

Invited Guest Lecture

17th May 2022, 13:00 GET

Recent and upcoming trends in international business research?

Event organized by:

Batumi Shota Rustaveli State University
Faculty of Economics and Business



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Department of International Trade



**INTERNATIONAL
TRADE
DEPARTMENT**



CRACOW
UNIVERSITY
OF ECONOMICS

Presentation Overview

- Changes in IB research methodology
- Development of IB research
- Recent trends in IB research
- Upcoming trends in IB research

45 mins + 15 mins



What is IB?

The diagram consists of three overlapping circles. The top-left circle is labeled 'international economics' (green text). The top-right circle is labeled 'international management' (blue text) and 'international marketing' (orange text). The bottom circle is labeled 'international finance' (purple text). The central intersection of all three circles is labeled 'business international' (yellow text on a black background).

- institutional economics
- transaction costs theory
- internalization theory
- FDI theories
- international trade theories
- trade liberalization
- economic integration
- international migrations

- methods of payment in IB
- international risk
- IASs / IFRSs
- international banking
- VC / BEs / Crowdfunding
- international financial system

- organizational structures
- resources and competences
- dynamic capabilities
- organizational learning
- networks and social capital
- international strategy
- international environment
- psychic distance
- intercultural research
- marketing and promotion

- International competitiveness
- International migrations
- International entrepreneurship

Source: (Gorynia, Jankowska, 2016). © Krzysztof Wach 3

Levels of analysis in economicus / management

The diagram shows a vertical list of levels of analysis on the left, grouped by brackets. The top two levels are 'International macroeconomics' and 'International microeconomics', which are grouped together under the label 'International economics'. The bottom three levels are 'Mega', 'Macro', and 'Meso', which are grouped together under the label 'International business'. The bottom two levels are 'Micro' and 'Nano', which are grouped together under the label 'International entrepreneurship'. The 'Micro' level is highlighted in orange.

- Mega
- Macro
- Meso
- **Micro**
- Nano

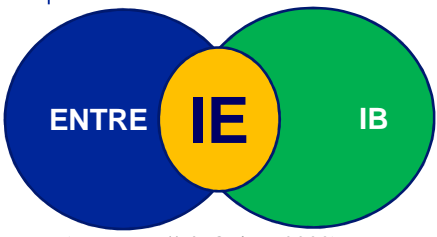
International economics

International business
International entrepreneurship

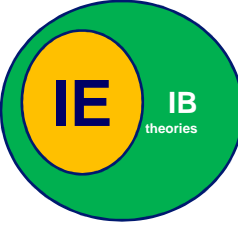
It is hard to identify recent trends at all analytical levels in just one conference presentation.

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What is IE?



(McDougall & Oviatt, 2000).



(Wach, 2012).

INVs
BGs
effectuation

- internalisation theory
- transaction costs theory
- economics-based factors

INTERNATIONAL ENTREPRENEURSHIP

★ dynamic capabilities
discontinuous & chaos
environmental changes

Strategic management

- resource-based view
- assets and capabilities
- business strategy approach
- competitive advantage
- ★ decision-making process

Entrepreneurship

- entrepreneur as the economic agent
- ★ opportunity recognition
- ★ opportunity exploitation
- ★ entrepreneurial process

Source: (Wach, 2015, p. 12)

- **Emergence 1988-1994**
 - Kohn (1988)
 - Morrow (1988)
 - McDougall (1989)
 - Ganitsky (1989)
- **Development 1994-2004**
 - Oviatt & McDougall, 1994;
 - McDougall, Shane & Oviatt, 1994;
 - McDougall & Oviatt, 1996; 2000;
 - Oviatt & McDougall, 2005
- **Flourishing and Shaping 2004+**
 - Coviello, Jones & McDougall (2014)
 - McDougall-Covin, Jones & Serapio (2014)

ALL NEW ACHIEVEMENTS

Part 1:

Changes in IB research methodology



Changes and developments

Major statistics

- 1980s descriptive statistics
- 1990s correlations
- 2000s regressions
- 2010s SEM
- 2020s ???

In the future?

- Multilevel Methods (MLM) in International Business



Recent Past

- **Greater emphasis on multivariate statistics and very recently structural equation modeling SEM**
- **Multiple-source data sets**
- **Ensuring reliability and validity (Greater emphasis on reliability and validity tests)**
- **Sophisticated theoretical models and data analysis**
- **Greater use of longitudinal studies**

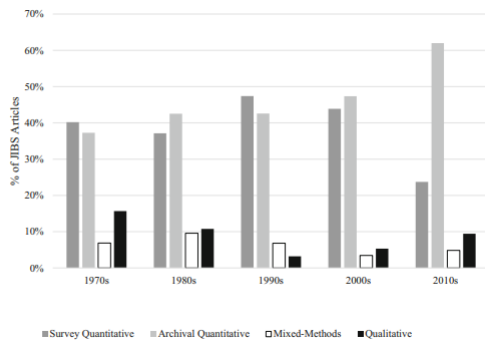


Figure 2 Percentage of JIBS papers by method by decade.

