This is a peer-reviewed, accepted author manuscript of the following research article: Perchard, A, MacKenzie, NG & Lawton, TC 2025, 'Non-market strategy and deglobalization: firm–state relations and the historical microfoundations of corporate political activity', *Journal of Management Studies*. https://doi.org/10.1111/joms.70005

Nonmarket Strategy and Deglobalization: Firm-State Relations and the Historical Microfoundations of Corporate Political Activity

ABSTRACT

This study examines deglobalization through the lens of nonmarket strategy (NMS), focusing on the antecedents and microfoundations of corporate political activity (CPA) in the global aluminium industry. Drawing on archival research and historical analysis, we challenge the prevailing view of deglobalization as a state-driven reversal of globalization. Instead, we reconceptualize it as a co-evolving process of firm–state relations, where multinational enterprises (MNEs) and governments jointly construct institutional arrangements. Our analysis demonstrates how MNEs leverage ideological alignments, elite networks, and long-term political capabilities to influence protectionist policies, trade governance, and national development agendas. We identify the microfoundations of CPA - ideological affinity, embedded agency, and networked trust - as critical to shaping institutional and policy outcomes with macroeconomic and geopolitical consequences. By tracing firm–state interactions across a century of global change, we demonstrate how CPA functions as a historically constituted practice through which firms exercise both ideological and political agency. In reframing deglobalization as not merely an external constraint but a strategic outcome co-produced by business and state actors, this study extends nonmarket strategy theory. We highlight how deglobalization and globalization

are not sequential opposites but intertwined processes, co-constructed through the persistent deployment of NMS and CPA.

KEYWORDS: Corporate Political Activity (CPA); Nonmarket Strategy (NMS); Deglobalization and Globalization; Firm–State Relations; Multinational Enterprises (MNEs); Historical Microfoundations.

INTRODUCTION

How do firms actively shape, rather than passively respond to, the intertwined forces of globalization and deglobalization? This question lies at the heart of our study. While extant international business (IB) and strategy research often frames deglobalization as a state-driven response to macroeconomic pressures (Bordo, 2017; Ripsman, 2021), our historical analysis reveals that multinational enterprises (MNEs) have long played a more proactive role. We find that through their use of nonmarket strategies (NMS), and particularly corporate political activity (CPA), firms not only navigate but also co-construct institutional environments. In doing so, some MNEs can actively promote deglobalization to serve strategic interests. Of relevance to this special issue, Matala and Stutz (2025) show how Finnish shipbuilding MNEs deployed "corporate diplomatic activities" to advance their interests during two episodes of deglobalization. This speaks to a broader dichotomy in the literature: globalization is often framed as firm-led, while deglobalization is cast as state-imposed (Ciravegna & Michailova, 2021; Delios et al., 2024; Jones & Giacomin, 2022). However, an emerging body of scholarship critiques such linear models of global integration (Witt, 2019; Gamble, 2009), emphasizing instead the complex and co-evolving character of globalization and deglobalization. The global aluminium industry offers a uniquely revealing context for examining this interplay. As a strategic raw material, aluminium has simultaneously driven globalization—through access to upstream supply chains and energy—while also advancing deglobalization, through its entanglement in protectionist and security-driven policies. This duality provides a rich empirical setting for exploring how context and contingency shape the manifestation and development of deglobalization over time. Consistent with this perspective, we explore

how MNEs deploy NMS and CPA in pursuit of strategic ambitions. This underscores the firm–state interface, demonstrating how firms utilize NMS to navigate institutional environments and actively influence the evolving global and deglobalizing dynamics.

LITERATURE REVIEW

Globalization and deglobalization

Existing research has positioned globalization as the dominant framework for cross-border integration, with MNEs acting as agents of institutional convergence (Hillman & Hitt, 1999; Rugman & Verbeke, 2001). Deglobalization, by contrast, is often viewed as a politically induced retreat, led by the state, manifesting through tariffs, regulatory barriers, or inward-facing economic nationalism (Irwin, 2012; Bordo, 2017; Ripsman, 2021). However, such dichotomous portrayals obscure the strategic and institutional agency of firms. Deglobalization is not simply the antithesis of globalization; rather, the two processes are historically co-evolving, marked by ideological contestation, geopolitical realignments, and institutional flux (Jones, 2005; Kirk, 2024). As Witt (2019) argues, both phenomena must be understood as politically embedded and shaped by coalitions of actors with diverging interests. Deglobalization, in this view, is not imposed solely by states, but constructed through iterative firm-state engagements.

Aluminium, as a globally traded yet strategically sensitive commodity, illustrates this duality. Its production and distribution rely on long transnational supply chains and cheap

energy (globalization), yet its geopolitical significance and protectionist uses often invoke state control (deglobalization).

This dual character makes aluminium a rich empirical case for theorizing the simultaneity of globalizing and deglobalizing dynamics. Following Powell's (1990) critique of economic exchange as "too quiescent and mechanical," deglobalization should not be seen as a single trajectory but as a complex, variegated, and historically situated set of processes. It is also shaped by discourse and ideology, where political narratives (Gamble, 2009; Clavin & Sluga, 2016) influence how actors interpret and respond to shifts in the global order. As Van der Eng et al. (2025) show in this special issue, MNEs operating in Australia illustrate how firms adapt their NMS over time, reinforcing the value of historical perspective in analyzing firm–state relations during periods of institutional flux.

Reframing Nonmarket Strategy and Corporate Political Activity

NMS encompasses firm actions to manage political, regulatory, and societal environments (Hillman & Hitt, 1999; Mellahi et al., 2016; Lawton et al., 2013). CPA - defined as efforts to influence policy outcomes - has received sustained attention for its role in shaping firm-level advantage (Lawton et al., 2014; Rajwani & Liedong, 2015). Yet significant gaps remain. Most CPA research focuses on tactical outcomes (regulatory wins or performance impacts), rather than the deeper institutional work through which firms shape the global economic order (Dorobantu et al., 2017). Moreover, CPA is often cast as episodic and reactive, underplaying its long-run development and ideological foundations (Maclean et al., 2022; Perchard & MacKenzie, 2021). Bucheli & DeBerge (2024) promote history as offering opportunities in IB for studying the following areas of

nonmarket strategy: MNEs adaptive strategies for responding to economic nationalism in host countries; secrecy in nonmarket activities; the use of home country advantages and political resources in host countries; and the role of MNEs in international diplomacy and their responses to boycotts. Similarly, Bucheli et al. (2023) provide a systematic review of recent historically orientated work that has explored how MNEs seek to shape institutional environments to serve their interests. Others have identified the importance to MNEs of understanding the political histories of the environments they operate in (DeVilla et al., 2015), helping inform the nature in which MNEs enact and respond to globalization and deglobalization (Shirodkar et al., 2024).

