

Multinationals Paradox of Geopolitics in Light of the War in Ukraine

Silumpunisa Ndombele N'kezi^{1*}¹Associate Professor at the University of Kinshasa, DRC, H8J5+7P7, Kinshasa, Congo - KinshasaDOI: [10.36348/sjhss.2022.v07i07.002](https://doi.org/10.36348/sjhss.2022.v07i07.002)

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*Corresponding author: Silumpunisa Ndombele N'kezi

Associate Professor at the University of Kinshasa, DRC, H8J5+7P7, Kinshasa, Congo - Kinshasa

Abstract

The three decades following the fall of the Union of Soviet Socialist Republics, USSR, were marked by the Russian policies of catching up with Western countries. First, at the beginning of the decade that followed this fall, the restructuring of the economy was left to market forces, next there was an implementation of the policy of modernization of certain industrial sectors and the development of new technologies from the following decade. These policies have allowed investments by Western multinationals to access the Russian market, which thus fits into the global just-in-time management approach because of the economic and geopolitical arguments it presents. The war between Ukraine and the Russian Federation produced the opposite effect. That of dismantling these same multinational companies in a short time. It is this paradox that multinational companies established in Russia must resolve in order to participate in the remodeling of socio-economic relations with the Russian Federation. The question is: How do they do it? What risks do they run to achieve this? This article has deciphered the mechanisms of remodeling of socio-economic relations against the background of the risks incurred by these multinational companies in the light of the war between the Russian Federation and the West by the agency of Ukraine.

Keywords: Geo-politico-socio-economic relations; free enterprise; wage labo; political/geopolitical enterprises; corporate politics/geopolitics; corporate social responsibility; corporate profit doctrine; globalization among friends (friend-share in); economic security; on (off)-share in.

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1. INTRODUCTION

Economic globalization opens the door to all countries of the world, including the Russian Federation. It was with the fall of the Union of Soviet Socialist Republics that the Russian market became accessible to investments by Western companies to fit into the global just-in-time management approach. At that time (1992-1998), the restructuring of the Russian economy was left to market forces [¹]. Which is naturally favorable to Western capitalism.

The policy of catching up with Western countries, initiated at the end of the following decade, provides for the expansion of the industrial base of the Russian Federation. It is based on the innovation scenario, recommended by the reflection on the overall development trajectory of the Russian Federation under the name "Strategy 2020". It is expected to contribute to the modernization of certain industrial sectors and

the development of new technologies [²]. The political and geopolitical conditions for foreign direct investment, especially Western ones, are still met despite the parallel development of the public sector.

The war between Ukraine and the Russian Federation, which began on February 24, 2022, is subject to multiple consequences. One of them is the reappearance of the logic of blocks in the sense of social classes long previously analyzed by K. Marx (quoted by Raymond Aron, 2013, p. 149). Now, Western companies, especially multinationals, which have entered the Russian Federation market over a long period of about three decades, must leave it at short notice. This unprecedented situation is a paradox that multinationals must resolve to participate in the sanctions imposed by their governments against this country. This raises the issue of the governance and the

¹ Guerre en Ukraine : les entreprises déserte la Russie, (<https://www.la-croix.com>), consulted on June 02, 2022

² Vercueil, J., Russie : La « stratégie 2020 » en question, (<https://www.caim.info>), consulted on June 03, 2022

behavior of these multinationals. How do they do it? What risks do they incur to achieve this? To answer these questions, this article will attempt to dissect the mechanisms of polarization of these geopolitical companies against the background of the risks incurred. It is a question of understanding, in other words, the mechanisms of modifications of the geo-political-economic-social relations of the Western multinational companies in Russia and conversely, of those of the Russian Federation which benefit from the Western areas.

In view of the foregoing, it will be necessary to build a conceptual tool capable of responding to these anticipated concerns. This will start with a brief general presentation of multinational companies: their purposes, their stakeholders, their governance and the principles of the capitalist system of production which is their ideology. This presentation will help to understand the expected behaviors in times of peace, to then judge the comparative behaviors in times of conflict. The conclusion will be preceded by the steps that allowed the collection of materials for reflection and the report on the transformations of the geopolitical relations of companies as well as the risks they incur throughout these transformations.

2. Understanding Multinationals in Peacetime

2.1 Business purposes

Putting companies back at the center of their existence means trying to understand their purposes. These last find clarification in the number of actors they embody. These are multiple and indicate both the purposes (by what each expects in return), the stakeholders (by the prioritization of the risks taken by each) and the governance (by the decision-making of each in the operation of the companies). Of the purposes of companies, the question may still arise of knowing what they are aiming for.

