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Corporate Re-entry as an Indicator of the End of the "Age of Wars"

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EXECUTIVE SUMMARY: Russia's full-scale invasion of Ukraine in February 2022 marked not only a military but also an economic turning point in the international order. The mass withdrawal of multinational corporations (MNCs) from Russia demonstrated that geopolitical risk had begun to outweigh the benefits of global economic interdependence. But if corporate exit is one indicator of the beginning of a new "age of wars", the gradual return of MNCs could be an indicator of its eventual end. Corporate return should not, however, be measured as a binary variable of returned/not returned. It is better understood as a sequence of increasingly costly and difficult-to-reverse commitments. This paper proposes a "corporate re-entry ladder" ranging from renewed institutional contacts and market reconnaissance to direct commercial presence and, ultimately, irreversible capital investment. The critical indicator of geopolitical normalization is therefore not the return of the first Western brand. It is the moment when MNCs once again become willing to risk capital on the assumption that political stability will endure for the next 10–20 years.

2022: From war to structural transformation

If the contemporary "age of wars" is understood not simply as an increase in the number of armed conflicts but as an erosion of the post-Cold War security model, then February 24, 2022 represents one of its clearest turning points.

Russia's war against Ukraine began in 2014, but the full-scale invasion it conducted in 2022 produced consequences of a different magnitude. European

rearmament accelerated, NATO expanded, large-scale land warfare returned to Europe, and competing geopolitical and economic blocs became more pronounced. Subsequent conflicts involving Iran and the broader Middle East can be understood as further manifestations of this systemic shift rather than as isolated events.

The military rupture was rapidly followed by an economic one. MNCs sold businesses, wrote down assets, suspended investment, and reorganized supply chains. Before 2022, one implicit assumption of globalization was that economic interdependence could survive political confrontation. After 2022, the opposite logic increasingly took hold: if major war is again possible, critical economic dependence must be reduced in advance.

The corporate exodus from Russia was therefore not merely a consequence of war. It was an indicator of a deeper transformation in the international system.

Russia as point of bifurcation

Russia was not the sole cause of this transformation. US-China competition, partial deglobalization, the weakening of international institutions, and the return of great-power politics all predated 2022. Yet Russia has repeatedly been a place where accumulated tensions become structural crises, from the Crimean War and the revolutions of 1917 to the Soviet victory in World War II and the collapse of the Soviet Union in 1991.

The concept of a point of bifurcation is therefore more useful than the claim that Russia itself "changes the world". A system accumulates instability, and a particular event pushes it onto a new trajectory.

If the economic rupture with Russia became a visible marker of the end of post-Cold War globalization, subsequent normalization of economic relations could similarly be an indicator that the era created by that rupture is ending.

Why corporate return matters more than peace agreements

Corporate return does not by itself prove that the "age of wars" has ended. It functions instead as a lagging indicator.

Companies do not normally make major investments simply because a ceasefire has been signed. They return when boards and investors conclude that stability is durable enough to justify commitments extending 10-20 years into the future. The pattern runs as follows:

De-escalation → political settlement → easing of sanctions → restoration of financial and logistical links → commercial re-entry → long-term investment

The final stage is crucial. Goods returning through intermediaries reveal relatively little. Even the reappearance of a consumer brand through franchising is a weak signal. Direct investment—subsidiaries, permanent hiring, production facilities, engineering centers, long-term contracts—is much more significant.

It is therefore necessary to distinguish between the return of brands and the return of capital. The former is easily reversible. The latter means accepting the risk that physical assets and long-term investments could once again be lost in a geopolitical crisis.

Sinani *et al*.[1] argue that corporate nationality shapes how MNCs respond to geopolitical risk through organizational restructuring, value-chain configuration, and non-market capabilities. Corporate behavior can therefore reveal how firms perceive geopolitical change. The framework proposed herein extends this logic from adaptation during periods of geopolitical tension to re-entry during periods of normalization.

The "corporate re-entry ladder"

Corporate re-entry should be understood as a process in which companies accept progressively greater levels of geopolitical risk:

0 — Exit

1 — Institutional contact

2 — Market reconnaissance

3 — Service restoration

4 — Direct commercial presence

5 — Local organization

6 — Irreversible investment

The early stages involve renewed contacts, market assessment, maintenance, spare parts, software support, or technical assistance. A direct commercial presence—i.e., offices, engineers, sales personnel—represents a higher commitment. Permanent local organizations and multi-year contracts go further.

The strongest signal is irreversible capital commitment: manufacturing facilities, R&D centers, major infrastructure, or other investments that cannot be rapidly withdrawn without substantial losses.

Corporate re-entry is therefore not an event but a sequence of increasingly costly commitments. The most informative variable is not how many

companies are formally classified as having "returned", but how rapidly different categories of MNCs move up the ladder.