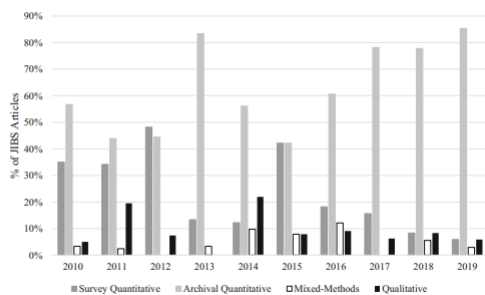


Figure 3 Percentage of JIBS papers by method 2010-2019.

Nielson et al. (2020)



- Nielson, B.B., Welch, C., Chidlow, A. *et al.* **Fifty years of methodological trends in JIBS: Why future IB research needs more triangulation.** *J Int Bus Stud* **51**, 1478–1499 (2020). <https://doi.org/10.1057/s41267-020-00372-4>

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Nielson et al. (2020)

State-of-the-art:

- there has been an increase in the use of (1) large-scale longitudinal, cross-national datasets,
- (2) complex analytical techniques, including the incorporation of multiple analytical techniques within the same study,
- but (3) a decline in **the diversity of methods** in use.

Challenges:

- triangulation and multiple methodological procedures



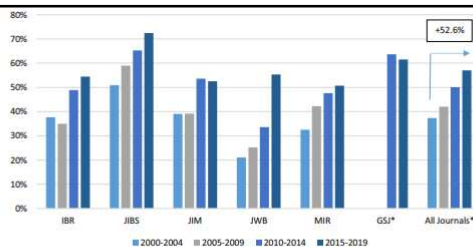
Cerar, Nell & Reiche 2021

- a clear decline of studies based on **primary data** relative to **secondary data**, and a persistently low level of individual-level studies among the growing body of research using secondary data across all IB journals considered
- neglecting **individual-level data** for theory advancement in IB, such as a disregard for novel secondary data opportunities at the individual level and **the risk of reduced theoretical pluralism**

Source: Cerar, J., Nell, P.C. & Reiche, B.S. The declining share of primary data and the neglect of the individual level in international business research. *J Int Bus Stud* **52**, 1365–1374 (2021).
<https://doi.org/10.1057/s41267-021-00451-0>

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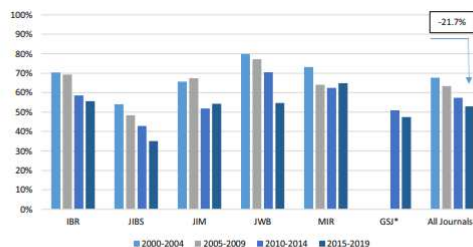
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*Since 2011 for GSI, as this was the year of its first publication.

Note: Percentages refer to all empirical papers using secondary data, both exclusively and in combination with primary data.

Figure 1 Share of empirical papers using secondary data. *Since 2011 for GSI, as this was the year of its first publication. Percentages refer to all empirical papers using secondary data, both exclusively and in combination with primary data.



*Since 2011 for GSI, as this was the year of its first publication.

Note: Percentages refer to all empirical papers using primary data, both exclusively and in combination with secondary data.

Figure 2 Share of empirical papers using primary data. *Since 2011 for GSI, as this was the year of its first publication. Note: Percentages refer to all empirical papers using primary data, both exclusively and in combination with secondary data.

Secondary data:

- +generalization
- +econometrics, reliability/validity

Table 2 Number and share of papers according to data type over specific time periods

	2000-2004*	2005-2009*	2010-2014**	2015-2019	TOTAL
Total number of papers	737	902	1209	1354	4202
Number and share of empirical papers	597 (81.0%)	730 (80.9%)	1064 (88.0%)	1246 (92.0%)	3637 (86.6%)
Number and share of papers using primary data (both exclusively and in combination with secondary data)	404 (67.7%)	463 (63.4%)	610 (57.3%)	660 (53.0%)	2137 (58.8%)
Number and share of papers using exclusively primary data	374 (62.6%)	423 (57.9%)	531 (49.9%)	536 (43.0%)	1864 (51.3%)
Number and share of papers using secondary data (both exclusively and in combination with primary data)	223 (37.4%)	307 (42.1%)	533 (50.1%)	710 (57.0%)	1773 (48.7%)
Number and share of papers using exclusively secondary data	193 (32.3%)	267 (36.6%)	454 (42.7%)	586 (47.0%)	1500 (41.2%)
Number and share of papers using exclusively secondary data and having individual level of analysis	7 (3.6%)	6 (2.2%)	18 (4.0%)	31 (5.3%)	62 (4.1%)
Number and share of papers using secondary data (both exclusively and in combination with primary data) having individual level of analysis	9 (4.0%)	11 (3.6%)	24 (4.5%)	53 (7.5%)	97 (5.5%)

* Without GSI.

