



# EIBAZINE

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### Contents

|                                                                                                                                                                  |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <b>DEAR EIBAZINE READERS.....</b>                                                                                                                                | <b>3</b>  |
| <i>BARBARA JANKOWSKA (POZNAŃ UNIVERSITY OF ECONOMICS AND BUSINESS, POLAND)</i>                                                                                   |           |
| <i>JOHN CANTWELL (RUTGERS BUSINESS SCHOOL, USA)</i>                                                                                                              |           |
| <b>MESSAGE FROM THE EIBA CHAIRS.....</b>                                                                                                                         | <b>5</b>  |
| <i>LUCIA PISCITELLO (POLITECNICO DI MILANO, ITALY), EIBA CHAIR &amp; JONAS PUCK (WU – VIENNA UNIVERSITY OF ECONOMICS AND BUSINESS, AUSTRIA), EIBA VICE CHAIR</i> |           |
| <b>EIBA-WORKSHOP ‘HOW TO CRAFT AN IB PAPER’, OCTOBER 13, 2023 - GRM-LAB, IAE NICE, UNIVERSITÉ CÔTE D’AZUR, FRANCE.....</b>                                       | <b>6</b>  |
| <i>ULRIKE MAYRHOFER (IAE NICE, UNIVERSITÉ CÔTE D’AZUR, FRANCE)</i>                                                                                               |           |
| <b>GLOBAL MOBILITY – A COSMOPOLITAN PERSPECTIVE.....</b>                                                                                                         | <b>8</b>  |
| <i>NIINA NUMMELA (TURKU SCHOOL OF ECONOMICS, UNIVERSITY OF TURKU, FINLAND)</i>                                                                                   |           |
| <i>ERIikka PAAVILAINEN-MÄNTYMÄKI (TURKU SCHOOL OF ECONOMICS, UNIVERSITY OF TURKU, FINLAND)</i>                                                                   |           |
| <b>GLOBALIZATION AND KNOWLEDGE ARBITRAGE: STRATEGIC R&amp;D MANAGEMENT IN MULTINATIONAL ENTERPRISES</b>                                                          | <b>13</b> |
| <i>EMMA KYOUNGSEO HONG (RUTGERS BUSINESS SCHOOL, UNITED STATES)</i>                                                                                              |           |
| <b>HOW BLOGGING CONSTRUCTS INTERNATIONAL ENTREPRENEURSHIP.....</b>                                                                                               | <b>20</b> |
| <i>TUIJA MAINELA (UNIVERSITY OF OULU BUSINESS SCHOOL, FINLAND)</i>                                                                                               |           |
| <i>VESA PUHAKKA (UNIVERSITY OF OULU BUSINESS SCHOOL, FINLAND)</i>                                                                                                |           |
| <b>THE INTERNATIONALISATION OF R&amp;D: PAST, PRESENT AND FUTURE.....</b>                                                                                        | <b>26</b> |
| <i>BERNHARD DACHS (AIT AUSTRIAN INSTITUTE OF TECHNOLOGY, AUSTRIA);</i>                                                                                           |           |
| <i>SARA AMOROSO (GERMAN INSTITUTE FOR ECONOMIC RESEARCH DIW, GERMANY);</i>                                                                                       |           |
| <i>DAVIDE CASTELLANI (HENLEY BUSINESS SCHOOL, UNIVERSITY OF READING, UNITED KINGDOM);</i>                                                                        |           |
| <i>MARINA PAPANASTASSIOU (LEEDS UNIVERSITY BUSINESS SCHOOL, UNITED KINGDOM);</i>                                                                                 |           |

*MAX VON ZEDTWITZ (COPENHAGEN BUSINESS SCHOOL, DENMARK)*

**MIGRATION AND THE FUTURE OF HOSPITALITY AND TOURISM PROFESSION..... 31**

*PAULA TAVARES DE CARVALHO (LISBON UNIVERSITY, PORTUGAL)*

**EXPLORING SUSTAINABILITY OF THE SATELLITE INDUSTRY: POTENTIAL INSIGHTS FROM THE INTERNATIONAL BUSINESS RESEARCH..... 33**

