



## NELSON CUNNINGHAM

President, McLarty Associates; former Special Advisor to President Clinton

**Nicolas BARRÉ, Managing Director, *Les Echos***

How do you see that in the US?

**Nelson CUNNINGHAM, President, McLarty Associates; former Special Advisor to President Clinton**

My firm is a strategic advisory firm; when I am not talking about politics, I am advising multinationals on how to do business around the world and helping them deal with governments around the world. Our clients are not just American companies, but also include European and Asian companies. They are companies like Google, GE, Walmart, and Hyundai.

The first piece of advice we always give them is to try to be as local as they can be when operating in a particular country. This means understanding who their local suppliers and customers are, and building relationships with those local stakeholders so that when they encounter issues with governments, they can have local faces on their side.

For some companies, this becomes an inexorable part of their business model. Google is a prime example. When I am in the United States, I go to [www.google.com](http://www.google.com). If I am in Switzerland, I go to [google.ch](http://google.ch); in Germany, to [google.de](http://google.de). Even though data lives nowhere, a company like Google has to be local in order to comply with local laws. For example, if I go to [google.com](http://google.com) in the US, I can pull up the text for *Mein Kampf*. When I am in Germany, because the German government bans the publication of *Mein Kampf*, if I try to pull up the text for *Mein Kampf* on [google.de](http://google.de), I get an error page that says, "I am sorry, but we cannot provide that to you."

However, despite companies wanting to be local, it is impossible for them to run away from their national origins and from the flags that they carry. This is in part because in today's world, as globalized as we are, borders sometimes do matter a lot, as the tragic events in Paris in November showed us. Sometimes it will matter to a US government that a company is Chinese, or it will matter to a Chinese government that a company is European, or that it is Japanese. Therefore, I think that as much as companies want to be local, governments—for both good and bad reasons—will often want to treat them according to the flag of their home country.

**Nicolas BARRÉ, Managing Director, *Les Echos***

By the way we had a very good example of that difficulty of companies pretending to be local and in fact being global but you know just after the attacks in Paris some companies like Apple and Amazon posted messages saying, well, we support the French, etc., and then on social networks you had all sorts of messages saying well, start paying taxes in our country and then we will be able to finance the police, the military etc. They pretend to be local but for the general public it is obvious that they are not really local.

**Nelson CUNNINGHAM, President, McLarty Associates; former Special Advisor to President Clinton**

That's exactly right. Look at the acronym that I hear very often in Europe: GAFA. Google, Apple, Facebook, Amazon. Suddenly, any tech company is seen as carrying the American flag and embodying American values. Some of the values that are associated with them are very good ones: the free flow of information, robust discussion, etc. But there are also behaviours that are now associated with them. This feeds the speculation that perhaps they are conspiring with the NSA, or perhaps they are keeping their taxes offshore—behaviour that would not be consistent with being good local citizens. These perceived nationalities can become pejorative phrases as much as advantages.