Different companies, different signals

A politically sensitive US industrial-technology corporation might face sanctions, export controls, employee security issues, intellectual property concerns, and reputational constraints. Its initial re-entry would probably consist of making contacts and assessing the market rather than reopening an office. Servicing civilian equipment might follow. Opening a subsidiary, engineering center, or manufacturing facility, or making an R&D investment, would signal progressively greater confidence.

A large European industrial corporation might move earlier. It could begin by servicing existing equipment, then supply permitted products, and eventually establish a limited local commercial presence. Re-entry would not necessarily recreate the corporate model of 2021, however: companies might return with less capital, greater reliance on local partners, and a permanent capacity for rapid withdrawal.

The difference between these trajectories is itself informative. If a more flexible European company reaches levels 3–4 while a politically sensitive American company remains at levels 1–2, the gap reveals continuing geopolitical risk. If both move upward and the distance between them narrows, this could indicate a transition from political détente to deeper structural normalization.

The strongest signal comes when even the companies most exposed to sanctions risk, political risk, and reputational risk become willing to make irreversible capital commitments.

Globalization 2.0

Even if the current era of confrontation ends, corporate memory will remain. Frozen assets, sanctions, export controls, disrupted supply chains, and political intervention in private business have permanently altered perceptions of international risk.

Future normalization is therefore unlikely to recreate the globalization of the 2000s. MNCs will continue to diversify production, build redundant supply chains, and limit sunk costs in politically vulnerable markets. The result may instead be **globalization 2.0**—more cautious, more diversified, and more geopolitically conscious.

Contemporary fragmentation is also no longer confined to the traditional divide between the West and its geopolitical adversaries. Continuing conflict in

the Middle East, tensions within the transatlantic relationship, strains between the United States and Canada, and Canada's simultaneous movement toward deeper integration with Europe point to a more fluid international order in which old alignments weaken while new ones consolidate.

This introduces a second analytical dimension: corporate reorientation. If multinational capital merely shifts from politically contested relationships toward increasingly cohesive geopolitical blocs, this would not indicate the end of the "age of wars". It would instead suggest the institutionalization of a fragmented global economy. A stronger signal of normalization would be when corporations resume committing long-term capital across geopolitical fault lines.

China, Russia, and Iran represent three different frontiers of this fragmentation. Renewed long-term investment in China would suggest that strategic decoupling is losing its structural character. Broad re-entry into Russia would indicate declining expectations of renewed sanctions and confrontation. Large-scale multinational investment in Iran would represent an even higher threshold, requiring a durable reduction of sanctions and regional geopolitical risk.

Individually, each could have a specific explanation. If, however, movement up the re-entry ladder occurs simultaneously across all three markets, something broader would likely to be happening: a transition from an international system organized around geopolitical fragmentation toward one that is again shaped by expectations of economic integration.

In this limited sense, corporate re-entry could provide an empirical counterpart to the idea of a new "end of history". This would not mean the disappearance of war or great-power competition. It would mean that major private economic actors were again prepared to commit irreversible capital on the assumption that geopolitical confrontation was no longer the baseline scenario for the coming decades.

For Israel and the Middle East, this distinction is particularly relevant. Diplomatic agreements provide a political signal, but long-term investment, cross-border infrastructure, joint technology projects, and difficult-to-reverse corporate assets reveal whether private capital believes a new political structure will endure.

How will we know when the "age of wars" is ending?

The end of a particular war does not necessarily mean the end of the "age of wars". Neither does the restoration of diplomatic relations, nor the return of international brands.

A stronger indicator is when major MNCs resume making decisions on the assumption that the next 10-20 years will be shaped primarily by opportunities for economic integration rather than preparations for the next geopolitical rupture.

MNCs can therefore be viewed as conducting a kind of capital vote on the future of the international order. Governments can declare peace before the probability of renewed conflict has disappeared. Corporations validate the perceived durability of that peace when they invest capital they could lose if the political environment collapses all over again. The central question is not, "Have multinational corporations returned?" It is, "How far are they willing to climb the corporate re-entry ladder?"

Renewed contacts indicate expectations of change. Restored sales indicate confidence in the sanctions trajectory. The return of personnel indicates confidence in political and physical security. But the strongest signal is capital expenditure. When a corporation makes that commitment, it is no longer merely observing normalization. It is placing its own capital behind the proposition that normalization will endure.

The true indicator that the "age of wars" is ending will therefore not be the return of the first Western brand to Russia, China, Iran, or other market affected by geopolitical fragmentation. It will be the moment when irreversible cross-border investment once again becomes an ordinary corporate decision rather than a politically extraordinary one.

If that happens across the principal fault lines of the international system, it may signal something larger than the end of individual conflicts: that the logic of geopolitical fragmentation itself is beginning to recede.

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[1] Sinani, E., Hobdari, B., Brandl, K., & Gammelgaard, J. (2026). "Caught in the Crossfire: Multinational Enterprises in the Era of Geopolitical Tensions." *International Business Review*, 35(4), 102590.