All the existing literature on this question opposes two philosophies of companies: an Anglo-Saxon vision and a french one (T. Durand, 2016, pp.14-16). The first doctrine, that of profit, explains that behind the goods and services that companies produce, there is the gain that the owners reap (the dividend). They are therefore first and foremost at the service of

those who have taken the risk of investing capital that they can possibly lose.

The second, broader, advocates the social responsibility of companies against the formal and narrow vision of these ones. Companies are explained beyond their owners because they also support their employees, customers, suppliers and other stakeholders. Thus, companies ensure the economic and social life of the community as well as possible. As a regulator, the public authorities are also remunerated by them. This vision is concerned with equity in the redistribution of values created by companies and stakeholders, not in equal shares. Companies enter this game of sharing wealth as legal persons, in the legal and above all biological sense of the term, which need to live and develop by building up reserves. Companies must be able to live by sustaining themselves through maintenance (amortization), develop by innovating and giving rise to other companies (new investments) thanks to the reserves they build up.

Thus shines through the logic of shareholding of which the profit objective is generic because it ensures the sustainability and development of companies against a more encompassing logic of stakeholders, that constitutes another way of understanding companies. Indeed, for Tixier, what characterizes social entrepreneurship is its social mission coupled with an entrepreneurial functioning: risk-taking, its need for economic profitability for question of sustainability. Thus, what makes "social" is then this social purpose of the company's mission and *raison d'être* (2012, pp 161-183).

2.2 Business Stakeholders

Companies, as we already know, must produce goods and services to meet the needs of their customers and must, for this purpose, mobilize internal and external resources. Thus, those who participate in the life of companies, or conversely those who benefit from it, are all stakeholders in these companies. The participation or commitment of stakeholders reveals the level of risk taken by the latter in the companies.

The following figure shows to some extent a hierarchy of the level of stakeholder engagement with companies.

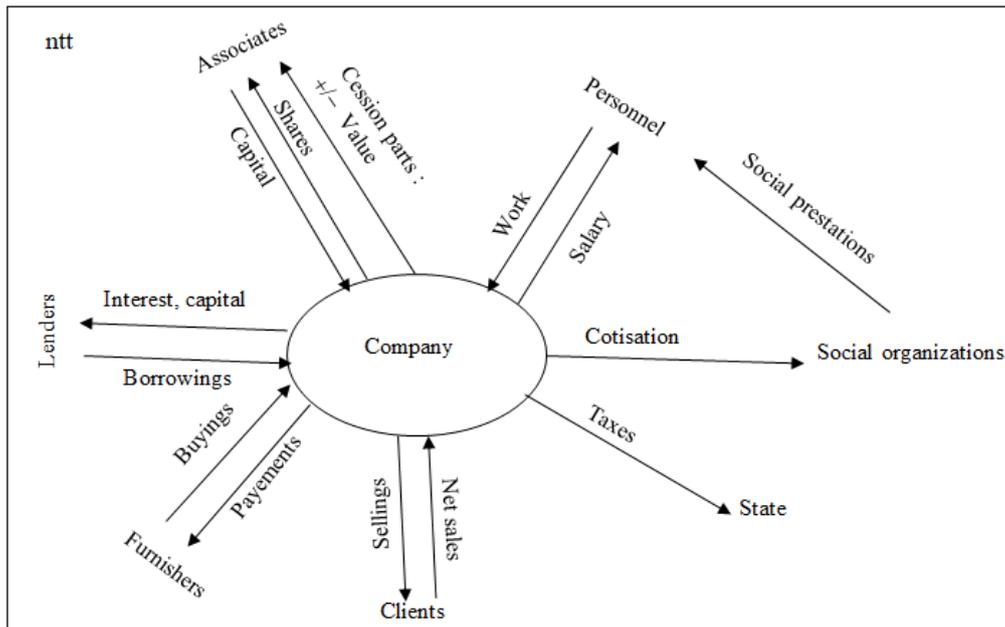


Fig 1: The company: the actors

Source: T. Durand, 2016, p.12

This figure shows that the company is an ecosystem with an environment and stakeholders:

- The shareholders or partners have pooled the capital and in return withdraw the dividend, that which remains after having remunerated all the stakeholders. But they can also receive from companies the capital gain or loss by sale of their shares, i.e. a gain of money if the sale is a capital gain or a loss if it is the opposite.
- Employees put their skills for intellectual work and their labor force for manual work against wages paid
- Customers are those who trust the quality of the goods and services that companies sell to them in order to increase their turnover each time.
- Suppliers derive their remuneration from the amount of purchases paid to them by companies. The external resources of companies come mainly from this category of stakeholders
- The lenders, generally made up of financial institutions including banks, derive their remuneration from the interest paid, in addition to the repayment of the capital (the principal)
- The State collects taxes and levies against certain services and infrastructures that it makes available to companies, but above all by ensuring the preservation of a healthy economic and even physical (in relation to pollution) environment through laws and regulations
- Social organizations are similar to the State in their ways of being remunerated by companies (social security contributions) which they pay in the form of social benefits to staff.