** Since 2011 for GSI. All percentages reflect the share of data type among all empirical papers. The only exceptions are the share of empirical papers, which reflects the share of the total number of published papers, and the share of papers with an individual level of analysis, which reflects the share of the papers using secondary data (either exclusively or in combination with primary data, respectively). Note that the share of papers using different data types add up to more than 100% of empirical papers per relevant period since some papers use more than one data type.

Primary data:

- +entrepreneurship theory
- +managerial aspects
- +individual-level bias

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Table 1 Most pervasive methodological challenges reported by authors of *Journal of International Business Studies* (JIBS) articles (January–December 2018).

Methodological challenge	Typical phrasing used in <i>JIBS</i> articles to describe each challenge	Percent and number of articles mentioning each challenge
1. Psychometrically deficient measures	[X] was used to measure construct [Z], but it does not fully capture [Z] [X] was used to measure construct [Z]. Others have noted that data regarding [X] is subject to manipulation or error and therefore may not be sufficiently reliable as a way to measure [Z]	73.0% (27)
2. Idiosyncratic samples or contexts Replication?	We examined the relationship between [X] and [Y] in the context of or using a sample drawn from [Z]. Results obtained and conclusions drawn may be altered significantly when examined in a different context or when using a different sample	62.2% (23)
3. Less-than-ideal research design	We did not include/exclude/measure/control for [X] due to limitations in the dataset We examined the relationship between [X] and [Y] at level [Z], but the relationship might differ based on additional levels of analysis, such as [W] We captured data regarding the relationship between [X] and [Y] during a particular period, but relationships might change if we had more longitudinal data	62.2% (23)
4. Insufficient evidence about causal relations	Because we used method [Z] to study the relationship between [X] and [Y], our results and conclusions should not be interpreted as implying a causal link between the constructs	8.1% (3)

The table is based initially on the 43 empirical articles published in *JIBS* during January–December 2018, excluding editorials, reviews, and conceptual articles (the total number of articles was 66). The final number of articles we analyzed is 37, because six empirical articles did not mention any methodological challenges.

Aguinis, H., Ramani, R.S. & Cascio, W.F. **Methodological practices in international business research: An after-action review of challenges and solutions.** *J Int Bus Stud* **51**, 1593–1608 (2020).
<https://doi.org/10.1057/s41267-020-00353-7>



Nothing
is perfect

Nobody
is perfect

IE 1990-2017

Ahmed & Bremmam 2021

- IE studies are to a great extent confined to mainstream **international business** and **marketing** journals.
- IE studies focused on **developed countries** dominate those from **emerging and developing countries**, and remain highly skewed towards the European region. **Role of Reviewers?**
- The preponderance of **high-tech and knowledge-intensive** firms as study samples is evident

Source: Ahmed, F.U., Brennan, L. A review of methodological diversity within the domain of international entrepreneurship. *J Int Entrep* **19**, 256–299 (2021). <https://doi.org/10.1007/s10843-021-00291-x>

Ahmed & Bremmam 2021

- IE studies are almost **equally** dominated by both **qualitative** and **quantitative** research approaches. The increasing popularity of **case study** over other data collection strategies is evident.
- The domain of IE is still fragmented with **knowledge gaps** remaining that stem from country context, industry or sector context, ontological diversity, research approach and data collection and interpretation techniques, some progress has been made to the development of IE as a distinct body of knowledge.

Source: Ahmed, F.U., Brennan, L. A review of methodological diversity within the domain of international entrepreneurship. *J Int Entrep* **19**, 256–299 (2021). <https://doi.org/10.1007/s10843-021-00291-x>

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Table 1 Frequency (freq.) distribution of empirical studies by country context, economic status and region

Country context	1990–2017 (n = 134)	
	Freq	%
USA	20	14.93
Finland	18	13.43
Australia	14	10.45
China	14	10.45
Spain	12	8.96
New Zealand	10	7.46
UK	10	7.46
Germany	9	6.72
Denmark	8	5.97
Ireland	7	5.22
Sweden	7	5.22
Norway	6	4.48
Italy	5	3.73
Brazil	4	2.99
India	4	2.99
France	4	2.99
Belgium	3	2.24
Canada	3	2.24
Greece	3	2.24
Israel	3	2.24
Malaysia	3	2.24
Switzerland	3	2.24
Austria	2	1.49
Mexico	2	1.49

Table 1 (continued)

Country context	1990–2017 (n = 134)	
	Freq	%
Russia	2	1.49
Turkey	2	1.49
Vietnam	2	1.49
Economic status		
Developed countries	104	77.61
Emerging and developing countries	32	23.88
Not disclosed	1	.75
Region		
European region	71	52.99
Asian region (incl. Russia)	31	23.13
American region (incl. North and South)	29	21.64
Australian region (Australia and New Zealand)	19	14.18
African region	2	1.49

Main conclusion for us:

- 1) LACK OF **CEE** and **SEE**
- 2) Central Asia and the Caucasus
- 3) Japan, Korea, Singapore, Taiwan



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Table 2 Frequency distribution of empirical studies by industry/sector context

Industry/sector context	1990–2017 (n = 134)		Industry/sector context	1990–2010 (n = 77)		Industry/sector context	2012–2017 (n = 57)	
	Freq	%		Freq	%		Freq	%
High-tech/knowledge-intensive firms	56	41.79	High-tech/knowledge-intensive firms	38	49.35	SMEs (incl. both high-tech and low-tech)	19	33.33
SMEs (incl. both high-tech and low-tech)	42	31.34	SMEs (incl. both high-tech and low-tech)	23	29.87	Firms from different industries or sectors	18	31.58
Firms from different industries or sectors	38	28.36	Firms from different industries or sectors	20	25.97	High-tech/knowledge-intensive firms	18	31.58
Apparel/textiles firms	2	1.49	Apparel/textiles firms	1	1.30	Food	2	3.51
Food	2	1.49	Arts and crafts	1	1.30	Apparel/textiles firms	1	1.75
Arts and crafts	1	0.75	Silver and goldsmith firms	1	1.30	Consultancy firms	1	1.75
Fruit exporting firms	1	0.75	Consultancy firms	0	0	Fruit exporting firms	1	1.75
Silver and goldsmith firms	1	0.75	Food	0	0	Arts and crafts	0	0
Consultancy firms	1	0.75	Fruit exporting firms	0	0	Silver and goldsmith firms	0	0

A number of studies have drawn samples from a combination of industries and/or sectors, and therefore, the cumulative percentage cannot be accumulated to equal the total number of reviewed studies.

Table 3 Frequency distribution of ontological stance, research approach, data collection and analysis methods (1990–2017, n = 134)

Ontological stance	Freq	%	Research approach	Freq	%	Data collection method	Freq	%	Analysis methods	Freq	%
Objectivism	60	44.78	QNT	61	45.52	Case study	60	44.78	QNT	61	45.52
Subjectivism	60	44.78	QLT	60	44.78	Survey	41	30.60	QLT	60	44.78
Pluralistic approach	14	10.45	Other	13	9.70	Database, other secondary data sources, and other approaches	19	14.18	Mixed	11	8.21
						Survey and case study/interview	14	10.45	Other	2	1.49
Total	134	100		134	100	Total	134	100	Total	134	100

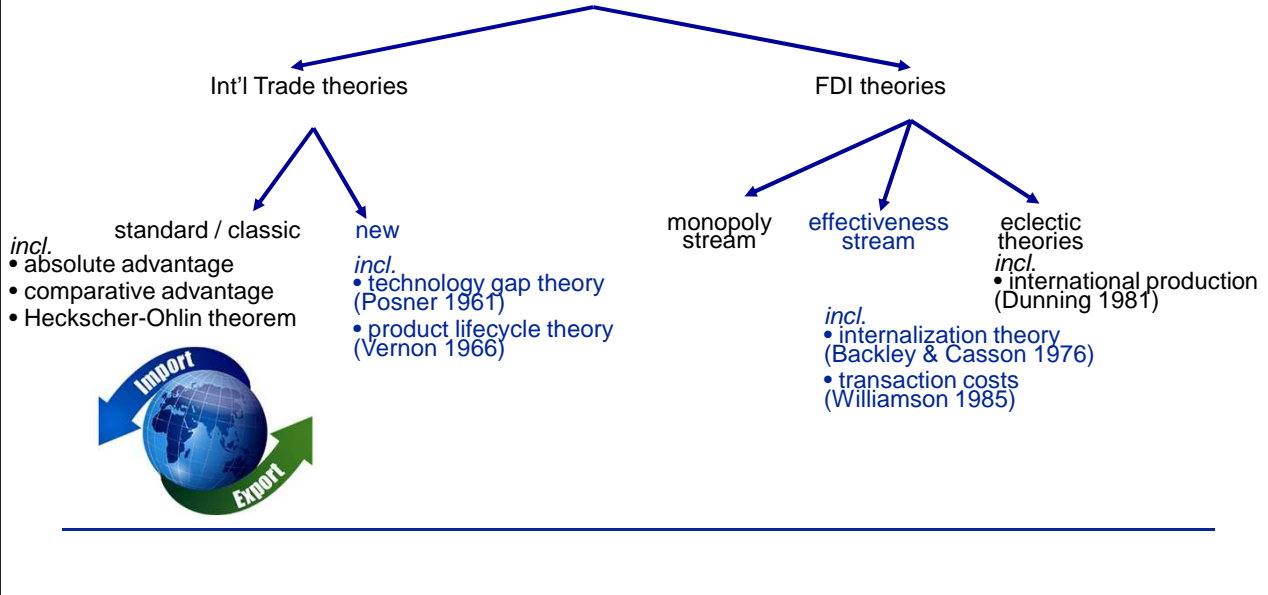
(I) Since research papers do not tend to report the ontological stance, we determined and calculated the ontological underpinnings based on the approach to enquiry; (II) other data collection approach includes Delphi technique; (III) other data analysis methods include hermeneutic phenomenology and historical case analysis; (IV) QNT, quantitative; QLT, qualitative.