*MAGDALENA TEISSANDIER (TOULOUSE BUSINESS SCHOOL, FRANCE)*

**SLOWBALISATION, DEGLOBALISATION, DIGIBALISATION... WHAT'S IN STORE FOR THE FUTURE OF INTERNATIONAL ECONOMIC COOPERATION? ..... 39**

*MARCELI HĄZŁA (POZNAN UNIVERSITY OF ECONOMICS AND BUSINESS, POLAND)*

**CATALYST OR INHIBITOR? - DIGITAL TRANSFORMATION DURING PANDEMIC ..... 47**

*KATARZYNA MROCZEK-DĄBROWSKA (POZNAN UNIVERSITY OF ECONOMICS AND BUSINESS, POLAND);*

*BARBARA JANKOWSKA (POZNAN UNIVERSITY OF ECONOMICS AND BUSINESS, POLAND)*

**EIBA 2023 LISBON - AWARDS ..... 50**

*NUNO FERNANDES CRESPO (ISEG – UNIVERSITY OF LISBON, PORTUGAL)*

*VÍTOR CORADO SIMÕES (ISEG – UNIVERSITY OF LISBON, PORTUGAL)*

**WELCOME TO EIBA 2024 HELSINKI - THAT'S INTERESTING! RETHINKING IB RESEARCH FOR THE NEXT 50 YEARS..... 53**

*REBECCA PIEKKARI (AALTO UNIVERSITY, FINLAND)*

**PROGRESS IN INTERNATIONAL BUSINESS RESEARCH (PIBR) #19: THE CHANGING GLOBAL POWER BALANCE: CHALLENGES FOR EUROPEAN FIRMS ..... 54**

**TRIBUTE VOLUME: JOHN CANTWELL**

*ROB VAN TULDER, NUNO FERNANDES CRESPO, VÍTOR CORADO SIMÕES AND CÁTIA CRESPO*

**EUROPEAN INTERNATIONAL BUSINESS ACADEMY (EIBA) ..... 56**

## DEAR EIBAZINE READERS

*Barbara Jankowska (Poznań University of Economics and Business, Poland)*

*John Cantwell (Rutgers Business School, USA), EIBA Fellow*



Welcome to the **Spring/Summer 2024 Issue** of **EIBAzine-IBP** – EIBA's own newsletter (published twice a year in May/June & November/December).

We are happy to share with you the next issue of our EIBAzine. The new normal after the COVID-19 pandemic quickly brought new challenges. Although economies and societies slowly recovered from the pandemic crisis, Russia invaded Ukraine and the Gaza conflict heated up shortly afterwards. The geopolitical challenges facing businesses are immense. The ongoing conflicts in the international arena are not insignificant for the internationalisation of companies and the modern technologies of Industry 4.0, particularly those enabling remote communication, will not be sufficient to calm them. So there are further extremely important and interesting research challenges ahead for international business scholars. The presented EIBAzine issue is the next attempt to explore a new set of interesting topics.

The first section is the message from the EIBA Chairs. Lucia Piscitello and Jonas Puck provide some details related to four EIBA initiatives that aim to further integrate the EIBA community, and invite us to the 50th EIBA annual conference in Helsinki.

In the second section we present the EIBA-Workshop on 'How to craft an IB paper' at the GRM-lab, IAE Nice, Université Côte d'Azur, France organized on the 13<sup>th</sup> October by the European International Business Academy (EIBA), in collaboration with IBR (International Business Review) and JAMI (Journée d'Automne du Management International).

This workshop, coordinated by Ulrike Mayrhofer, was part of the JAMI series (and organized as the 4th 'Journée d'Automne du Management International'). It was a great opportunity to bring together doctoral students and junior and senior scholars in International Business in the South of France. It was an attractive opportunity for early-career IB scholars.