The combination of political capabilities, elite alliances, and embeddedness within state developmental agendas over time is shaped not only by economic logic but by political alignment, moral commitments, and long-term strategic foresight (Phillips-Fein & Zelizer, 2012; John & Phillips-Fein, 2017). These microfoundations both influence and support such activities while lending them legitimacy, as “desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions” (Suchman, 1995, p.574; Marano et al., 2017). In addition to states, firms themselves may actively support deglobalization when it aligns with their strategic interests. Motivations include protecting domestic markets, pursuing rent-seeking advantages through protectionism, or deploying nonmarket strategies to raise rivals’ costs by lobbying for tariffs, quotas, or regulatory barriers. Such actions illustrate that deglobalization can serve as a proactive corporate strategy rather than simply a state-imposed constraint.

If we accept the preceding, we can then explore deglobalization and NMS in three ways. First*, ideological foundations*: Managerial ideologies - grounded in moral philosophy and political belief - shape how firms interpret and act within global economic disruptions (Chin et al., 2013; Smith et al., 2019). Second, *microfoundations of agency*: everyday interactions (e.g., lobbying or coalition-building) accumulate to reshape institutional structures (Maclean et al., 2017; Mbalyohere & Lawton, 2022). Third, *historical depth*: MNE political activity is not a short-term play, but instead unfolds over decades, shaped by institutional legacies, critical junctures, and firm-state path dependencies (da Villa et al., 2015; Suddaby, 2010; Maclean et al., 2018).

Historical studies have shown that deglobalization is not merely episodic but a recurring phenomenon embedded in socio-political conditions (Jones & Giacomin, 2022; Irwin, 2020). By adding a focus on firm agency and the ideological conditions that underpin it, we can build on Powell's (1990) insight that economic units emerge from dense webs of political and social affiliations, which opens the opportunity to understand deglobalization not just as a state-enforced phenomenon, but something that is often co-created.

Microfoundations of Nonmarket Strategy

In the context of deglobalization, the microfoundations of NMS take on heightened importance as managers navigate shifting geopolitical and economic landscapes. Key insights from this study include, first, ideological influences on strategic action. Senior managers' ideological orientations, often shaped by their social networks and professional affiliations, influence the strategic choices they make. For example,

alignment between managerial values and government priorities can enhance trust and cooperation, while misalignment may result in adversarial relationships. Second, network embeddedness. Managers embedded in elite networks are uniquely positioned to leverage these connections for strategic gain. These networks provide access to information, resources, and political support, underscoring the role of strategic homophily in reinforcing institutional ties (Maclean, Harvey and Kling, 2017). Third, situated agency. Deglobalization creates uncertainty, requiring managers to exhibit situated agency - adapting strategies in response to local contexts while aligning with global imperatives. Practices such as lobbying for protectionist policies or aligning with national security agendas demonstrate how managers mediate between firm interests and institutional constraints. This repertoire of activities ranges from coalition-building and lobbying for protective measures to raising rivals' costs through the manipulation of regulatory regimes. These strategies emphasize that firms are not merely adapting to deglobalization but are at times instrumental in constructing it.

Building on these arguments, and to better understand the mechanics and processes of deglobalization, our study addresses three central research questions. First, how do firms deploy NMS to co-create institutional environments? Second, what roles do ideological alignments, elite networks, and long-run political capabilities play in shaping CPA? Third, how do these microfoundations of CPA influence the broader trajectories of globalization and deglobalization?

RESEARCH DESIGN AND METHODS

We next outline the types and volume of sources used, the rationale for our approach, and how we analyzed our data. The historical research informing this article draws on intensive archival research (Maclean et al, 2022) of records pertaining to the global aluminium industry, including business and government archives. We selected the global aluminium industry for several reasons. First, aluminium is an example of an industry that swiftly vertically integrated and globalized. Second, aluminium shares many common characteristics and dynamics with other extractive minerals and metal producing industries, notably having high barriers to entry because its financial and material resource requirements, extended global supply chains, and where maintaining close and enduring relationships with both home and host governments is essential and becomes increasingly evident over time (Perchard et al, 2023). Third, the research team has close familiarity with the history of the industry and of the extractive minerals industries more generally, reflected in their knowledge of the key archival repositories.

We analyzed documents from the British Alcan collection at Glasgow University Archives Service (Glasgow, U.K.), Aluminium Pechiney collection at the Institut pour l'histoire de l'aluminium (Paris, France), and the Reynolds Metals Company collection at the Virginia Museum of History and Culture (Richmond, Virginia, USA). Government and political documents were accessed from the FDR (New York, USA) and Johnson Presidential Library (Austin, Texas, USA), the National Archives (Kew, London, U.K.), the National Archives and Records Administration II (Maryland, USA), National Records of Scotland (Edinburgh, U.K.), University of Alabama (USA), the U.S. Library of Congress, and the World Bank Archive (Washington D.C., USA). This work has been undertaken over a

period of two decades by two of the three authors as part of their ongoing research into the aluminium industry – collections have been photographed and analyzed during this period in line with historical research norms (Maclean et al., 2022: 812). The types of sources we sought out included annual reports, inter- and intra-organizational correspondence from companies, trade associations, legislators, and governments to capture NMS activities on all sides. Identifying such material is both time-consuming and challenging, requiring recognition of the significance of silences and studied sensitivity to changing historical context and how firms responded to it, and the availability of archival collections, as well as completeness, composition, and context of collections (Decker, 2013). We provide an outline of the volume and types of source material consulted in Table I.

INSERT TABLE I ABOUT HERE

Our data collection gave us a substantial corpus of material to work with. Consequently, our reading of the corpus was informed by both extant literature and our own ongoing research into the global aluminium industry. Consistent within this was the deployment of emplotment where using the corpus we built our historical narrative from key events and developments in the industry over time (Decker, Hassard, and Rowlinson, 2021), to operationalize our conceptualization of NMS. This gave us the timeline we present later in the paper, and the foundations for the historical narrative that we develop. Developing the narrative involved the reading and re-reading of significant amounts of archival

documentation comprising both communiques from and within the industry, but more importantly for NMS, informal communications and interactions with governments, policymakers, politicians, and other industries. We selected relevant documents illustrating and alluding to NMS activities and deglobalization, putting them into a separate file with full catalogue details attached to each document. We then re-read each document again in chronological order to create our historical narrative, working between the authorial team to ensure accuracy in our depiction and relevance to our research focus.