Part 2:

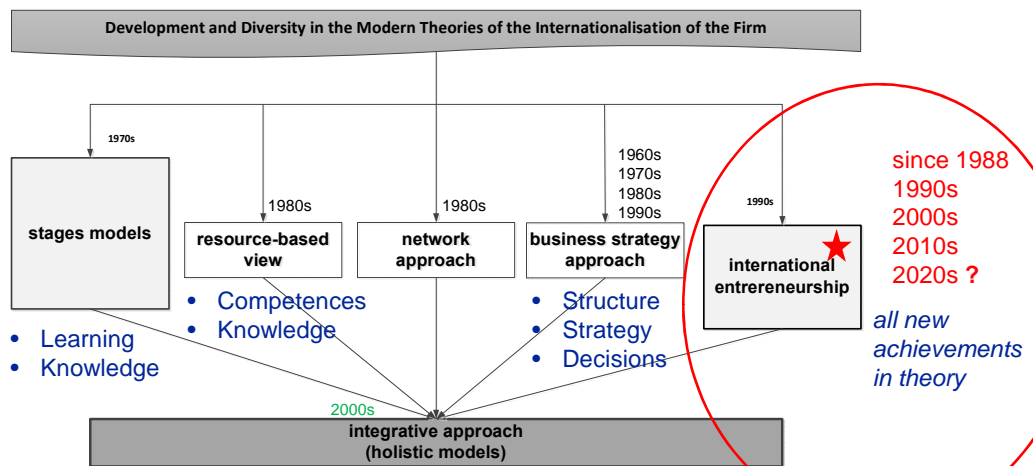
Development of IB research



Economic theories explaining internationalization



Modern IB theories classification (management)



Source: Wach (2014).

Development of stages models 1

1977

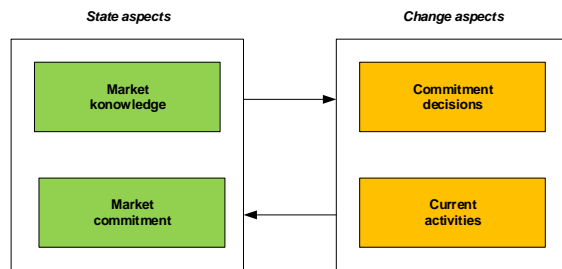


Figure 1. Original Uppsala model of 1977
Source: (Johanson & Vahlne, 1977, p. 26; 1990, p. 12).

2009

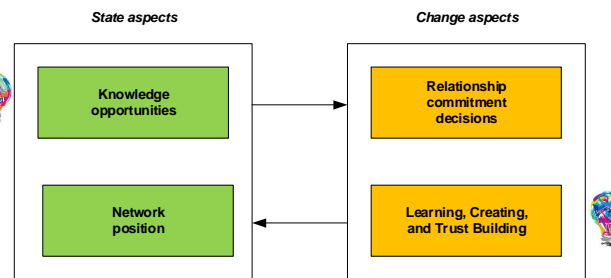


Figure 2. Network Uppsala Model of 2009
Source: (Johanson & Vahlne, 2009, p. 1424).

1980s – network approach in IB

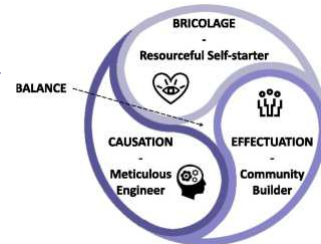
The 2010 Enterprising Uppsala Model

- international entrepreneurship perspective
- new dynamic variable:
contingency exploitation
(non-linearity: unrelated variables)
- uncertainty (Knight)
- observation of the environment (element E *)

- the process of experimental learning in the network
 - jointly engaging in internationalization
 - intensification of international cooperation

The 2010 Enterprising Uppsala Model

- knowledge
 - **entrepreneurial knowledge**
 - organizational knowledge
- Concepts of Effectuation and Effectator



(Servantie & Hlady-Rispal, 2021)

- **Effectuation** processes use a dataset of measures and focus on choosing between the possible outcomes that can be created from that set of measures
- It is therefore a set of business decision-making principles that can be applied in situations of **uncertainty**

(Sarasvathy 2001)

Effectuation ->



Causation ->



Development of stages models 2

2010

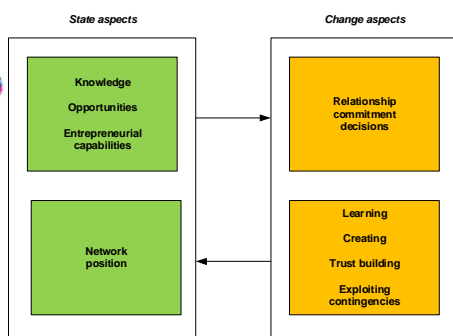


Figure 3. Entrepreneurial Uppsala Model of 2010
Source: (Schweizer, Vahlne & Johanson, 2010, p. 365).