Companies form a network of relations between internal actors and external actors, relations regulated by abundant and varied legislation (labour law or more broadly social legislation, administrative law, tax law, commercial law, etc.). Putting into perspective the purposes of companies, i.e. the goals for which companies work, raises at the same time the question of governance and thus of knowing who decides to achieve these goals.

It is the theory of the agency which has modeled the question of governance in such a way that the main actor, or the shareholder, mandates an agent (in this case the manager, the general manager or any other designation) for the management of his investment, it is up to the latter to recruit employees (T. Durand, 2016, pp. 19-20).

2.3 Principles of economic capitalism

The commissioning of companies extends to a doctrine, a set of rules or principles organizing the production, distribution and consumption of goods and services in a given society. Three types of economic systems, certainly of various applications, can nevertheless be distinguished in the commissioning of companies. These are the planned economy, the market economy and the mixed economy whose principles are hybrids between the two.

This part of the conceptual apparatus of this reflection will only come back, as a reminder, to the principles that govern the capitalist economy in order to understand how social exclusion develops in times of crisis because it is precisely at this level of ideology that the social relations of production, exchange and

consumption are modified. But it should also be remembered that mastering the debate, at this level of development, also involves mastering the essence of capitalism in particular.

The French dictionary defines capitalism as an economic and social system which is characterized by the private ownership of the means of production, the search for profit, the remuneration of work by a salary. Although, these principles are of different application, more rigorous for some, more flexible for others; they remain nonetheless the fundamental principles: free enterprise, the free market, private property, profit and wage labor. They mean, for:

- Free enterprise: in a capitalist society, the right to undertake is given to all citizens. Everyone is free to carry out activities of an economic nature in order to benefit from them (the freedom to create businesses).
- The free market: between free enterprise, free trade and the free market there is only one step. Here the State does not intervene in the determination of prices which are based only on market forces (competition, supply and demand on the market, etc.). It is a model of decentralized regulation by the market or by the price.
- Private property: capital, means of production and exchange are private and the state excludes itself from the sphere of economic activities.
- Profit: shareholders, owners of the means of production, have profit as their primary motivation.
- Wage-earning: capitalism is a regime in which capital, the means of production and exchange, do not belong to those who implement them through their labor. These are remunerated in exchange for this implementation of the means of production.

It remains to be seen whether, in the conflictual context of war in Ukraine, the mechanisms of free enterprise and more fundamentally the principles of capitalism as presented still function correctly. In other words, if, despite the context of conflict, the countries (Anglo-Saxon first) which, in their vision of business, have stunted, atrophied and relegated corporate social responsibility to the background, remain respectful of rationality principles of the capitalist system.

3. Access to social situations

The spontaneous nature of the observation of the phenomenon as well as the distance from the field of investigation are likely to raise questions, that of access to social situations. Returning to this issue is imperative in order to legitimize and give credibility to this report because, it is said, "it is not the results that

are scientific, but the approach adopted to produce them" (F. Wacheux, 2006, p.10).

To comply with this epistemological requirement, it should be noted that the data relating to this article were essentially collected using the phonique technique. Since the outbreak of the war in Ukraine, a series of radio and television debates (mainly French-speaking radio and television stations: Radio France Internationale, Radio Chine Internationale, BBC Afrique, i24 News, CNews, TV5 monde, Euronews, France 24, etc.) were organized around themes related to the economic sanctions imposed on Russia, pressure from States, public opinion against Russia or against companies having business relations with Russia and the effectiveness of the sanctions against it. imposed. These debates, broadcasts and information sessions have made it possible to build a database on the aforementioned themes and the names of qualified speakers such as Nathalie Bellots, professor of geopolitics at the Grenoble School of Management; Jules Remy, owner of a company established for several years in Russia; Thierry Breton, of the European Commissioner for the Internal Market; Alexandre Kateb, founder of the multipolarity report; Catherine Bross, lecturer at Gustave Eiffel University, etc.

Alongside this main technique of collecting information, there is also the documentary technique through the internet, consultation of books and incidentally through information from social networks if referenced.