In constructing our narrative around the development of the global aluminium industry through a NMS conceptual lens, we deploy historical methods and perspective to understand the value of changing context and contingencies to comprehend how NMS and strategic decision-making occurred within the industry, specifically through analyzing context, change over time, causality, contingency, and complexity (Perchard et al., 2017). Source and archive triangulation (where possible) was utilized as one of the most effective ways to mitigate against incomplete or biased archival materials (Decker, 2013). In practice, this meant working with archival data, industry reports, public records, and secondary literature in line with source criticism (Heller, 2023) to develop a historical narrative around NMS activities in relation to deglobalization. Here we recognize the point made by Maclean et al. that, “Different historical periods have their own social, economic, and business dynamics” (Maclean et al., 2022, p. 812), building on the Sewell’s point that historians “see the flow of social life as being punctuated by significant happenings, by complexes of social action that somehow change the course of history” (Sewell, 2008, p. 518).

We apply Langley et al.'s (2013) temporal bracketing approach, which involves "identifying specific theoretical mechanisms occurring over time" (p. 7) (see also Decker, 2021; Perchard and MacKenzie, 2021). This points to a further conceptual contribution to be made by this paper; as sociologist Gabriel Abend (2008) has pointed out, history makes a theoretical contribution through its deep analysis of the complexity of particular social phenomena. It is to these which we look in our identification of NMS activities and their relation to deglobalization in line with connecting historical approaches with theory. As Alvesson and Kärreman (2007) suggest, historical approaches and archival research provide an opportunity to better explore the nexus of "encounters between theoretical assumptions and empirical impressions that involve breakdowns" (p.1266), offering the possibility of contributing to calls for the closer alignment of management theory and management practice (Sandberg and Tsoukas, 2011).

To establish types of NMS and how these were adapted to changing contexts, we identify contingent distinctions between firms and how those decisions affected firm performance. The intention here is also to elicit, "evidence to develop, modify or test theories", moderate theory, and provide real "historical cognizance" (integrating historical context and contingency) (Kipping and Üsdiken, 2014, p.535) in understanding how deglobalization affected how firms engage and relate to their changing external contexts and how the latter impacts upon the former over time. As Lipartito (2020) has argued, a historically cognizant appreciation of the social world allows us to explore the complex motivations and actions of organizations and individual (and their outcomes) and derive organizational learning that considers the complexities of context and contingency, alongside causality. Our intensive multi-archival analysis underpins a nuanced understanding of the dynamics

and motivations behind NMS, building on work by Maclean et al. (2018), Perchard and MacKenzie (2021) and Minefee and Bucheli (2021). The historical narrative approach provides rich insights into how NMS helps us better understand deglobalization and its concomitant effects considered within contexts and conceptual analyses of the type identified by Rajwani and Liedong (2015).

In our historical narrative that follows we illustrate how the unfolding changes in the global aluminium industry developed with concurrent globalizing and deglobalizing forces, necessitating sophisticated CPA (Lawton et al, 2013), as well as corporate citizenship (Matten and Crane, 2005) responses, and the political capabilities to underpin these (Saha et al, 2023). As we see from the contingent results, different actors could see somewhat different outcomes. As Rajwani and Liedong observed, “evidence of the relationship between CPA and firm performance is mixed” (2015, p. 274). That evidence, as they acknowledge, is also “incomplete and inconclusive”, and so we anticipate that this will also provide some valuable insights as to the dynamics. Thus, building on and extending existing conceptualizations and definitions of deglobalization and its constituent parts, where the state is an important driver, allows us to answer critically important questions about its dynamics and exponents, and how businesses fit into the notion.

THE DYNAMICS OF ALUMINIUM

Aluminium producers rely on upstream production of key minerals of bauxite and cryolite, and a plentiful and cheap energy supply for smelting. Bauxite is highly concentrated in

the southern hemisphere with several rich repositories located in Europe (in France and Hungary), and in North America; cryolite is mostly found in Greenland. All stages of aluminium production are energy intensive but particularly so in the electrolytic reduction of the primary metal during which energy costs account for between 30 percent and 50 percent of total production costs. For this reason, throughout its history the industry has relied heavily on hydroelectricity, often owning large estates and water catchment areas near to where they produce the metal. This has required significant engagement with governments in both developed and developing nations, meaning CPA is key to understanding the development of the industry along both deglobalization and globalization terms.

Individually and combined, these factors underline both the importance of globalization and the national resources of sovereign powers. The industry's high production cost and skepticism about its applications meant it initially struggled for markets and defined by its dependence on state patrons and close ties to governments, with a small group of early movers dominating the field. It featured high barriers to entry and, within its first two decades, quickly established vertical integration, a global supply chain, and key production hubs. These first movers were: Aluminium Industrie Aktiengesellschaft (AIAG) Neuhausen (subsequently Alusuisse); the British Aluminium Company Ltd. (BACo); Pittsburgh Reduction Company (after 1910 the Aluminum Company of America (Alcoa); and Produits chimiques d'Alais et de la Camargue (PCAC; subsequently Alais, Froges et Camargue and then Aluminium Pechiney).

A particular deglobalization characteristic of the global aluminum industry was a tendency for transnational cooperation amongst the small group of first movers, starting with agreements drawn up between these industry leaders in 1901. Moreover, ownership of significant land and water rights and energy resources both in home and host nations ensured growing political scrutiny and legal regulation (Grinberg and Hachez-Leroy, 1997; Perchard, 2011, 2012, 2019; Storli, 2014; Bertilorenzi, 2016; Perchard, MacKenzie and Connors, 2024). Nevertheless, where aluminium differs from the example cited by Bucheli et al. (2023) in the banana global value chain is that, especially in the upstream, this was far more governed by market (location of minerals and, especially in this period, reliance on adequate hydro-electric capacity) rather than nonmarket considerations. This became evident in the formation of a succession of trade cartels and agreements, as well as industry associations that emerged over the period we analyze. We apply temporal bracketing to examine how the aluminium industry deployed NMS to shape deglobalization across seventy-five years, divided into two periods: 1914–1945 and 1947–1991. This approach allows us to identify specific theoretical mechanisms unfolding over time (Langley et al., 2013, p. 7), as illustrated in Figure 1. Framing the analysis in this way reinforces our core argument that deglobalization is not merely state-imposed but co-constructed through firm–state relations and CPA.