In the third section, Niina Nummela and Eriikka Paavilainen-Mäntymäki draw our attention to the global movement of people. They point out that global mobility is on the rise and that it has consequences for individuals. This phenomenon is often labelled transnational migration. Niina and Eriikka study the behaviour of globally mobile individuals.

Then Tuija Mainela and Vesa Puhakka associate international entrepreneurship activity with opportunities for international venturing in various forms and reflect on the issue of online communications for the support of international venturing. The conceptual considerations are accompanied by examining blog texts of eight world-famous entrepreneurs. In the next article, Bernhard Dachs, Sara Amoroso, Davide Castellani, Marina Papanastassiou and Max von Zedtwitz look closer at four factors that will likely shape R&D internationalisation in the coming years. They investigate whether the current stagnation is a temporary phenomenon or whether we are seeing the re-concentration of business R&D in the home countries and regions of MNEs. After the article on business R&D, we move to the text written by Paula Tavares de Carvalho entitled *Migration and the Future of the Hospitality and Tourism Profession*. In that article, Paula presents the results of research undertaken in order to first, understand the motivation to continue studying and working in the hotel and tourism sector and second, to identify the impact of the entry of non-European cultures into the sector and the satisfaction of Portuguese people who study and work in the sector. In the next text Magdalena Teissander presents the results of

20 interviews with space players carried out between 2022 and 2023 (large companies, SMEs, start-ups, institutions, professional organizations) from six different European countries (France, Italy, Germany, Spain, Luxembourg, UK) and on 500 pages of documents (industry reports, specialized press). Magdalena describes why space sustainability emerged as a concern in the industry, decodes three definitions regarding the term "space sustainability", and reveals what changes they perceive in the industry as attempts to reinforce the sustainability of space activities. Marcelli Hązła conducts a literature review and, contrasting it with empirical data, highlights the most important characteristics of the notions of globalisation and deglobalisation. By doing so, he aims to hypothesise about the future of globalisation. The topic on globalization and slowbalization is still alive and calls out for more studies. Those processes can be related to the reorganization of GVCs. That reorganization happens thanks to the digitalization in the organisations which was studied within the TWIN SEEDS project by Katarzyna Mroczek-Dąbrowska and Barbara Jankowska. The authors present the types of I4.0 solutions adopted by the studied firms, challenges faced by those organisations and theory strategic adjustments.

Following these contributions, we move on to some of the more traditional columns for *EIBAzine – International Business Perspectives* such as a section devoted to the awards presented during the last conference – the 49<sup>th</sup> EIBA Annual Conference that was held in Lisbon. Then we are invited to participate in the 50<sup>th</sup> EIBA Annual Conference in Helsinki, chaired by Rebecca Piekkari.

**NOTE:**

We announce the coming release of Volume 19 of *Progress in International Business Research* (PIBR) – EIBA's own book series. PIBR titled *The Changing Global Power Balance: Challenges For European Firms* is co-edited by Rob van Tulder, Nuno Fernandes Crespo, Vítor Corado Simões and Cátia Crespo.

Finally, on the last page of the issue you will find some general information on EIBA as usual – including some benefits of membership.

We hope very much to meet this December in Lisbon for the 50<sup>th</sup> EIBA Annual Conference – and encourage you to submit your best work by the upcoming deadlines. Your contribution and participation will help to ensure the success of EIBA 2024 Helsinki and nurture the cooperative spirit that is a hallmark of the EIBA community.

We warmly thank all contributors to this issue and encourage readers to send their feedback, suggestions, articles and news on your projects and books prepared in cooperation with EIBA colleagues to the EIBAzine-IBP editorial team at the e-mail [barbara.jankowska@ue.poznan.pl](mailto:barbara.jankowska@ue.poznan.pl).