Content analysis is used as a data processing technique along the relevant axes under study: the reshaping of production relations, the types of specifically economic sanctions, their impacts and the risks taken by companies to comply or not. to these sanctions of economic division.

4. The mechanisms and dilemmas of geopolitical enterprises

4.1 Mechanisms for remodeling socio-economic relationships

Capitalism can only survive, according to Karl Marx, through continual changes in the social relations of production (quoted by R. Aron, 2013, p.149). With the war in Ukraine, the outcome of the old economic alliances between the Russian Federation and Western countries can be observed. If so, the question arises, how do these changes occur?

Two essential mechanisms are used in the change of socio-economic relations between the West and the Russian Federation: firstly, the series of economic sanctions having excluded by economic coercion the latter from the globalized system of production, distribution and consumption of goods and services, even that the Russian Federation constituted

one of its key elements. And secondly, the regime for regulating the crisis by anticipation.

4.1.1 The mechanism of polarization by economic coercion

The negative polarization of Russia by the United States and its allies through economic sanctions is in itself a commercial tool at the service of competition between States, it is also a tool that strengthens and gives a certain clarity to the alliances between these States. Those who support Ukraine against the Russian Federation, numbering forty, met on April 26, 2022 in Germany at the request of the USA. They translated the negative polarization by a package of sanctions. In the sanctions there are, among other things, the exclusion (disconnection) of Russian banks from the Swift system, the freezing of Russian assets and that of its oligarchs, the ban on investments in the Russian Federation.

With regard to the exclusion from the SWIFT system (Society for Worldwide Interbank Financial Telecommunication), the aim is to cut off the Russian Federation from the communication and the securing of financial transactions with a network made up of eleven thousand banking establishments installed in just over two hundred countries around the world. The West expects this exclusion to negatively affect the Russian economy of production of goods and services, i.e. upstream and downstream of the production of goods and services. This measure will only have consequences if SWIFT is the only way to communicate and secure orders. It is clear that since the annexation of Crimea in 2014, this sanction had already threatened the Russian Federation, which had then undertaken the creation of an alternative network, the SPFS (system for transfer of financial messages) [3]. This communication network competing with SWIFT is certainly narrower and less directed towards Europe, the United States and other partner countries of the United States, but can bring together the banks of countries, not the least, such as the banks Chinese, Indian banks and other partner banks of the Russian Federation [4].

This is an opportunity for banks in the Russian Federation to continue their international activities, to communicate and secure decisions from other banks without going through the SWIFT network and therefore through Western banks. As the second most important force after the United States, the exclusion of the Russian Federation from the SWIFT platform

³ La Russie : l'exclusion de la plate-forme Swift est-elle une arme nucléaire financière ?", (<https://www.science-et-vie.com>), consulted on May 09, 2022

⁴ A guest, Nathalie Bellots, from the magazine "Eco d'ici, Eco d'ailleurs" followed from Kinshasa on April 9, 2022 on Radio France Internationale also returned to this question.

inevitably leads to systemic risks. Africa can no longer communicate economically with Russia due to the lack of an alternative network to SWIFT between the two partners. This proves the tendency of dividing the business world into blocs (polarization).

The ban on investment in the Russian Federation does not constitute a general embargo because of Europe's heavy dependence on gas, oil and coal from the Russian Federation. The fact of delaying decreeing a general embargo or looking for a staggered formula shows that there are links with this very marked dependence of Europe on the Russian Federation. Countries like Germany, France, Italy are 1/3 dependent on Russian fossil fuels. As for Hungary, supplied by the giant Gazprom, it is even more. This dependence is an important issue in the conflict.

Another consequence induced by the banishment of Russian banks from the international financial system is the reaction of the Russian Federation to the questions of sanctions posed by the West, requiring these European customers to pay for their raw materials in Rubles or gold. This consequence is extended by the establishment of an alternative system of monetary circulation with certainly the Ruble, the Yuan, and perhaps the Rupee as reserve currency for which the West has no control, indicated the economist. Charles Gave. But the official Opera news in "War in Ukraine: The West Confronts a New World Monetary Order?" sheds even more light on this question. For it, the working hypotheses of the world economic system have been modified by the two-variable equation posed by the Russian Federation, first that which links the Ruble to gold, then that which links the payment of energies in Ruble. It is precisely this double-entry decision that breaks the recognized structural overvaluation of the Dollar and triggers the transition to a different monetary system in which gold becomes a neutral reserve currency that has no master manipulator like the Dollar. The Ukrainian war is gradually becoming the cause of the shift between two monetary blocs in the world.