British Aluminium's NMS and the Antecedents and Dynamics of Deglobalization (1914 – 1945)

The period from 1914 until 1945 saw significant general contextual upheaval as well as specific and related challenges and opportunities for aluminium producers. It was also a

period of dramatic deglobalization with considerable variation outside of the war periods and a proliferation of actors in shaping arguments for deglobalization, as well as one that shaped ideology for new initiatives for global economic and political cooperation (Clavin, 2013). For aluminium, as for other industries, maintaining the capabilities to manage the relationship with the state became of paramount importance. This period is important as an early incumbent, the British Aluminium Company sought through their NMS actions and communications to promote themselves as patriotic and civically minded, and both to encourage the government to impose protectionist measures and support their domestic and international expansion. BACo's power underlying their NMS built on the elite social positions of many of their directors (including former senior military officers and government officials) who shared many values with government ministers with whom they were negotiating (Perchard and MacKenzie, 2021).

During the First World War, the exercise of sovereign power and CPA in deglobalization terms was acutely visible. AIAG's board, though Swiss headquartered, was dominated by German directors, including Walter Rathenau who organized the German's state's raw materials department. Germany also formed a new entrant to the aluminium industry after Allied authorities seized AIAG's plants in France and pressurized AIAG to remove German directors from their board, Vereinigte Aluminium Werke AG (VAW) (in 1917), and the building of four new smelters in Germany between 1915 and 1917. Responses to the exercise of sovereign power can be seen in France and Britain during this period, with firms engaging in obvious CPA activities. Within PCAC in France, and BACo (who held the British and colonial rights for aluminium) in the U.K., managers held key positions within wartime administrations in their respective countries, using (and sometimes vying

under the auspices of their temporary government offices) strategic concerns for sovereign power to advance their commercial interests (Grinberg and Hachez-Leroy, 1997; Perchard, 2012). This was seen in the influence of PCAC in the seizure of AIAG's French assets, and BACo's unsuccessful attempt to use defense regulations to seize control of the AIAG board and access the Swiss-German company's central European markets for after the war while making good on imprudent capital investment in a pre-war hydro-electric scheme in Switzerland. In so doing, they started to prioritize CPA, as per Lawton et al. (2014), into their strategies.

BACo's NMS sharply brings into focus the antecedents and dynamics of those arguments for deglobalization and the microfoundations and ideology underpinning them. After 1915, BACo's chairman (1910-1928), Andrew Tait, and its general manager William Murray Morrison, were coopted into the principal government department overseeing industrial production for the war effort. From there, BACo were able to orchestrate their CPA, utilizing committees to produce evidence and advising ministers to invest in the domestic industry, to seed distrust and to lobby to seize the assets of foreign competitors and introduce protectionist legislation that would shore the industry up after the war (Perchard, 2012, 2013).

Two aspects elucidate BACO's NMS process and the antecedents and dynamics of deglobalization. The first pertains to actions taken to seize the assets of AIAG as a supplier to the enemy Central Powers intended to enable BACo to enter Central European markets, but more importantly an opportunity for protectionism, shared with other British companies and imperial politicians (Perchard, 2012). The second episode focuses on BACo's mobilization of government support for developing the domestic capacity of their

primary aluminium smelters through financing and support for parliamentary legislation, to increase the water catchment areas for the hydro-electric plants to power their plants in the face of rising parliamentary support for greater public control over water rights, with the reciprocal agreement that they purchase bauxite mining rights in the then colony of British Guiana to ensure that the reserves were kept in imperial control. The pressure to purchase the Guianan reserves demonstrated how BACo was subject, through reciprocal arrangements with government, to making decisions that were not in the best commercial interests. The latter was also justified through BACo's NMS in the Scottish Highlands, an area that had seen significant outward migration, little support for economic development, and policy peripheralization.

Geopolitical Jockeying with AIAG and Alcoa

The two negotiations over AIAG and Alcoa had their roots respectively in longer-term and broader fears about German control over the metals trade and the crisis reached by 1916 over the reliance on North American supplies of aluminium ingot (because of increased usage of the metal) and US control of Canadian production. By December 1915, prices for North American ingot, for which Britain and its allies were now reliant for around 70% of supplies, had risen by almost double since the January. With information supplied by BACo's Morrison and Tait, the leading Ministry of Munitions (MoM) official, D. A. Bremner, dealing with aluminium wrote a pivotal memo to his seniors in August 1916, which would influence British government policy for the next six years; Bremner first reinforced a suspicion of Alcoa and the need for their Canadian subsidiary to be independent, and secondly emphasized strengthening of domestic UK producers, with BACo producing

around 95% of national output at their Scottish highland plants (MoM, 1916; Perchard, 2012) .

Tait's next significant intervention came in 1917. Acting on intelligence gathered by another BACo director, Ernest Sawyer (seconded to the Ministry of Munitions and operating in France, Italy and Switzerland) Tait informed another ministry official Walter Broadbridge that shares were becoming available on AIAG's board arguing that if the British government could gain overall control of the AIAG board, ousting German directors, then it would ensure that the Allies had control over AIAG's output. Tait then suggested that at the end of the war, BACo would take over the British government's shares. Broadbridge and the ministry supported this plan of action (MoM, 1917a, 1917b). Amongst those who supported this within the Ministry was also Sir Cecil Budd, former head of the London Metals Exchange, and wartime controller of metals, who was a vociferous opponent of German control of minerals and architect of the Non Ferrous Metals Industry Act, which would enforce in law prohibition over controls by German companies and others of imperial minerals (Ministry of Reconstruction (MoR 1919b; Ball, 2004). Britain's French allies effectively stymied these attempts in the short term by claiming that they were concerned supplies would fall into German hands. Budd still sought to push through this plan in the peace talks at Versailles (MoR, 1919a,1919b, 1919c).

These demonstrated BACo's sophisticated CPA and growing capabilities to utilize their influence through government committees, intelligence gathering capacity and proximity to ministers. It explains the dynamics for and antecedence to protectionist measures within empire, advancing both internationalizing and deglobalizing agenda. It also

demonstrates the proliferation of actors within processes of deglobalization. These discussions over 1916-1919 within the Ministries of Munitions and Reconstruction would also strongly inform negotiations over the support of funding and parliamentary support for development of BACo's next and largest smelter in the Highlands and over bauxite rights in British Guiana. This visible "geopolitical jockeying", against the backdrop of the global conflict, was evident in other sectors such as pharmaceuticals (Lubinski and Wadhwani, 2019).