*Remember, this is your EIBA newsletter, so please do get in touch with the EIBAzine-IBP editorial team and be involved with its bi-annual production!*

## MESSAGE FROM THE EIBA CHAIRS

*Lucia Piscitello (Politecnico di Milano, Italy), EIBA Chair &*

*Jonas Puck (WU – Vienna University of Economics and Business, Austria), EIBA Vice Chair*



We hope you all had a great first half of the year after a wonderful EIBA conference in Lisbon. We want to express our gratitude to the whole Lisbon team and particularly to Nuno Fernandes Crespo and Vitor Corado Simoes (Conference Co-chair) for their hospitality. We truly enjoyed the great conference!

In the meantime, the EIBA Board maintains a proactive role, proposing new initiatives and activities that provide important and valuable contributions to strengthen the EIBA community. We specifically want to highlight four initiatives.

First, we established a new role on the board, i.e. the officer for Relationships with international institutions. The aim is to strengthen the visibility and more formalised collaboration of EIBA within international institutions. Thanks, Philippe Gugler, for accepting this role.

We also have new communication officers, Dinora Eliete Floriani and Vittoria Scalera, who succeed Kristin Brandle and Ulrike Mayrhofer. Thank you for your support for the EIBA organization!

Second, as far as the EIBA-W (EIBA-Workshops and EIBA-Webinars) initiative we had several successful events already in the first half of 2024 and some planned for the next months.

An EIBA-Workshop on 'How to craft an IB paper' was held at Faculty of Social Sciences, University of Ljubljana (Ljubljana, Slovenia) on May 24, 2024. With this EIBA-W we specifically address younger scholars in IB, provide feedback on their research ideas and help

them to develop ideas into papers. We thank Iris Koleša, Anže Burger, and Andreja Jaklič for organizing this workshop, in collaboration with the International Business Review. We also would like to thank Roger Strange, Toni Fang and their team at International Business Review for their openness and willingness to collaborate also on the 3rd Young IB Scholars Workshop (online), to be held in September 26-27, 2024, jointly sponsored by IBR and EIBA. Within this workshop, the organizers conduct the workshop virtually to allow for participation from all over the world. The Young IB Scholars Workshop is organized twice per year, and the purpose of the workshop is to provide early career scholars in international business (IB) with developmental feedback on their current research papers. The overall goal of the workshop is to improve the quality of IB research and to bring new scholars into the IB field.

The EIBA-Workshop 'The MNE in Turbulent Times' to be held at Copenhagen Business School (Copenhagen, Denmark), Department of International Economics, Government and Business, in October 11 – 12, 2024. This EIBA-Workshop aims to bring together junior and senior faculty to discuss how geopolitical pressures and disruptions affect MNE decisions and their resilience. It is organized in conjunction with the IBR Special Issue 'How MNEs Adjust their Strategies and Operations in Response to a Turbulent IB Environment' and the Nord-IB module 'IB and political perspectives.'

We will also run (September, 2024) the second EIBA-Webinar on the impact of recent developments in artificial intelligence and technology on teaching in IB. The webinar is co-organized by Erica Kovacs (EIBA Teaching and Education officer) and Ronaldo Parente, and it will specifically deal with "Leveraging Artificial Intelligence for Enhanced International Business Education: A Proposal for Pedagogical Innovation".

Further information on all events is available on the EIBA homepage. We invite all EIBA members to consider organizing an EIBA-W.

Please contact Vittoria Scalera (v.g.scalera@uva.nl), the EIBA communication officer for further information.

Third, the third EIBA Summer School for PhD students and junior researchers will be held in Brighton (UK) between July 22 and July 26, 2024. This edition will keep the main focus on Research Methods in IB and the thematic area will be Ecosystems for Innovation. The initiative is co-organized and co-sponsored by Sussex Business School. Thanks to Marianna Marra and her team for organizing such an important initiative. We received a large number of applications for the event and all seats in the summer school are now booked. The Board has already agreed this would be a long-lasting EIBA initiative and we aim to host the next editions in other locations across Europe. So, should you be interested in hosting the Summer School (in 2025 or beyond) please do not hesitate to get in touch with Anne-Laure

Marteaux (anne-laure.marteaux@eiasm.be) the EIBA Executive Secretary.