This is not a virtual event, but an attested and confirmed fact. Speaking about an alternative system of monetary circulation, the director of the department of economic cooperation of the Ministry of the Foreign Affairs of Russian Federation emphasizes that "this policy has already had positive results. Increasingly, in commercial transactions with these countries (note: the countries of the Eurasian Economic Union, the Commonwealth of Independent States and the countries of Southeast Asia), national currencies and systems of international payment alternatives to SWIFT are used".

4.1.2 The feedforward regulation mechanism

The regulative nature of the crisis is well known throughout the world. This is its ability to

anticipate subsequent crises of the same nature based on the lessons learned from the previous crisis. What has been done less well will be improved in the next crisis of the same nature, thanks to the fact that we list ourselves as part of the previous crisis through self-criticism.

The fact that the Americans and their allies have frozen the Dollar and Euro assets of the Russian Federation as well as those of their oligarchs kept in Western banks clearly poses the problem of trust in these banks. This trust is further eroded as the US government submits to Congress the proposal to finance the reconstruction of Ukraine through the sale of these Russian assets. Such measures constitute a precedent, and must now give pause to foreign holders of American Treasury bonds and reserve Dollars. Due to the anticipation effect, many foreign institutions lose confidence and hesitate to place or even move their assets in Western financial institutions. This fear is currently manifested by the decline in interest in the purchase of US central bank treasury bills by foreigners, an operation considered to be a risk without return. The corollaries of the reputational impact also relate to the order the Chinese government has given its elites to repatriate or sell their properties abroad so as not to suffer the effect of the Russian oligarchs [5].

Moreover, energy, food, financial and all other forms of dependency reflect above all the intrinsic fragility of certain economies which, in the productive fabrics, are highly dependent on imports from abroad to satisfy local markets. remarked Alexandre Kateb. This is why the Russian Federation had taken advantage of the food crisis triggered by Western sanctions in 2014 during the annexation of Crimea. By anticipating and preventing today recurring situations, Russia is counted among the leading grain producing countries in the world thanks to the sanctions it suffered in 2014.

The effects of dependencies from which Western countries suffer today during the war in Ukraine do not leave them indifferent. In anticipation of a similar crisis with China, they are anticipating this weakness by relocating Western production from China or by seeking alternative routes. We are talking about more than eighteen billion Chinese treasury bonds and seven billion stock market securities sold by foreign investors in March 2022 [6]. Westerners anticipate by considering that such sanctions against China whose economic weight is 20% of world GDP would be more

devastating than against the Russian Federation which only has 1% [7].

In this remodeling, we must also scrutinize this new word that has appeared in English vocabulary, which shows the failure of the just-in-time economy and testifies to the geopolitical, economic and social schism. The "friend-share in" translates into de-globalization to slide towards "globalization among friends", i.e., the West wants trade that is free but safe on the geopolitical level, the diplomatic. The West will only globalize with countries that are geopolitical allies sharing the same values [8]. It underlies other terms in current use which also indicate this remodeling such as "near-share in" which consists in repatriating economic activities to a country close to this market, it is quite simply a "relocation" at the borders of this market and the "on-share in" which is the opposite of "off-share in", i.e., we repatriate relocated activities there too [9]. The Asian tour (South Korea and Japan) of American President Joe Biden, which began on May 20, 2022, is intended to materialize these concepts. By declaring that we should not share our technologies with countries that do not share our values (Editor's note: democracy), the American president is strengthening economic security and the alliance between democracies in this Asian part of the world. Thus offshoring, relocation elsewhere, economic security or globalization among friends are key words and actions that accompany the process of global socio-economic remodeling, in particular with the Russian Federation.

The West, like the Russian Federation, anticipates their weaknesses by multiplying sources of supply. To get rid of Russian energy, the European Commission has presented its three hundred billion Dollar proposals to develop alternative energies by 2030. This plan is based on three pillars:

- Urgent search for new suppliers
- The acceleration of the development of renewable energies to reach 45% by 2030

⁷ In the magazine "La Semaine de l'Eco" broadcast on the France 24 television channel captured from Kinshasa on May 14, 2022, a debater indicated the economic weight of the world GDP of Russia and China.

⁸ In the magazine "64' Le Monde en français" followed from Kinshasa on May 16, 2022, Christian Chavagneux asked himself the question of whether China, nationalist India, and Turkey are economic and geopolitical friends? Such a question bordering on political conditionalities would certainly lead to a globalization that is more political than economic.

⁹ These definitions are taken from the program "Le Débat" followed from Kinshasa on May 23, 2022 on France 24, the theme of which was "Towards a world food crisis?, the war in Ukraine in the heart of Davos".

