of the calculations for forecasting the dynamics of the development of total income of technology companies with the highest level of market capitalisation for the next 2019-2022 years are shown in Table 6.

A graphical representation of the development scenarios is shown in Figure 3.

The results of forecasting changes in the overall trend of profitability of these enterprises show optimistic indicators, even the pessimistic scenario shows steady growth that will allow to cross the border in \$ 800 billion by 2022. However, no forecast is able to account for unforeseen circumstances that can dramatically change the location of forces and performance indicators of enterprises.

Table 6

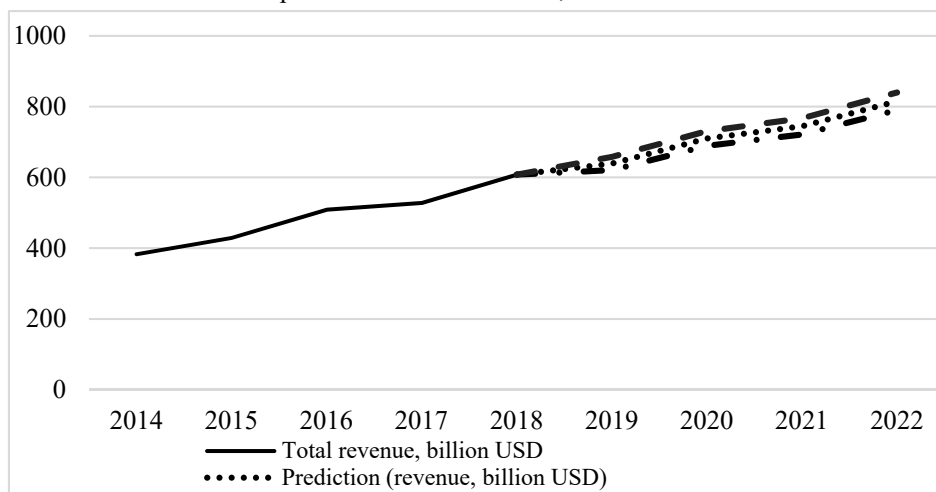
Forecast of dynamics of total income of technology companies with the highest level of market capitalisation for 2019-2022

Year	Total revenue, billion USD	Prediction (revenue, billion USD)	Lower Confidence Border (revenue, billion USD)	Upper Confidence Limit (revenue, billion USD)
2014	383,00			
2015	429,30			
2016	508,60			
2017	527,60			
2018	608,00	608,00	608,00	608,00
2019		639,4131598	620,74	658,08
2020		710,2142617	689,33	731,10
2021		744,4331863	721,52	767,34
2022		815,2342882	790,47	840,00

Source: compiled by the authors.

Figure 3

Prediction of total income of technology companies with the highest level of market capitalisation for 2019-2022, billion USD



Source: compiled by the authors

To confirm the calculations and select the more likely scenario, we will predict Apple. This choice is due to the fact that this company has the highest turnover and profit among the above, and, according to Forbes magazine, the listed transnational corporation for the 2018 results for the eighth consecutive time was the most expensive brand in the world (Forbes, 2019). Against the background of recent earnings reports for this company, a pessimistic outlook seems more likely. Yes, according to Reuters news, the Cupertino-based company plans to cut prices for its products in some non-U.S. markets by reducing revenue in the fourth quarter of 2018 by 15% over the previous year (Nellis, 2018).

On this basis, the most likely scenario for this group of companies is the pessimistic one, which still predicts a steady increase in revenues (Table 7).

Table 7

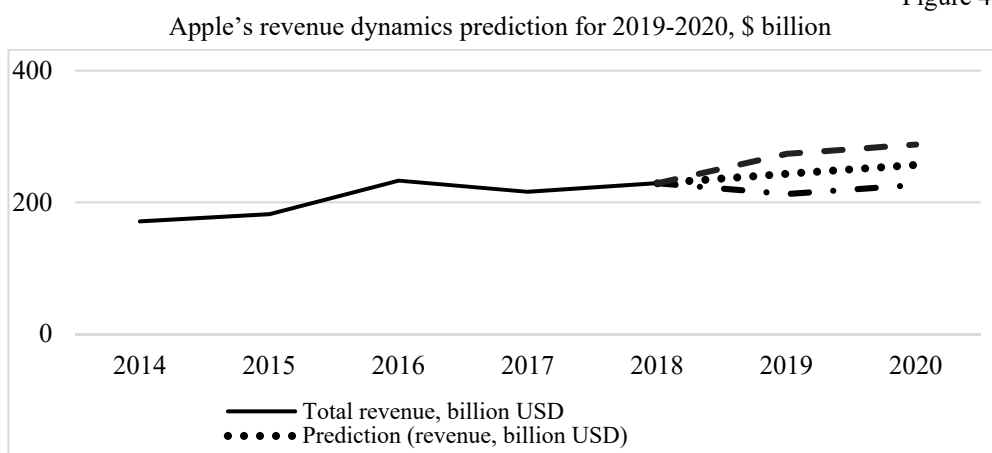
Apple's revenue dynamics prediction for 2019-2020