Fourth, we have started using the EIBA E-Bulletin to communicate events, special issues, publications and other news to the EIBA membership. The EIBA Bulletin effectively complements the EIBAZine with a more short-term and news-oriented outlet. Please do not hesitate to connect with Anne-Laure Marteaux (anne-laure.marteaux@eiasm.be) the EIBA Executive Secretary if you want your news to be included.

We are very much looking forward to meeting many of you at the 50th EIBA annual conference in Helsinki (<https://eiba2024.eiba.org/>). Rebecca Piekari and her team will surely create another memorable experience! Do not miss the submission deadline for your papers, and panel proposals on July 15.

## EIBA-WORKSHOP 'HOW TO CRAFT AN IB PAPER', OCTOBER 13, 2023 - GRM-LAB, IAE NICE, UNIVERSITÉ CÔTE D'AZUR, FRANCE



*Ulrike Mayrhofer (IAE Nice, Université Côte d'Azur, France)*



The European International Business Academy (EIBA), in collaboration with IBR (International Business Review) and JAMI (Journée d'Automne du Management International), organized an EIBA-Workshop on 'How to craft an IB paper' at the GRM-lab, IAE Nice, Université Côte d'Azur, France. This workshop was part of the JAMI series (and organized as the 4th 'Journée d'Automne du Management International'), which aims to bring together doctoral students and junior and senior scholars in International Business in the South of France. The EIBA-W was open to all scholars from around Europe and the world, particularly targeting early-career IB scholars.

The EIBA-W was organized as a workshop that helps craft and develop academic papers and included feedback from renowned scholars and editors in International Business. The objective was to provide doctoral students and junior IB scholars the opportunity to craft academic papers, discuss working papers with senior IB scholars, and gain advice from journal editors. All sessions were interactive, and participants received constructive feedback to help develop their papers for IB conference and journal submissions. Participants without submissions were also welcome. All participants benefited from helpful guidance provided by senior IB scholars and journal editors as well as networking opportunities.

The EIBA-W was organized by Ulrike Mayrhofer (GRM-lab, IAE Nice, Université Côte d'Azur), former EIBA Board member (representative France), Marion Vieu (LEST, Aix-Marseille Université), Alexandre Bohas (ESSCA School of Management, CERGAM) and Franck Brulhart (LEST, Aix-Marseille Université). Three EIBA

Guest Speakers were invited to the workshop: Kristin Brandl (University of Victoria and Copenhagen Business School), Pervez Ghauri (Birmingham Business School, University of Birmingham) and Roger Strange (University of Sussex Business School).

The EIBA-W started with the presentation of EIBA by Kristin Brandl and International Business Review by Roger Strange. The 12 accepted papers were then discussed in two paper development sessions: 'Crafting the introduction, theory and literature review of an IB paper' and 'Crafting the methods, findings, discussion and conclusion of an IB paper'. The workshop was concluded with a presentation on 'How to publish in international business journals: tips & trends' by Pervez Ghauri.

## PAPER PRESENTATIONS AT THE EIBA-W

### Group 1: Emerging markets and global value-chains

**Discussants: Kristin Brandl and Marion Vieu**

Valérie Fossats-Vasselin (IUT Lyon 1, Université Claude Bernard Lyon 1, France): "Coordination of subsidiaries of MNCs in Asia"

Issam Mejri (IPAG Business School, Nice, France): "SMEs in emerging markets: Navigating institutional complexity for international development"

Federica Sacco (University of Pavia, Italy): "Two birds with one stone? An in-depth study on resilience and sustainability in a semiconductor global value chain"

Xiaoxuan Yang (Université Côte d'Azur, IAE Nice, GRM, France): "Country of origin effects on customer-based brand equity in product categories of Chinese brands"

### Group 2: Global entrepreneurship and SMEs

**Discussants: Pervez Ghauri and Franck Brulhart**

Eunice Cascant (Magellan, IAE Lyon, Université Jean Moulin Lyon 3, France): "The relevance of entrepreneurship on highly skilled female refugees. A systematic review of literature"