⁵ In the program "Eco d'ici, Eco d'ailleurs" of May 21, 2022 followed from Kinshasa on Radio France Internationale, a guest gave this information reported by the "World Street Journal"

⁶ Amounts donated during the program "Eco d'ici, Eco d'ailleurs" followed from Kinshasa on May 21

- Energy savings with new measures for the insulation of buildings and proposals to encourage citizens to save money by heating their homes less [¹⁰].

Western interest in African gas has increased under the first pillar of this plan with the unearthing of old projects from Angola, Algeria, Nigeria, etc. However, in its time, these same projects had been put on hold in favor of the Russian Federation in particular, which presented more interesting economic and even geopolitical advantages.

For its part, the Russian Federation, through the spokesperson of the Ministry of Foreign Affairs in the telegram of April 30, 2022, indicated its reorientation by intensifying its cooperation with the BRICS group (Brazil, Russia, India, China and South Africa) and the SCO (Shanghai Cooperation Organization) whose members number approximately 3.5 billion inhabitants, but also with the countries of Africa and Latin America [¹¹]. These sanctions come as a moment of opportunity that has allowed Russia to identify key areas for development to replace lost imports [¹²].

Sanctions against Russia certainly contribute to the remodeling of socio-economic relations between the West and the Russian Federation, but also expose multinational companies to difficult decision-making situations in order to participate in this remodeling.

4.2 Business Dilemmas

Several sanctions imposed on Russia contain in themselves certain setbacks for foreign companies having business ties with this country. Allusion is made here especially to foreign companies established in Russia for several decades which are asked to leave the Russian market. The context of conflict puts these companies before a difficult decision to make. To leave or not, every decision of a business leader can come up

against three types of non-exclusive risks: economic, reputational and legal.

4.2.1 Legal Risks

To avoid these types of risks, companies are called upon to comply with the regulatory texts enacted by the public authorities, as regulator of relations between company stakeholders (T. Durand, 2016, p.12). They are all the more significant as companies can deal with them both from the point of view of the legislation of the host country, the country of origin and that of international law. Nationalization, payment of employee salaries, even after closure, or other types of preemptions, governed by legal frameworks, stem from these kinds of risks.

Leaving entails the risk of nationalization of their production on Russian soil, as proposed by the entourage of President Vladimir Putin. The legal procedure for nationalization in Russia happens as follows. Initially, companies go through a first phase called judicial administration, those who have stopped paying their employees or those who have stopped producing de facto. They are then placed for some time in legal settlement to then be, possibly, nationalized or transferred to third parties. But the danger of nationalization as a political risk remains very acute in terms of retaliation or counter-sanctions.

Not leaving also entails the legal risk in the country of origin. In France, for example, the law of vigilance, which requires the prevention of serious risks to human rights, to the safety of employees and to the environment, applies not only to the company itself, to its sectors, but also to its subcontractors noted a speaker, professor of geopolitics at the Grenoble School of Management, during the program "Eco from here, Eco from elsewhere" broadcast on RFI on April 09, 2022 .

Western companies which have initiated their partial or total withdrawal from the Russian market, including the British BP, the American McDonald's, Shell or Holcim and many others, must comply with the withdrawal procedure if they do not want to fall under the law. The French car manufacturing group, Renault, has distanced itself from the Russian market with a production of five hundred thousand vehicles last year but has taken care to continue to pay its forty five thousand Russian employees to avoid the risk of nationalization and run counter to international labor law. Like the Renault group, the great symbol of American fast-food culture McDonald's has promised to continue to pay its sixty-two thousand Russian employees despite its departure [¹³].

¹⁰ According to RFI and CNews, in their news editions received from Kinshasa on May 18, 2022. In another news edition of May 23, 2022, RFI reports that the German Chancellor on an official visit to Africa, met the Senegalese President on May 22 May 2022 to negotiate in particular the exploitation of the gas discovered off the coast of Senegal and Mauritania.

¹¹ In a report on the program "Eco d'ici, Eco d'ailleurs" on May 21, 2022 followed from Kinshasa on Radio France Internationale, the Chinese president even called for the expansion of the alliance of emerging countries (the BRIC) with countries like Indonesia, Pakistan or Argentina.

¹² Remarks made during the meeting between the Russian and Belarusian presidents in Sochi on May 23, 2022 .

¹³ Le point sur les entreprises qui ont quitté la Russie, (<https://www.challenges.fr>) entreprise consulted on June 2, 2022

The fact of continuing to pay its employees on the spot in Russia is a dilemma because there are also other legal obligations behind, such as losing all or part of their assets.