2011

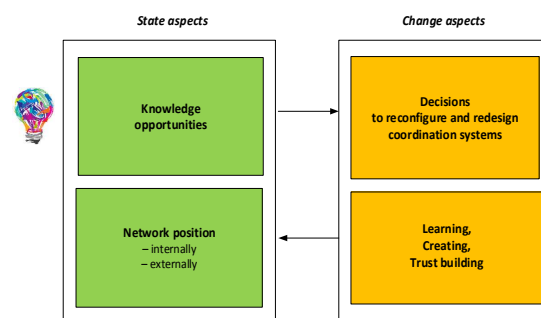


Figure 4. First Globalisation Uppsala Model of 2011
Source: (Vahlne, Ivarsson, & Johanson, 2011, p. 3).

1990s – IE in IB (2004 – decade article)

Seven modifications

Development of stages models 3

2013

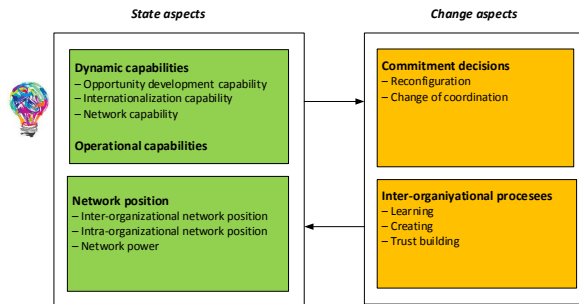


Figure 5. First Multinational Uppsala Model of 2013
Source: (Johanson & Vahlne 2013, p. 200).

2014

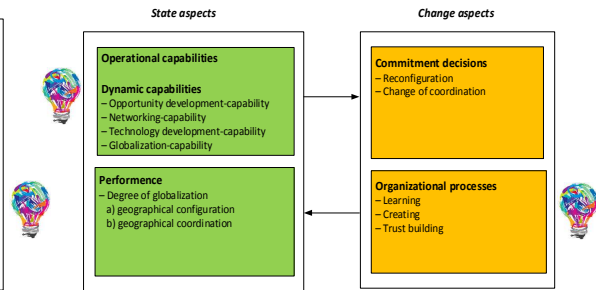


Figure 6. Second Globalisation Uppsala Model of 2014
Source: (Vahlne & Ivarsson, 2014, p. 242).

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Development of stages models 4

2017

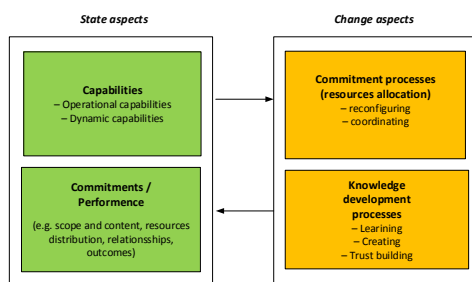


Figure 7. Second Multinational Uppsala Model of 2017
Source: developed, extended and adapted from (Vahlne & Ivarsson, 2017, p. 1092).

2021

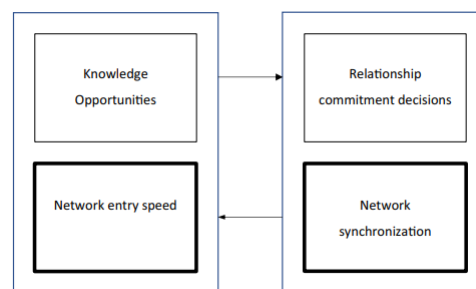


Figure 8. Network Synchronization Uppsala Model of 2021
Source: (Johanson & Johanson, 2021, p. 1639).

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Development of stages models 5

	1977	2009	2010	2011	2013	2014	2017
Authors							
Johanson & Vahlne	Johanson & Vahlne	Schweizer, Vahlne & Johanson	Vahlne, Ivarsson & Johanson	Johanson & Vahlne	Vahlne & Ivarsson	Johanson & Vahlne	
Theoretical base							
Stages model	Network approach	International entrepreneurship perspective	International entrepreneurship and network approach	Dynamic capabilities and network approach	Dynamic capabilities and strategic approach	Integrated approach	
Empirical base							
4 cases	1 case	3 cases	1 case	none	17 cases	1 case	
State aspects							
Market knowledge	Knowledge opportunities	Knowledge, Opportunities, Entrepreneurial capabilities	Knowledge opportunities	Dynamic capabilities and Operational capabilities	Operational capability and Dynamic capabilities	Capabilities	
Market commitment	Network position	Network position	Network position (internally and externally)	Network position (intra and inter)	Performance	Commitment / Performance	
Change aspects							
Commitment decisions	Relationship commitment decisions	Relationship commitment decisions	Decisions to reconfigure and redesign coordination systems	Commitment decisions (reconfiguration and coordination)	Commitment decisions (reconfiguration and coordination)	Commitment processes	
Current activities	Learning, Creating, and Trust building	Learning, Creating, Trust building, and Exploiting contingencies	Learning, Creating, and Trust building	Learning, Creating, and Trust building (as inter-organizational processes)	Learning, Creating, and Trust building (as organizational processes)	Knowledge development processes (Learning, Creating, and Trust building)	

