

CALL FOR PAPERS: Special issue of *Journal of International Business Studies*

GLOBAL ECONOMIC CRISES AND INTERNATIONAL BUSINESS

Special Issue of the Journal of International Business Studies in Memory of John

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Introduction

This Special Issue is motivated by and in memory of John H. Dunning (Professor Emeritus, University of Reading and Rutgers University). Professor Dunning was one of the founders of the modern field of international business (IB) research, with a scholarly oeuvre spanning a 50-year period. His last public message, sent to the Academy of International Business Fellows just before he passed away on January 29, 2009, recommended that *JIBS* prepare a Special Issue devoted to "the various and unique causes and implications of the current world wide credit crunch and economic slow down; and what might be done to avoid this happening again." He suggested that, "Articles might range from viewing the slowdown in an historical context, to considering a wholesale reconfiguration of international financial organisation, to the need for a moral upgrading of the institutions of global capitalism." His suggestion was triggered by the "last two years [which] have brought about the most amazing chain of events in the global market place that I can remember in my lifetime".

Special Issue Theme

This Call for Papers announces a Special Issue, designed around Dunning's theme, and specifically focused on insights from IB research into the current crisis of the global market economy. The global financial crisis, which struck most of the world's national and regional economic systems in 2008, has led to calls for further reflection on the economizing and value creating properties of both the micro-level and macro-level institutions of capitalism at the heart of this economic crisis. Moreover, the current crisis was preceded by earlier global financial crises, such as the 1997 Asian currency crisis, from which one might draw useful lessons for the current crisis.

John Dunning has undoubtedly been the most important intellectual force in IB research during the past half century. His eclectic paradigm represents the core of modern IB theory and provides the intellectual foundation for much of the research published in *JIBS*. The eclectic paradigm builds upon three interrelated components: (1) Ownership (or firm-specific) advantages, reflecting the resource-based view (RBV) related part of the framework. (2) Location advantages, reflecting the main variables addressed by international economics, political science and modern institutional theory. (3) Internalization advantages, using Coasean foundations to explain the existence and governance of MNEs, i.e., firms with value adding activities in two or more countries. Dunning's joint focus on firm-level resources, location characteristics (including macro-level institutions) and internalization/de-internalization challenges provides the scholarly basis for contemporary analysis of international business. In terms of Dunning's eclectic paradigm, eight research questions are proposed for this Special Issue:

1. Does MNE activity contribute to the severity of global economic crises or does the multinational character of many firms, on the contrary, allow mitigating some of the worst effects in terms of reducing firm bankruptcies, lay-offs, capital destruction, etc.? For example, to the extent that domestic MNE *ownership advantages* have been hollowed out because of poor management (as in financial services and automobiles), does this lead to societal spillover effects across borders and across large business networks? Alternatively, does the existence of large, well-run foreign MNEs allow the acquisition, absorption and redeployment across borders of valuable knowledge assets that have been poorly managed?
2. Should MNEs reassess the relative attractiveness of alternative locations for international business generally, and foreign direct investment specifically, depending on the severity of global economic crises and the appropriateness of policy responses in these locations? For example, a number of economic and financial governance mechanisms, including the US capital market, have been described as best practice, *created location advantages*, to be emulated by other countries. Here, elements such as stringent disclosure rules, sophisticated financial accounting controls, relative absence of excessive government regulation impeding innovation and more generally the resilience and adaptation capability of the governance mechanisms involved, have been viewed as instrumental to a macro-level platform for firm-level success. However, it now appears that the true nature of many of these *created location advantages* has been misunderstood, and that many economic actors have wrongly assessed the relative attractiveness and risks associated with seemingly optimal locations.
3. How do global economic/financial crises affect the *internalization/de-internalization calculus* of firms operating across borders (e.g., entry mode choices), especially in terms of de-internalizing activities previously conducted inside the firm, so as to improve flexibility and facilitate internal network control? The effects of economic and technological changes, as well as management innovations, on optimal internalization levels are well understood in the IB field, as are the implications of alternative policy regimes such as patent protection systems, bilateral and regional trading systems, international accounting standards, etc. However, the impact of a "black swan" catastrophic event on firm-level boundaries, especially in the international sphere, deserves special attention if it triggers needs for massive resource re-combinations by MNEs, especially those with international networks.