Olga Chevé (Adekvat and ESSCA School of Management, France) and Xavier Lesage (ESSCA School of Management, France): "The emergence of new micro-foundations in the dual process of internationalization and digitalization"

Magali Pino (Università degli Studi di Torino, Italy; Magellan, IAE Lyon, Université Jean Moulin Lyon 3, France): "Unpacking the role of clusters and digitalisation in SMEs internationalisation: A European perspective"

Alessio Travasi (University of Urbino "Carlo Bo", Italy), Giorgia Masili (University of Roma Tre, Italy) and Fabio Musso (University of Urbino "Carlo Bo", Italy): "Emerging born global business models"

### Group 3: Managing cross-border relationships

**Discussants: Roger Strange and Alexandre Bohas**

Jan-Peter Gustafsson (Jyväskylä University School of Business and Economics, Finland): "Individual level relations to home country in international business-government relations: review article"

Sachin Kumar Raut (University of Agder, Norway) and Ilan Alon (University of Agder, Norway): "Influence of multicultural paradox mindset on creative performance: An examination of mediating variables in global virtual teams"



Priit Tinitis (Aalto University School of Business, Finland): “Improving evaluation of government support for exports: Implications of type 1 and type 2 errors, time, and evolution”

Stefano Valdemarin (ESSCA School of Management, France): “The V-Wave, a two-level model for studying international network evolution”

## GLOBAL MOBILITY – A COSMOPOLITAN PERSPECTIVE

**Niina Nummela** (*Turku School of Economics, University of Turku, Finland*)

**Eriikka Paavilainen-Mäntymäki** (*Turku School of Economics, University of Turku, Finland*)



### GLOBAL MOBILITY ON THE RISE

Many scholars have highlighted that International Business (IB) is a phenomenon-driven field (Zettinig & Nummela, 2021; Doh, 2015) where new understanding is created by both investigating new topics that invigorate and provide energy to the research tradition and by using existing IB theories to explain new phenomena that enable new theoretical contributions (Buckley & Casson, 2021). IB is inherently about movement across borders, interactions crossing geographical, psychic and cultural distances, exchanges and explorations. However, our understanding of what that movement is and means has changed over time; one dimension which has undergone a significant change is the global movement of people.

For quite some time, IB scholars understood global mobility as the cross-border relocation of individuals (together with their families) to another country, facilitated by their employer and extended for a specified, fixed period (Caliguiri & Bonache, 2016). Lately, the focus on expatriates has been challenged, as they represent only one form of global movement, and there have been calls to take a broader view (e.g. Szkudlarek et al., 2021). However, this requires taking into account the context in which global mobility happens.

In today's world, the assumption that people will spend their lives firmly rooted in a single place is strongly challenged. We are very aware of the crises and other external drivers that are behind the patterns of migratory flows, and we understand that the global mobility of people is on the rise and that it has consequences for individuals. This phenomenon – often labelled transnational migration – spans societal, cultural and geographical boundaries, and invites us to redefine how identities, nationhood and belonging may emerge (Özkazanc-Pan, 2019). Furthermore, an in-depth understanding of the phenomenon requires that we “zoom in” and, instead of focusing on corporations, study the behaviour of globally mobile individuals.

### COSMOPOLITAN INDIVIDUALS – WHO ARE THEY?

A dear child has many names, they say. Prior research in IB has investigated the global mobility of individuals under various “labels”, such as expatriates, global talent, migrants, diasporas, refugees and digital nomads, which has resulted in a very fragmented picture of the phenomenon. This view is confirmed in reviews of the field. For example, Al Ariss and Crowley-Henry (2013), in their study on self-initiated expatriates (SIEs) and migrants; Brewster, Suutari and Waxin (2021) in their SIE research review; and Ridgway and Langinier (2023) in their assessment of the evolution of expatriation point out that researchers have approached mobility from numerous angles. All the reviews also conclude that the resulting overlapping conceptualisations prevent the field from taking major steps forward and that synthesising studies would be welcome. As an attempt to amalgamate the various concepts in play, we propose an “umbrella concept”: a cosmopolitan individual.