Domestic Smelting and Imperial Mining: Scottish Highlands and British Guiana

Bremner's memo of August 1916 and the mood and support for an imperial minerals strategy with Britain and Australia leading the way, were reflected both in support that BACo's Tait and Morrison managed to leverage through the former's membership of the Board of Trade's Departmental Committee on the Non-Ferrous Metals Trade (DCNFMT) (and Morrison's on its subcommittee) from October 1916 and both of their memberships of the Minister of Reconstruction's advisory committee (with Budd and Broadbridge also members). These committees supported Bremner's original suggestions of support for the domestic industry specifically the Loch Leven Water Power Bill, 1918, and subsequently support for the Lochaber Water Power Bill and government loans, and re-emphasizing hostility to Alcoa. These prognostications also emphasized the imperative of British control over imperial minerals reserves (DCNFMT, 1917a, 1917b, 1917c; MoM, 1917; MoR,1918; HMSO, 1919).

When the British Colonial Office (CO) had first approached BACo to purchase the Guyanese bauxite reserves in 1915, they were refused (CO),1915). When BACo did eventually register interest in the Guyanese rights in 1920 (CO, 1920a), it was within the climate of the priorities of arguments over British control of imperial minerals assets, one restated again by the Imperial Minerals Resources Bureau (CO,1920b). That BACo had no real interest in the reserves, save to satisfy the imperial minerals agenda and the British government, is demonstrated by the fact that from eventually purchasing them in 1926 and setting up a subsidiary, the British and Colonial Bauxite Co. Ltd., they did nothing to develop these reserves and eventually signed them over to be worked by Alcan's subsidiary in 1936 (CO, 1926; British and Colonial Bauxite Co. Ltd., 1927, 13 1932, and 1936).

These actions to protect British assets were arrangements that deglobalized minerals and metals supply in market terms and instead promoted British imperial minerals security of supply. BACo used its roles within government and after to ensure that they could secure the finance and political support for their domestic capacity. However, collectively these actions were not just about commercial interests, as borne out by the behaviors of BACo's directors, but also about shared values. When the British Metals Corporation, "a strong British organization aiming at securing for British interests the predominance in the non-ferrous metal trades of the British Empire hitherto occupied by Germany" (Hansard, 1918) was formed, Tait became a director and BACo a major shareholder. Morrison chaired the Imperial Minerals Resources Bureau's aluminium committee. These directors were also strongly imbued with a patriotic commitment to Britain and the Empire, fostering an authenticity and building trust with government ministers (Perchard, 2012).

National producers' behavior during and after the First World War illustrates how they gained access to key committees and ministers, using rhetoric and policy to influence government decisions and secure both domestic and international markets. During and after the 1914-18 conflict, various organizations and events highlighted the industry's tendency to collaborate in response to geopolitical events. The French industry created Aluminium Français (AF) to act as a link between producers and the government, proving highly effective during both World Wars. Its purpose was also to market the use of French aluminium domestically and overseas (Hachez-Leroy, 1999). In 1918 the leaders of the British, French and North American industries met in Paris to allocate international markets, a profoundly political act as it excluded both AIAG and VAW (Storli, 2014; Bertilorenzi, 2016). During the interwar period, following the Russian Revolution of 1917, AF and Alcoa used their Norwegian subsidiary and the Norwegian government’s state guarantees to trade with the Soviet Union thereby mitigating the effects of the political risks of trading, which they could not get from their own governments.

The development of NMS and CPA to both adapt to the sources of international conflict and global expansion was a characterized by the Aluminium Association (AA) (1926-1931) and the Alliance Aluminium Company (AAC) (1931-1939) formal transnational cooperation of the industry on a number of fronts including research and development and transportation, as well as more recognizable roles of cartels in regulating prices and production (Storli, 2012, 2014; Bertilorenzi, 2016). Like other cartels, AA was a protectionist measure to insulate the industry against the vicissitudes of global economic conditions and to self-regulate (Ibid; Shanahan and Fellman, 2022). However, both organizations also demonstrated quite distinct characteristics in nurturing international

cooperation on such issues as marketing, R&D, and transport. Ultimately, though most of the leading aluminium producers retained interests in Italy after 1922 and Mussolini's ascension to power, the autarkic policies of Fascist Italy and Nazi Germany and the latter's rearmament prompted the AAC, like the League of Nations, to collapse (Grinberg and Hachez-Leroy, 1997; Bertilorenzi, 2008). This highlighted clear trends towards deglobalization in the period, as identified elsewhere (Irwin, 2012).

Both at the firm and industry levels, this saw the recruitment of a new breed of directors, regularly drawn from government agencies or the military for their understanding of government institutions and processes, in an apparent attempt to build political capabilities at senior levels. From this also emerged transnational industry diplomats and fixers like the former AF chairman and President of AA and AAC, Louis Marlio, a former chief of staff of the French Ministry of Public Works who had the ear of public administrations in France and the U.S. (Bertilorenzi, 2016). This reflected an industry trend to hire from government to build political capabilities and reflected the unique characteristics of the French system of "Pantouflage", with senior civil servants and industry leaders sharing acculturation and networks through their attendance at the grandes écoles and polytechniques, smoothing shared outlooks and a revolving door between the public and private sectors (Grinberg and Hachez-Leroy, 1997). This deliberate strategy of enhancing political capabilities, developing elite networks (cemented by homophily), and demonstrating reciprocity and trust emerged as the basis for CPA.

The Antecedents and Dynamics of Deglobalization in Crisis and Decolonization (1947 – 1991)

This section takes place against the backdrop of the Second World War, the resurgence of globalization, alongside superpower polarization of the Cold War (1947-1991) and decolonization in the British, French and Dutch empires. Here we explore the use of NMS by BACo and two new entrants to US aluminium markets – Reynolds Metals Company (RMC) and Kaiser – to both influence deglobalization in the form of protectionist measures while at the same attempt to internationalize their operations. BACo, acting on behalf of a beleaguered and indebted Britain, was seeking to maintain the British Gold Coast (Ghana) within the empire as part of a colonial policy of economic diversification with the Volta River Project and a planned smelter. RMC and Kaiser Aluminum became involved when both the British government and BACo had to drop out.

RMC and Kaiser entered fully integrated aluminium production during the Second World War. Reynolds, a southern family business formed in 1919 as US Metals, became RMC in 1928 and moved from being a predominantly US downstream producer of aluminium foil to the tobacco industry into the second largest integrated producer of aluminium in the US by the end of the Second World War, behind Alcoa (Perchard, 2019). Kaiser was part of the massive industrial empire built overseen by Henry J. Kaiser, a highly seasoned government entrepreneur with extensive experience of CPA stretching back almost 50 years (Adams, 1997). His business expanded during the Second World War to produce ferrous and non-ferrous metals and build ships. In both companies' cases, NMS was pivotal to their success. Both were examples of "government entrepreneurs", whose cooperation with US President Franklin Delano Roosevelt (FDR) (1933-1945) and the

New Deal (1933-1938) and subsequently US war economy (1941-1945) was instrumental both to the companies' success. Pivotal to this was the continued support of key figures within FDR's administration, of antitrust measures to break the monopolies in several industries, including Alcoa's hold over aluminium.