Wach, K. (2021). The evolution of the Uppsala model: Towards non-linearity of internationalization of firms. *International Entrepreneurship Review*, 7(2), 7-19. <https://doi.org/10.15678/IER.2021.0702.01>

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Part 3:

Recent trends in IB research



Table 1
Evolving research agenda in IB.

Research fields	Specific topics	Regions
Explaining Flows of FDI	US FDI in Europe Managerial issues of investing abroad Theories of MNE	Europe North America LDCs
1970s-1990 Explanation of the existence, strategies and organizational structures of MNEs	Foreign market entry strategies Smaller firms in IB International economic integration Joint ventures & alliances	Japan (MNEs from LDCs) Four Little Dragons World economy
Mid 1980s-2000: 'New forms' of IB; from internationalization to globalization	Mergers & acquisitions International competitiveness 'Born globals' Chinese inward and outward FDI	Asia Eastern Europe World economy
2005-date: Explaining the internationalisation strategies of multinationals from emerging countries (EMNEs)	R&D and market entry by <u>EMNEs</u> New Global Competition	Asia Eastern Europe Other emerging markets
2005-date: Explaining the growth, causes and consequences of offshoring and the disaggregation of global value chains (GVCs)	Control and coordination of GVCs Regional versus Global GVCs Climate change and MNE response	World economy Regions
Increasing over time: Understanding how MNEs respond to pressures for social responsibility and sustainability	Corporate social responsibility (CSR) Sustainability	World Economy

So far changes – economics



Peter J. Buckley, Mark Casson (2021). Thirty years of International Business Review and International Business Research, International Business Review, 30(2),

Digitalization

- platformization / platform-based / e-platform / digital platform (Jean, Kim, Cavusgil 2021)
- sharing economy

International entrepreneurship

- international opportunities (Haaja 2020, Zuchello 2021, JIE SI '21)
- international entrepreneurial orientation (IEO vs. EO)
- entrepreneurship of migrants

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Covid-19 pandemic

- **Change in the global business environment**
 - damaged institutions
 - re-shaping the global supply chains
 - disruption of networks
- **Opportunities in the post-pandemic world**
 - Business online
 - More entrepreneurship + Innovating on a global scale
 - Integrating social and commercial missions



Shaker A. Zahra

Source: Zahra, S.A. (2020). International entrepreneurship in the post Covid world. Journal of World Business, 56(1), 101143. <https://doi.org/10.1016/j.jwb.2020.101143>

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EAMSA 2021, Łódź, Poland

The 37th Europe-Asia Management Studies
Association Conference
Europe-Asia Trade & Investments: Does distance matter?

DISTANCE

- **Death of distance**
(Cairncross, 2001)
- **Distance still matters**
(Clark, Dollar & Micco, 2004; Ghemawat, 2001; Frankel & Rose, 2002)
- geographic distance
 - **BORDER EFFECT**
 - McCallum, 1995; Helliwell, 1996; Nitsch, 2000; Wolf, 2000; Anderson & van Wincoop, 2003; 2004; Chen, 2004; Horváth, Rátfai & Döme, 2008; Holmes & Stevens, 2012; Wach, 2015; Belderbos et al. 2021)

Part 4:

Upcoming trends in IB research



Covid-19 pandemic and Post-pandemic

- **business**, economic and **social new imperatives** in a post-pandemic world
 - new business models
 - new economic conditions
 - new social imperatives
- **growth threshold?** huge correction and a new IB?
- **evolutionary** and developmental change of IB



- Do we need a new theory in IB?

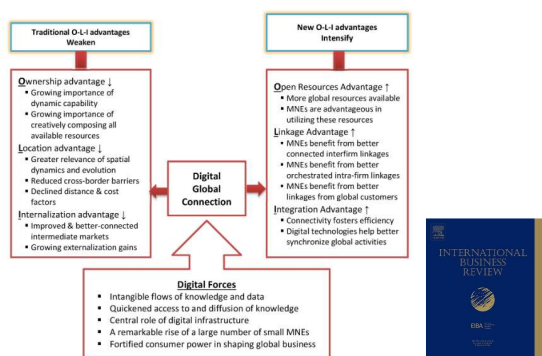


Fig. 1. New OLI Advantages in the Digital World.

Y. Luo (2021), New OLI advantages in digital globalization, *International Business Review*, 30(2) – April 2021

International business

Internationalization of the firm: A discourse-based view

Len J Treviño & Jonathan P Doh
Point | Published: 13 July 2020 | Pages: 1375 - 1393



Trevino and Doh's discourse-based view: Do we need a new theory of internationalization?