4. How do global economic crises affect government, public and managerial perceptions of the role of IB and MNEs in the world economy? How do global crises affect MNE-state relations? Are they more likely to be characterized by Dunning's optimistic, cooperative perspective or Vernon's pessimistic, conflictual perspective? Does a global economic crisis increase the legitimacy of stakeholder management models found in firms outside the Anglo-Saxon world, rather than a shareholder management approach? Is there a renewed appreciation for micro-level governance models built on far-reaching cooperation between business firms and financial institutions, and between the firm and its workforce? Does the global crisis trigger a reflection in large MNEs on their moral obligations, if any, vis-à-vis hard-hit local communities abroad where operations must be closed or downsized?
5. How do global crises affect corporate political (non-market) strategies? What roles do firms engaged in international business play when faced with contradictory demands for increased protectionism and improved regional/multilateral cooperation, triggered by a global or regional economic crisis? Any global crisis upsets existing competitive positions and trajectories, with some firms becoming "winners" and others "losers". Which types of firms are more likely to favor protectionism versus increased policy coordination at the regional and multilateral levels? The related question is how these firms will engage in the policy debate (e.g., firm-level versus industry-level lobbying, active intervention versus funding external actors, focus on domestic governments versus international organizations, etc.). How do MNEs shift the balance between their market and non-market-based strategies in response to global crises?
6. How are the organization and management of the multinational enterprise affected by global economic crises? How are intrafirm and interfirm innovation and knowledge flows affected? Do global economic crises encourage or discourage M&As and international strategic alliances? Are global supply chains being redesigned as a result of these crises? How do global economic crises affect MNE decisions such as the locus of R&D and innovation (centralized/decentralized, location), human resources management (e.g., revisiting the use of expatriates, trade-offs on global retrenchment decisions) and international marketing (e.g., revisiting standardization/customization and cutting or refocusing long-term branding efforts) decisions? Do global crises encourage "wait-and-see", early mover or faster exit strategies?
7. Since many global economic crises are launched by financial and/or currency crises (e.g., the 1997 Asian currency crisis), of particular interest are the international financial implications of global economic crises, at the firm, country and international levels. From a firm-level perspective, how is the international finance function within firms affected (e.g., exchange rate management; management of various exposure types; financial structure decisions; sourcing of financial resources, including access to credit and capital markets; comparative corporate governance issues from a finance perspective)? From a national and supra-national perspective, what are the implications for the banking, financing, insurance and accounting systems supporting international trade and investment (both portfolio and foreign direct investment), as well as for international financial markets in general and in emerging economies in particular?
8. From a macro-level perspective, how do global economic crises affect the national and supra-national institutions of capitalism? What roles are played by public international institutions (e.g., the IMF, World Bank, WTO), regulating and rating agencies that affect international transactions (e.g.,

BIS, IASB, Moody's), and international agreements (e.g., double tax treaties, bilateral investment treaties, codes of conduct)? All economic actors engaged in international business are affected by a variety of macro-level institutions of capitalism, many of these representing exogenous parameters for these actors. Each global economic crisis leads to societal debate on the efficiency, effectiveness and distributive equity impacts of these macro-level institutions, thereby potentially triggering large-scale governance redesign and a new umbrella for micro-level IB transactions. Is there a need for a "wholesale reconfiguration of international financial organisation" or for a "moral upgrading of the institutions of global capitalism", as suggested by Professor John Dunning?

Building upon the above, as IB scholars, we are particularly interested in how the current crisis of the global market economy affects international business through its impact on MNEs, including the entire range of internationally active firms, from entrepreneurial start-ups to the largest, global companies. We are equally interested in new forms of business-government interaction in the context of international policy coordination as well as renewed protectionism. Finally, we also want to gain new insight on changes in the macro-level institutions of capitalism that affect IB transactions. Here, we welcome creative thinking on the design of new, macro-level institutions aimed to prevent future economic crises. From a conceptual perspective, we do expect scholars submitting papers to understand the foundations of modern international business theory, as laid out by Professor Dunning, but do invite creative perspectives informed by any relevant scholarly discipline. Papers may address the antecedents or consequences of global economic/financial crises for international business, the nature of crises as they unfold internationally, and/or the role of international firms and markets in these crises, from both theoretical and empirical viewpoints. Papers may also examine global economic crises and consequences for firms from a comparative institutional or cultural perspective. Moreover, papers may address policy responses to such crises and formulate policy reforms of institutions and markets moving forward based on sound theories and empirics.

The Special Issue Editors have intentionally kept the above list of suggested topics short so as to stimulate creativity and thereby encourage prospective authors to adopt a variety of perspectives in approaching this subject. Key is that all submissions on global economic crises are viewed from an IB perspective. All submissions must fit within the domain statement of the journal and follow the *JIBS* policy statements including the Statement of Editorial Policy, Information for Contributors, Style Guide and Code of Ethics; see <http://www.jibs.net>.

Submission Process

All manuscripts will be reviewed as a cohort for this Special Issue. Manuscripts must be submitted in the window between January 4 and January 29, 2010, at <http://mc.manuscriptcentral.com/jibs>. Please select the option from the special issue drop-down menu in Manuscript Central that identifies your paper as a submission for the "Global Economic Crises and International Business" Special Issue, and include the words "Global Economic Crises and IB Special Issue Submission" on your title page. All submissions will go through the *JIBS* regular double-blind review process and follow the same norms and processes. As manuscripts are accepted for publication, they will be posted in the Advance Online Publication system on <http://www.jibs.net>.

For more information about this Call for Papers, please contact the Special Issue Editors or the *JIBS* Managing Editor (managing-editor@jibs.net).