Year	Total revenue, billion USD	Prediction (revenue, billion USD)	Lower Confidence Border (revenue, billion USD)	Upper Confidence Limit (revenue, billion USD)
2014	171,00			
2015	182,00			
2016	233,00			
2017	216,00			
2018	229,00	229,00	229,00	229,00
2019		243,212624	212,69	273,74
2020		257,0302449	226,35	287,71

Source: compiled by the authors.

The figure shows that the pessimistic scenario shows the fall in Apple's revenue in 2019 to 2017 and return to 2018 in the next 2020.

Figure 4



Source: compiled by the authors

Conclusions

The material presented in the article suggests that recently the development of transnational corporations has moved beyond the optimisation of production processes by expanding the geographical location and becoming a process of monopolisation of global markets with all the negative consequences.

One of the most dangerous changes to which transnational corporations are involved is institutional ones, namely the emergence of global supranational bodies and regulations that uphold the economic interests of corporations with signs of violating the sovereignty of individual countries where subsidiaries and subdivisions of these companies are located (Tokayeva, et al., 2016).

In some areas of activity, global monopolisation has reached such a level that political forces are involved in order to gain the benefits of fierce competition, that is, global politics has become an instrument of economic development for large companies. A striking example is the US decision to ban the activities of Chinese Huawei Corporation in their territories over allegations of espionage in favour of the Chinese government. Most experts are inclined to see in these actions of the US government the protection of interests of Apple, which has been losing its position recently, and its direct competitor was Huawei. There are also cases where transnationals are used as a tool of pressure in the geopolitical game.

The prediction of the development of the leading companies of the high-tech industry, which is one of the most promising areas of activity, gives optimistic hopes for their future. However, despite the large investments of transnational corporations in R&D in various fields, revolutionary changes and technological leaps do not occur, due to the fact that most

developments are carried out in the field of marketing, consumer impact and masked by cosmetic pseudo-innovations. The lack of conceptual technological breakthroughs is leading to stagnation of productive forces and deepening of the economic crisis, which is now observed in most national and global economies.

Analysing all the above, it can be argued that transnational corporations are not entities that determine the principles and strategies of the world economic order. Concentrating on achieving only commercial goals deprives transnational corporations of a broad strategic vision, which is inherent only in government entities that have ambitions for global or at least regional leadership. Such states, by supporting domestic transnational corporations and promoting their interests in the global market, consolidate their positions and create bridgeheads to achieve larger national goals. Thus, in a sense, transnational corporations act as tools in the skilful hands of politicians of great powers in promoting national interests. Such states include the United States, China, the Russian Federation, Japan, and South Korea, which are actually creating a new world economic order.

Based on the above, it can be argued that the solution of the problems mentioned in the article lies primarily in the institutional plane. This is due to the fact that the existing international regulations governing the activities of transnational corporations are declarative in nature and have no mechanisms for their implementation. That is why the global economy and the world community have an urgent task in terms of creating an effective framework of legal regulation measures, both at the national and international levels, concerning the activities of transnational corporations. The solution to this issue is the key to both ensuring the state sovereignty of each individual state and creating the conditions for the development of free competition and the promotion of scientific and technological development. To solve these problems, we suggest:

First, to promote the implementation of the Code of Conduct for Transnational Corporations within the United Nations in order to obtain Articles of Compulsory International Law.

Second, the Economic and Social Council of the United Nations should take stock of existing international legal instruments pertaining to the activities of transnational corporations and establish their accountability and compliance.

Third, competition has always been an incentive to develop, search for and innovate, so protecting global competition must be a priority in ordering international economic law.

The development of specific projects according to the outlined proposals is the task of further research that requires the involvement of international law specialists.

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