RMC hired former legislators and officials including lawyers, economists, and politicians, courted defense and state office officials and military officers and leveraged their social capital and Democratic Party networks in their business activities. They were also advised on the global industry and monopolies by Marlio, who had remained in the U.S. working for the Brookings Institute during the Second World War (Reynolds/ Marlio, 1942). This enabled them to skillfully leverage the rhetoric of patriotic defense needs and U.S. foreign policy objectives, along with regional development and anti-trust priorities, to align themselves with the executive branch and legislature. In doing so, they secured substantial loans, established upstream and downstream aluminum plants and supply chains, and obtained lucrative defense contracts (Perchard, 2019).

RMC's declarations of patriotism in support of U.S. sovereign power are evident in the following letter. The first, from founder, Richard S Reynolds Snr., to the senior Senator (and former Governor) from Georgia who was influential on the Senate Naval Affairs Committee in 1945 (Reynolds/ Russell, 1945):

> *"Our Company undertook this task because the Navy felt it was necessary to build a pool of skilled workers where they did not exist, and the War effort would be benefited by this program. As a corollary, it has always been the desire of our organization and of our family over several generations to assist in every possibly [sic] way the industrialization of the South as it a cause very dear to our hearts".*

Their success with government can be judged from the extensive government financial support with $36.6m by 1944 from state Reconstruction Finance Corporation (RFC) and political support. So much so that US Secretary for Commerce Jesse Jones remarked to FDR that same year: “The company is in good financial position and has certainly had excellent treatment at the hands of the RFC, although they are seldom satisfied” (Jones/ FDR, 1944).

Reynolds also financed and campaigned for the successful Democratic Presidential Campaigns of FDR, John F Kennedy and Lydon Baines Johnson and the unsuccessful attempts of Adlai Stevenson in 1952 and 1956 (American Forum of the Air, 1944; Krey/ Reynolds, 1952; Reynolds/ Roberton, 1958; Reynolds/ LBJ, 1965). They also supported numerous campaigns for several influential southern Democrats, most notably their long-term ally Senator Lister Hill of Alabama and FDR’s Secretary for the Interior Harold Ickes (Reynolds/ Lister Hill, 1944; Ickes/ Reynolds, 1950; Caskie/ Ickes, 1951).

Henry J. Kaiser was similarly viewed as a serious DNC contender for the presidency, and his oldest son and later chairman of Kaiser Aluminium, Edgar Kaiser, was close to both the Kennedy and Johnson administrations (Kaiser, 2 and 9 June 1960a,b). Kaiser used political connections built up over 30 years, coupled with hiring the services of one of the pivotal leaders of Washington lobbying Tommy Corcoran, to join RMC in breaking into the previously impervious fortress of global aluminium (Foster, 1989). We explore two episodes to explore how Reynolds and Kaiser’s NMS pursued deglobalization and one in which the latter sought to promote alignment with US Foreign Policy aims and Kaiser’s own beliefs on international development.

Protecting the Oligopoly

In the late 1940s, RMC and Kaiser used their political networks to try to block Alcan's Canadian aluminum imports to the US, building on their earlier collaboration to break Alcoa's monopoly (Kaiser/ Ickes, 1940; Ickes/ Knox, 1941; RMC/ Kaiser, 1947). Alcan's expansion during the 1940s and 1950s owed much to the treatment they received in preferential loans and contracts they received from the British and US governments, with Canada's influential "Minister of Everything" Clarence Decatur Howe lobbying highly effectively on behalf of the company in Washington DC (Perchard, 2012). RMC and Kaiser understood that cooperation and building a coalition both within the industry and amongst their political allies would be essential to this, and actively sidelining Alcoa, with a brief on the Department of Justice antitrust case against the latter prepared in readiness by Reynolds senior executives Walter Rice and Irving Lipkowitz (formerly officials in the DoJ's Anti-Trust Division) (RMC/ Kaiser, 1947).

Like BACo during the First World War, RMC and Kaiser used their positions on the Aluminium Advisory Committee and in giving evidence to the US Tariff Commission, the Department of Defense's Army and Navy Munitions Board, and Senate appropriation hearings to encourage support for the domestic industry, particularly the relatively new entrants, and protection against cheap Canadian imports (Reynolds/ Aluminum and Magnesium Industry Advisory Committee, 1947). The line of attack they deployed demonstrated their implicit leverage of antitrust arguments (Rice/ White, 1947).

Decolonization and Cold War Development

The two world wars elevated aluminum's strategic importance and changed how aluminum companies pursued CPA and developed their political capabilities. Companies like BACo, Reynolds, Alcan, Alcoa, and PCAC used these mechanisms to argue for deglobalization policies such as protectionism, while also seeking to expand globally with a propensity for transnational collaboration through a series of global cartels (Perchard, 2012; Bertilorenzi, 2016). These characteristics, balancing globalization and deglobalization, would be visible in the fast-changing world after 1945 in the context of the Cold War, decolonization, and the expansion of supranational governance. Here, Rajwani and Liedong's comment is pertinent here: "institutional context influences the political strategies used by firms, the performance outcomes of those strategies, and the mechanisms through which those strategies affect performance outcomes" (2015, p. 275). It also has a profound impact on the capability building within firms and industries and the leverage of elite networks and social capital, and the importance of reciprocity and trust in maintaining those (Liedong et al, 2014; Harvey and Maclean, 2006; Maclean et al, 2017).

BACo's involvement in the Gold Coast was prompted by imperial metropolitan interests in London and counterbalancing growing calls for greater local autonomy and independence in British colonies. BACo had originally bought bauxite rights in Ghana in 1928, prompted by the threat of export duties for it from their French subsidiary, but had done little to develop them until pressurized by the British government in 1940 (with the fall of France) for strategic purposes. By the 1950s, with growing calls for independence and bauxite outstripping gold as the Gold Coast's most important export, the Colonial

Office sought to push forward an earlier scheme to develop smelting in the colony powered by a gigantic hydro-electric scheme, the Volta River Project, set out in 1952 (Decker, 2011). The Volta River Project was to develop an aluminium smelter and hydro-electric scheme to generate the power required located near to the colony's rich bauxite reserves and mines and linked for export by the new infrastructure investment. It was a massive investment (£103 million; £2.5 billion at 2021 real prices), both financially and in terms of the political reputations staked on it (Volta River Aluminium Scheme, 1952; Board of Trade, 1956; US Information Office, 1957; Decker, 2011).

