"Multinationalität hat verschiedene Gesichter." Formen internationaler Unternehmenstätigkeit der Société Anonyme des Mines et Fondries de Zinc de la Vielle Montagne und der Metallgesellschaft vor 1914 ["Multinationality Has Different Faces": Aspects of International Business Transactions of the Anonymous Society of Mines and the Zinc Foundries of Vielle Montagne and the Metal-Trading Company before 1914]. *By Susan Becker*. Stuttgart: Franz Steiner, 2002. 326 pp. Notes, bibliography, appendix, tables. Paper, €58. ISBN 3-515-07685-9.

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Although interest in the global economy and multinational companies boomed in the nineties, German economic and business historians have only just begun to do empirical research in new institutional economics. Susan Becker's Ph.D. thesis, submitted at Bonn University in 1999, can be seen as an attempt to meet this demand for empirical research on the global economy. Becker explores the international operations of one of the largest German metal-trading companies, the Frankfurter Metallgesellschaft, and the world's largest zinc producer, the Belgium company Vielle Montagne. Both companies were the strongest international operators within their industry, and they illustrate the growing importance before the First World War of multinationals, with their contacts in Sweden, France, Italy, and Germany (Vielle Montagne), and in the United States, Australia, Mexico, and Chile (Metallgesellschaft). Becker's theoretical approach is based on transaction cost analysis. Despite the title of her book, she does not compare the respective international business strategies, which is perhaps just as well, because such an undertaking would have overstretched this already ambitious project. However, she does draw analogies between countries in her conclusion.

The well-structured analysis is based on her evaluation of printed material in the company archives of Vielle Montagne and the Metallgesellschaft, which are stored at the Public Record Office in London. She divides her study into two sections. In the first, she defines the theoretical and historical context. Focusing on the dichotomy between markets and hierarchies—or companies—within the framework of transaction cost analysis, Becker tests that theory against three forms of international operations pursued by both Vielle Montagne and the Metallgesellschaft: direct investment; relations to foreign companies (e.g., credit or licensing agreements, personal interface), and cartels. She also applies the OLI approach—ownership/location/internationalism—in exploring specific advantages (e.g., know-how, access to market information, sales organization) enjoyed by one company vis-à-vis its competitors. When these two theories do not suffice, she demonstrates how the personal influence of businessmen and managers can affect a particular business strategy.

The second section is devoted to the international business activities pursued by Vielle Montagne and the Metallgesellschaft. Although this represents the core of the book, its pages contain too much detail about the two companies' activities, particularly their foreign direct investments, their relations to foreign companies, and their involvement in cartels and cartel-like agreements. Both became involved in these activities in order to secure a supply of raw materials, gain information, impose quality control, and establish sales and distribution policy. Becker illustrates how the measures they adopted led to a reduction in transaction costs, and she persuasively identifies the motives and reasons behind each of their decisions. However, these same examples also reveal the limits of transaction cost analysis. In applying this approach, Becker is still unable to reveal the companies' criteria for their decisions—aside from the generally valid ones of reducing transaction costs. Often after selecting a particularly strategy, the company might not rely on it exclusively but might also combine it with other, complementary, approaches.

Becker concludes that it is not possible to generalize about when companies preferred direct investment, cartels, or other forms of foreign relations "on the basis of present research" (p. 302). Many of her statements thus remain speculative, and her theoretical propositions cannot always be verified: At critical points, Becker may either fall back on terms like "probably," "possibly," or "appears . . . to have been" or is forced to rely on assumptions. One example would be her rather banal observation that a company would decide to invest directly in an operation, rather than cooperating with a foreign company, only if it was of sufficient size and strategic significance to warrant a substantial financial outlay. Such a comment means little more than that a company would not invest in a small operation that was of little strategic significance.

Becker highlights the international activities of two big European companies and clarifies the individual elements of their corporate strategies in the context of German economic and business history. She has thus begun to fill a long-standing research gap and has made a welcome contribution. Her adoption of transaction cost analysis as a framework to explain different business strategies is also useful, not only in making comparisons, drawing conclusions, and evaluating outcomes but also in revealing the limits of this theoretical approach.

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