4.2.2 Economic Risks

The economic logic of companies has led to approaches that go so far as to advocate that any internal decision within the company must be based on the sole criterion of contribution that this decision will bring to the shareholder (T. Durand, 2016, p. 15).

The sale of Renault group shares (68%) to a Russian party for a symbolic Ruble does not allow it to realize a capital gain or constitute a dividend for its foreign shareholders in this operation [14]. There is another scenario which is that of Société Générale. Radiodiffusion France Internationale, RFI, in an edition of April 11, 2022 captured from Kinshasa reported that this French bank sold its shares, i.e. 18.6 billion Euros, to a Russian bank, with a negative impact of 3.1 billion Euros.

Taking advantage of the opportunity offered to them, Russian entrepreneurs buy foreign companies operating in Russia, buy back the shares of partners who leave the market of the Russian Federation at knockdown prices as is the case with Société Générale but, even more, with a symbolic Ruble as is the case with the Renault company. Foreign sellers on the Russian market do indeed run an economic risk, unlike their Russian buyer counterparts who reap gains in this operation. This is what the CEO of Aucha underlined to justify his choice to stay in Russia during an interview with the JJD in these terms, "leaving would be unimaginable from an economic point of view but not from a human point of view" [15].

4.2.3 Reputational Risks

Reputational risks are generally linked to the image that people have of companies. It is for this reason that companies strive to improve, if not to preserve, their image.

To this end, addressing the French parliament by videoconference on March 23, 2022, the Ukrainian President, Volodymyr Zelensky, did not hesitate to assimilate French companies which have not left the Russian market as sponsors of the war machine.

¹⁴ Information taken from the France Internationale radio station, RFI, received from Kinshasa on March 16, 2022; one can also read on the internet « Les entreprises comptent le coût de l'abandon de la Russie », (<https://www.zonebourse.com>), consulted on June 06, 2022

¹⁵ Lienhard, L. , Partir ou rester ? Le dilemme des entreprises françaises implantées en Russie, (<https://www.lefigaro.fr>), consulted on June 05, 2022

sponsors of the murders of children and women, sponsors of the robberies, rapes and looting committed by the Russian forces. Playing on the image that these companies represent, he then called for their boycott.

Despite this risk, some companies took the option to stay on the Russian market, others could not resist facing it. The American giant McDonald's has closed its 850 restaurants in Russia after a boycott call that circulated on social networks. Understanding the importance of his company's image to preserve, its CEO stresses "there are many considerations to take into account" and adds "... respecting our values means that we cannot ignore the unnecessary human offerings taking place in Ukraine".

The boycott call aimed at Leroy Merlin mentions : "it is possible that these videos (Editor's note: on the Russian bombings in Ukraine) influence in one way or another your decision to continue to pay taxes in Russia, which finance, by default, missiles". In response to this call, the company replied that "a closure would be considered a premeditated bankruptcy, paving the way for an expropriation that would strengthen Russia's financial means" [16]. This statement includes both the economic and legal aspects of risk. Despite pressure from public opinion, the company opted for economic advantage to the detriment of its image. Indeed, Leroy Merlin achieves more than 5 billion Euros in sales on the Russian market, its second market behind France.

The political and geopolitical options of the company are increasingly essential in the maneuvers of these companies. Not leaving poses "reputational risks" and legal risks in the face of their primary profit missions. The business climate has evolved significantly given the particularly violent shock caused by the sanctions for the business community. As the rules have been changed, companies are thus faced with difficulties in international payment, due to the exclusion of Russian banks from international transactions. The major difficulty is precisely bank transfers from Russia to the West and vice versa from the West to Russia according to Jules Rémy, head of a French company specializing in international trade, established in Russia in the energy sectors , high-tech or transport infrastructure (program "Eco from here, Eco from elsewhere", RFI, April 09, 2022). Similarly, industrial or service investment files in Russia are to the disadvantage of two parties.

Despite these risks, according to an inventory kept up to date by a team from the American University of Yale, more than 1,000 companies left the Russian

¹⁶ Ibidem

market at the end of May, when there were only around 400 companies at the count of the month of March [¹⁷].

All this shows how the political or geopolitical doctrine of companies takes more precedence over the economic doctrine of companies in the resolution of conflicts in these modern times. This political doctrine of remodeling socio-economic relations of production corroborates the observation that currently, "the idea of national interest (is) defined in terms of security and power, rather than in terms of cooperation and growth" [¹⁸]. It strongly exposes companies to economic, reputational and legal risks.