Reynolds sensed an opportunity in newly independent Ghana, but the hand of Kaiser was also prompted by the U.S. government's fears of the expansion of Soviet influence. Alcan rejoined the initiative later. By the late 1950s, U.S. aluminum producers grew increasingly concerned that rapid growth could lead to a surplus, driving prices downward. It is also important in adjudging these actions to recognize the importance of ideology and moral and religious beliefs, as well as the power of rhetoric and nonmarket strategy, in divining the motivations of industry leaders and firms (Gupta et al, 2019), within the specific contexts of world war and the Cold War. Pivotal to Reynolds' success was an understanding of reciprocity and trust, underpinned by ideological agreement with government. Addressing the workforce at Reynolds Metals alumina plant in Arkansas during the midst of the Korean War, Julian Louis Reynolds, son of Richard S Reynolds Snr and Vice President International, saw things in equally stark terms (J. Louis Reynolds, 1951):

> *[i]n time of war, this plant and three other plants like it in the country are all that stand between us and defeat by the Communists. Without these alumina plants, we couldn't possibly defend these United States. We couldn't help keep democracy in the world.*

Reynolds, Kaiser and Alcoa, with West African Aluminium (by then a subsidiary of Alcan), formed the Volta Aluminium Company (VAC) in 1959, after President Eisenhower had authorized a loan to the Ghanaian government in 1957. This was not just predicated on commercial interests, but it also aligned with shared beliefs with the U.S. State Department in providing a bulwark against communism (Perchard, 2013). In this context, efforts were made to foster consensus and collaboration, with Richard S. Reynolds Jr. and Irving Lipkowitz proposing an "economic NATO" during a 1959 meeting with fellow aluminum producers in Paris. The initiative aimed to counter Soviet dumping of aluminum ingots in Western markets, framing the issue as ideologically driven (Matter, 1959; Lipkowitz, 1955).

Henry J Kaiser hinted at other reasons for international joint ventures. In a letter to the then U.S. Senate Majority Leader (and subsequently U.S. Vice President and President) Lyndon Johnson, one year after the formation of the VAC (Kaiser/ LBJ, 1960a):

> *My thesis may be briefly stated as this: American free enterprise has an unlimited opportunity to grow through stimulating self-propelling economies in the underdeveloped nations.*

This extended to the very top of the U.S. government, intervening on behalf of American firms seeking to break into key areas. RMC's Walter Rice told Pechiney officials in Richmond in 1961 that they got into Jamaica (after Britain was restricting access to bauxite to Commonwealth countries) after FDR personally intervened on their behalf with Churchill after the signing of the Atlantic Charter in 1941 (Dumas/ Vitry, 1961).

In Ghana, Kaiser operated as the principal negotiators in negotiations on the part of all the partners and as the majority shareholder in VALCO. President Kwame Nkrumah personally requested that chairman of Kaiser Aluminium, Edgar Kaiser, handle the negotiations between VALCO and the Ghanaian government (VALCO, 1960). Edgar Kaiser was also close to the Kennedy administration which may have prefigured in Nkrumah's calculations (*New York Times,* 13 December 1981). For Aluminium Pechiney, Grinberg and Laparra (2007) and Loison et al. (2020) attribute the motivations of initiatives in Cameroon and Guinea to a commitment to maintaining a Francophone world and exploiting market opportunities while contriving to contribute to economic development ambitions. Like the Volta River Project, Pechiney's joint venture Fria project in Guinea (along with US firms Harvey and Olin Mathieson) was viewed as having important development goals (World Bank Africa Report, 1969).

Several key market and political events greatly impacted the global aluminium industry in the last three decades of the 20th century, all tied to deglobalization and globalization. These included the 1970s energy crises, European harmonization, the expansion of the General Agreement on Tariffs and Trade (GATT), and the 1978 listing of aluminium on the London Metals Exchange (LME). European harmonization and LME trading

highlighted the limitations of firm-to-government CPAs and the growing importance of industry trade associations. In response to the need for broader industry representation and collaboration across the supply chain, several trade associations were established, either integrating earlier sectional interests or fostering transnational cooperation (See Table II).

INSERT TABLE II ABOUT HERE

The decline in the industry's lobbying power in the 1970s was starkly exposed by its attempts to block the launch of a futures market for aluminium on the LME. A futures market introduced far greater volatility into global aluminium prices, in turn affecting profit margins and restricting the global majors' traditional maneuverability. The industry majors naturally opposed this move to maintain control over pricing and quotas in the worldwide market.

In September 1976, BACo's MD and Ronny Utiger, in his capacity as BACo MD and president of the European Primary Aluminium Association (EPAA), approached the UK's Department of Industry, warning that the launch of Aluminium Futures would cause upheaval in the global industry and cause significant price fluctuations (Utiger/Clark, 1976). The introduction of the futures market in 1978 effectively broke the power of the vertically integrated first movers and primary producers, shifting direct firm to government negotiation to an increased power and prominence of trade associations (Perchard et al., 2024). It also demonstrated the weakening of elite personal networks and social capital of directors across borders.

The failure of the industry in the UK and Europe to block the LME's floating of aluminium exposed the shortcomings and fragility of extant structures to meet growing challenges in a rapidly changing global market (Bertilorenzi, 2020), exposing the inability/unwillingness of the industry to meet the challenges of further globalization. In the last forty years, most of the vertically integrated first movers disappeared, either absorbed into the remaining aluminium companies (such as Alcoa) or portfolio mining companies (like Rio Tinto). By the end of the 20th century and beginning of the 21st, in Europe and North America, trade associations chiefly conducted much of the industry's significant negotiations with government (nationally and transnationally) (Bertilorenzi, 2020; Perchard et al, 2024). Direct-to-government CPA now largely reside in these groups, reflecting the changed structure of the global industry, which has shifted away from dominant incumbents to a more diffuse set of actors.

Figure 1 charts the chronology of firm-state interactions that structured the aluminium industry's strategic navigation of both globalization and deglobalization. It highlights pivotal episodes – from wartime protectionism to Cold War developmentalism – demonstrating how firms mobilized CPA not merely in response to institutional flux, but as a proactive mechanism to reconfigure trade regimes, national policy, and geopolitical alignments. This timeline historicizes the ideological and institutional scaffolding that enabled firms to shape macro-level outcomes.