Joshua K Ault, Aloysius Newenham-Kahindi & Sarjay Patnaik
Counterpoint | Open Access | Published: 11 May 2021 | Pages: 1394 - 1406

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The death of the Uppsala school: Towards a discourse-based paradigm?

Lars Häkansson
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... **new topics** ...

International business

- migrations and shortage of human resources
- **robots** and labour resources shortage

... new topics ...

International entrepreneurship

- entrepreneurial culture in international context
- international strategic entrepreneurship
- international **social** ventures (Larsen & Hannibal 2021)
- international **eco**preneurship (Galkina 2021)
- passion, mindset, emotions, mental images (Haaja 2020)
- **immigrants** and IE (Dreshler et al. 2019)

... new topics ...

International business policy

■ economic integration / trade liberalization

- EU-China Comprehensive Agreement on Investment (2020)
- EU-Japan Economic Partnership Agreement (2019)
- EU-Vietnam Trade and Investment Protection Agreement (2019)
EU-Singapore FTA and IPA (2019)
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)
- trade policy shocks (e.g. Brexit)

■ IB policy

- new global value chain / re-industrialisation
- new green deal / sustainable development / climate change
- **business**, economic and **social new imperatives** in a post-pa



Table 1
Implications of the new realities for IB research, policy and practice.

Expected changes – IB

New realities	Implications for IB research, policy and practice		
	Society	Firm strategies	Cross-border management
The growth of populism and economic nationalism	<ul style="list-style-type: none"> • Increased protectionism and discriminatory government policies • Greater distrust and antipathy towards supranational organizations (e.g., the WTO, EU) • Greater intolerance of foreign firms, and of expatriate workers 	<ul style="list-style-type: none"> • Increased liabilities of foreignness/home for MNEs • Disruptions to cross-border movements of intermediate goods and services • Significant implications for optimal locations of GVC activities • Reshoring of critical GVC activities • Implications of energy transitions for the location of GVC activities • Strategies to respond to investor and consumer green activism • Opportunities linked to the introduction of green technologies 	<ul style="list-style-type: none"> • Restrictions of cross-border movements of people, especially migrant labour • Increased need for MNE policies to secure organizational legitimacy in host countries • Greater scrutiny of home country employment implications of MNE strategies
Sustainable development and climate change	<ul style="list-style-type: none"> • Enhanced concerns about the depletion of natural resources • Greater emphasis and scrutiny on the social responsibilities of MNEs • Cost and availability of different sources of energy 	<ul style="list-style-type: none"> • Reduced incentive to offshore labour-intensive activities • Reshoring of GVC activities if not jobs • Greater customization of products • Enhanced opportunities for profit-shifting activities within GVCs and tax avoidance • Externalization of non-core GVC activities • Base erosion and profit-shifting strategies • Increased use of non-market strategies 	<ul style="list-style-type: none"> • MNEs required to have greater accountability for work/employment conditions in their GVCs • Enhanced need for MNEs to manage relationships with local stakeholders • Greater need to comply with ever stricter environmental regulations • Reduced demand for labour in foreign locations (differential impacts on male and female workers) • Enhanced international income inequalities, and labour-capital inequality • Impact of regulations on cross-border transfers of data • Weakened bargaining power of labour in home countries • Increased competition between workers in different countries • The difficulties of managing, and taking responsibility for, relationships in disaggregated GVCs
New digital technologies	<ul style="list-style-type: none"> • Reduced employment of (particularly unskilled) labour • Collection of ever greater quantities of Big Data with associated concerns about privacy and security • More efficient coordination of GVCs • Monopoly power of digital platforms • Potential negative impacts from MNEs exploiting their market power 	<ul style="list-style-type: none"> • Externalization of non-core GVC activities • Base erosion and profit-shifting strategies • Increased use of non-market strategies 	<ul style="list-style-type: none"> • Reduced demand for labour in foreign locations (differential impacts on male and female workers) • Enhanced international income inequalities, and labour-capital inequality • Impact of regulations on cross-border transfers of data • Weakened bargaining power of labour in home countries • Increased competition between workers in different countries • The difficulties of managing, and taking responsibility for, relationships in disaggregated GVCs
Changing power relationships	<ul style="list-style-type: none"> • Greater emphasis by host country governments on screening and monitoring the performance of MNEs • Inequitable distribution of rewards in disaggregated GVCs 	<ul style="list-style-type: none"> • Externalization of non-core GVC activities • Base erosion and profit-shifting strategies • Increased use of non-market strategies 	<ul style="list-style-type: none"> • Weakened bargaining power of labour in home countries • Increased competition between workers in different countries • The difficulties of managing, and taking responsibility for, relationships in disaggregated GVCs



P. Ghauri, R. Strange, F. Lee Cooke, Research on international business: The new realities, *International Business Review*, 30(2) – April 2021

Any Questions?



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