5. CONCLUSION

The problems of private companies in times of conflict and, above all, when it comes to defending the capitalist system under the guise of democracy, have currently acquired unprecedented political and geopolitical dimensions. The war in Ukraine presents itself as a tipping point through which economic sanctions against the Russian Federation have arrived quickly and massively, faster and more massively than in other known cases in the world.

The Ukrainian conflict clearly shows that companies do not work only for their shareholders, for their reasons for being, but also for their stakeholders, who imply in their behaviors that there are those they adopt within the framework of legal obligations and those they adopt in addition within the framework of their missions and their social responsibilities. Corporate social responsibility issues have become increasingly important in carrying out the functions of different companies, they are also expected of different stakeholders, alongside financial profitability.

Torn between their traditional missions, those of the search for gain; their social responsibilities, those towards their stakeholders in their behaviors; and the policies drawn up by their governments (in particular through normative and legal texts), companies must make choices, take timely decisions less linked to the doctrine of profitability than to "reputational" or legal risks in order to continue to exist. They have thus become very useful instruments at the service of politicians and governments. In this case, they come under politics (or geopolitics) which deconstructs the politics (geopolitics) of the companies from which they were born. This policy and geopolitics of companies

allowed in times of peace the establishment of Western companies in Russia during the three decades which followed the fall of the USSR because of the economic or geopolitical arguments presented by this country. The opposite effect of this argument that allows these same companies to be used for political or geopolitical ends is dismantling them today. It is this paradox that companies must solve to move from globalization to de-globalization and globalization among friends; from localization to offshoring and relocation elsewhere; in short, to participate in the remodeling of global socio-economic relations in general and with Russia in particular.

This paradox is active in a divided society where companies line up politically on one side or another by a mechanism either of economic coercion (conversely by a mechanism of economic persuasion for the allies), or of economic anticipation. The war in Ukraine has re-enforced the historical polarization of the Cold War era with less balance, of course, in terms of the number of states lined up on either side, but with the same expected consequences. The logic of the blocs implies that there is no free enterprise, no geopolitically speaking, free trade for entrepreneurs...but also no free will, no ,politically speaking, free choice for states even when they seek to be no aligned or neutral, like Switzerland, Finland or Sweden, against whom pressure is exerted to make them take a stand. A real cohabitation is therefore created between the State and companies in the resolution of modern conflicts, in particular that of Ukraine.

If companies are laudable instruments of production of goods for the improvement of the lot of peoples but, as prescribers of socio-economic relations, the capitalism that accompanies them only survives through unscrupulous approaches. Seen from the West, the Ukrainian conflict is presented as a struggle between autocracy and democracy, against the background of capitalism, which must be defended at all costs, even by self-flagellation of capitalism by itself [¹⁹]. The West (the United States in the lead)

¹⁷ Le point sur les entreprises qui ont quitté la Russie, <https://www.challenges.fr> (company) and Sale of Western assets: « Autour de nous, les russes tournent comme des rapaces ! », (<https://www.lesechos.fr>) consulted on June 06, 2022

¹⁸ L'Invasion de l'Ukraine annonce-t-elle un nouvel ordre mondial ?, (<https://theconversation.com>), accessed 05 June 2022

¹⁹ According to the CNews television channel followed from Kinshasa on April 11, 2022, the World Trade Organization forecasts the erasure of the expected growth in world trade by half in 2022 because of the economic sanctions imposed on Russia. The setbacks of these sanctions can be talked about indefinitely as is the case with this poll where 54% of people questioned in England by Redfield and Wilton strategies for The Sunday Telegraph of April 16, 2022 think that their financial situation has deteriorated, and 62 % estimate that it will worsen further during the year. In the country, inflation is breaking records not seen in decades, and prices for many types of products have increased, going up to more than 30% for diesel. The setbacks of Western sanctions resemble the ouroboros,

methodically and systematically advances its pawns, using NATO and the European Union and more generally globalization, like a tentacle. It takes as an enemy any competing military-economic power; extends its hegemony to all Nations and thus tries to eliminate antagonisms, the source of struggles between the dominant and dominated classes. It also tries to eliminate antagonisms, direct consequences of conflicting social relations of production by encouraging controlled regional integration policies, shields against economic dependencies as a weapon of the future. The weapon of final unipolarity makes it possible, with this new concept of "globalization among friends", to eliminate antagonisms between States.

Thus, nearly a century and a half later, capitalism, and its improvements, is still there with social relations of production that are constantly being remodeled, always taking the same path (of capitalism) in a different way. Certainly in this case, the antagonisms can be attenuated but the contradictions, engine of the evolutions and/or the revolutions of the societies, will persist as Lenin underlined so well about the communist societies.

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that ancient serpent that devours its own tail and eventually devours itself.