INSERT FIGURE 1 ABOUT HERE

DISCUSSION

Our analysis demonstrates how firms and industries, in concern with the state, can and do actively shape globalization and deglobalization while adapting their strategies to these processes (Jones, 2005; Witt, 2019; Jones and Giacomin, 2022). We further illustrate a counterintuitive insight: deglobalization is not merely an external phenomenon imposed upon firms but a process that firms themselves influence and, at times, actively promote to align with their strategic interests – this is in direct contrast to existing treatments of deglobalization that posit it as state-imposed (Irwin, 2012; Bordo, 2017; Ripsman, 2021). We reconceptualize deglobalization as neither purely reactionary nor episodic, but as a dynamic and co-constructed phenomenon that requires managers to exhibit ideological flexibility in navigating competing global and local demands.

In demonstrating the relationship between globalization and deglobalization, we emphasize nonmarket strategies and specifically CPA approaches. By connecting the microfoundations of CPA with the construction of firm-state institutions and the co-evolution of globalization and deglobalization, this enhances our understanding of the range of activities and strategies firms use regarding NMS and CPA (Getz, 1997), as well as how these are implemented. By highlighting how firms employ protectionism and raise rivals' costs as part of their NMS toolkit, we broaden existing views of deglobalization that view it as solely driven by the state. This highlights the connection between firm-level CPA strategies and broader institutional outcomes. Our perspective shifts the prevailing narrative of firms being subjected to deglobalization, instead positioning them as central and proactive agents in shaping both globalization and deglobalization, highlighting the NMS and CPA approaches they deploy to achieve their strategic aims.

The aluminium industry provides a rich empirical focus to demonstrate how firms can their CPA to respond to both deglobalization and globalization. Empirical examples underscore these dynamics: British Aluminium's activities in the British Gold Coast (now Ghana), Kaiser and Reynolds Metals' operations in Ghana, and Aluminium Pechiney's ventures in Cameroon. Each case illustrates how firms sought to shape economic and political agendas that extended beyond their commercial interests. Whether willingly or not, these firms engaged in actions that aligned with broader state objectives, underscoring the intricate interplay between business and state actors in line with extant research on both NMS and CPA (Lawton, et al. 2014; de Villa et al, 2015; Rajwani and Liedong, 2015; Shirodkar et al., 2024).

MNEs may be expected to intensify their use of NMS during periods of deglobalization, political and economic crises, or heightened state regulation. However, our analysis reveals that NMS is not merely a reactive tool deployed during crises but a persistent element in the strategic activities of firms within the global aluminium industry (Perchard and MacKenzie, 2021). These strategies demonstrate how political activity closely aligns with market objectives, creating opportunities but also potentially fostering long-term dependencies for firms. As Bucheli and DeBerge (2024) suggest, it is through examining "multi-country dynamics" and "historical antecedents" that we can gain a deeper understanding of the competitive advantages and disadvantages faced by MNEs – our historical multi-country analysis shows how MNEs use NMS to influence their contexts over time and space and to what ends.

Our findings suggest that globalization and deglobalization should not be viewed as periodic phenomena to which firms and industries respond independently or sequentially

(Jones, 2005; Witt 2019). Instead, globalizing and deglobalizing forces are constant, coexisting and deeply intertwined, driven and sustained by NMS activities. MNEs actively shape deglobalization when it aligns with their strategic interests, leveraging NMS and CPA to influence policies and institutional frameworks. This perspective challenges the conventional view of deglobalization as a principally state-led endeavor (Ripsman, 2021), for example by populist governments (Ciravegna and Michailova, 2021), instead framing it as a dynamic and complex interplay between state and business actors pursuing mutually beneficial objectives.

Implications for Future Research

This study lays the groundwork for examining the intersections of deglobalization, globalization, and NMS across industries, periods, and regions. Future research might explore these dynamics in technology, energy, or pharmaceuticals, where geopolitical influences and CPA are especially salient. Comparative analyses could further reveal how firms adapt NMS to different institutional and cultural environments, highlighting both commonalities and divergences. As our findings show, MNE NMS responses to globalization and deglobalization are contingent on industry structures and home-country contexts over time, underscoring the importance of historically grounded, cross-industry perspectives.

We extend work on deglobalization by identifying its NMS underpinnings, particularly through CPA. Our analysis underscores the importance of antecedents such as elite networks, lobbying, reciprocity, and trust, and demonstrates the value of historical methods in explaining these phenomena. Within this literature, microhistorical

approaches (Hargadon & Wadhwani, 2023) can further illuminate the microfoundations of CPA. Dorobantu et al. (2017) note that firms in weak institutional contexts create and appropriate value by adapting to or reshaping institutions. This is also true in contexts undergoing flux, highlighting the need for research on how firms navigate deglobalization through NMS in times of institutional transition.

Finally, we call for closer attention to the role of ideology and managerial agency in NMS. Understanding the ideological stance behind the "rules of the game" (de Villa et al., 2015) provides insights into how firms interact with political actors and conditions. This perspective is especially relevant in the current era of rising populism, economic nationalism, and geopolitical realignments.

Managerial Implications

For managers, our findings emphasize the importance of adaptive capabilities and strategic foresight in navigating the interplay of globalizing and deglobalizing forces. Effective responses require historically informed, context-sensitive strategies that account for contingencies and evolving opportunities (Lawton et al., 2014; Shirodkar et al., 2024). Collaboration with governments should be seen not as exceptional, but as a core element of managing geopolitical risk and institutional complexity.

We also highlight the importance of managerial ideological acuity: aligning corporate objectives with state priorities while remaining sensitive to ideological and cultural underpinnings of external environments. Our cases show how firms strategically supported deglobalization when it advanced their goals while simultaneously reinforcing

state imperatives. Such alignment fosters trust and positions firms as credible partners in navigating global economic transitions.

CONCLUSION

This study shows how firms and industries actively shape both globalization and deglobalization through the broad deployment of NMS, particularly CPA. Drawing on a century of firm–state relations in the aluminium industry, we reconceptualize deglobalization not as a fleeting, state-imposed retreat, but as a dynamic, co-constructed process that firms often promote when aligned with their strategic interests. By reframing deglobalization as intertwined with globalization, we show how MNEs strategically navigate both forces, localizing or globalizing in response to shifting institutional logics, geopolitical alignments, and market conditions.

Our findings underscore the critical role of ideology, values, and trust in underpinning CPA, revealing how managerial agency and elite networks form the microfoundations of long-run political capabilities. In doing so, we extend NMS and CPA theory by highlighting the historical and ideological dimensions of firm–state relations, and by demonstrating that deglobalization is not merely an external constraint but a strategic outcome co-produced by business and government actors pursuing aligned objectives.

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