Cosmopolitan individuals “move from country to country in pursuit of self-fulfilment in both life and work and construct a cosmopolitan identity” while doing so (Nummela et al., 2021, 57). They share some common values, such as mobility, openness and valuing different cultures, and they are disengaged from national and local anchors (Skrbis & Woodward, 2013). Resulting from this, cosmopolitans perceive the world as one large, boundaryless space, where place, distance, geography, countries, nations and other typical location-based features do not restrict how they perceive their opportunities to pursue their lives and careers and to gain experiences and learn new things. Furthermore, instead of viewing mobility as a challenge, these individuals find it empowering (Nummela et al., 2024), and the lack of locational belonging distinguishes them from other globally mobile groups of people (Skovgaard-Smith & Poulfelt, 2018).



Source: Photo taken by Kornel Mahl at Unsplash

This is also a key distinguishing feature between cosmopolitans and bi/multicultural individuals who have been studied in IB research for quite some time. Bi- and multicultural individuals possess more than one cultural schema, either by birth or by experiential learning (Brannen & Thomas, 2010). In contrast, cosmopolitan individuals may not be cultural natives in any of the countries they have lived, since they have not internalised the values and norms of those cultures (Fitzsimmons et al., 2013). Instead, they have a liminal identity (Daskalaki et al., 2016) under construction due to their continuous mobility. Such an identity is common among third-culture kids, i.e. individuals raised in other culture than their parents (de Waal et al., 2021) but also individuals without international background can develop one (Nummela et al., 2021). Studies on cosmopolitan individuals within the fields of business and management are

relatively scarce, and if we want to understand them better, we need to extend our view to other disciplines. Cosmopolitan orientation has been studied in large cross-country surveys, such as the World Values Survey, according to which an increasing number of people consider themselves citizens of the world, not bound to a specific geographical location, particular culture or nation state (Haerpher et al., 2020). There are probably many reasons behind this development, including, for example, the emergence of a global competition for talent, improved ability to travel and technology-supported ways of working (virtual teams, telework, decentralised autonomous organisations, etc.) enabling mobility.

In terms of background, cosmopolitan individuals are a heterogeneous group. The drivers for mobility may be rooted in financial, family and career reasons or an individual's need for self-fulfilment, adventure-seeking and career advancement (Al Ariss & Crowley-Henry, 2013; Carr, Inkson & Thorn, 2005; Inkson & Myers, 2003). Equally, we can also distinguish between voluntary and involuntary reasons for mobility. In their study, Al Ariss and Crowley-Henry (2013) make a commendable assessment between SIEs and migrants and note that there are great differences between globally mobile individuals in terms of how much agency, autonomy and control they have over their movement. Until recently, the focus in IB has been on individuals who move voluntarily between countries (see e.g. Szkudlarek et al., 2021). For example, Christensen, Newman, Herrick, and Godfrey (2020) have classified globally mobile individuals based on their voluntariness and time spent abroad into four groups: exiles, sojourners, immigrants and refugees.

Overall, cosmopolitan individuals seem to form a distinctive social group and global subculture that plays a role in the global job market and in internationally operating organisations (Favell, 2017; Tharenou, 2010; Ossman, 2007). Although research on global mobility has been increasing (Ridgway & Langinier, 2023), our understanding of these individuals is still limited.

### **WHY SHOULD IB SCHOLARS BE INTERESTED IN COSMOPOLITAN INDIVIDUALS?**

During this era of historical transformation

with a re-emphasis on borders, the identities and the related identity-construction processes of mobile individuals are being severely disrupted. This is because the ideas of mobility, openness and valuing of different cultures characterising the cosmopolitan outlook (e.g. Skrbis & Woodward, 2013) are no longer supported by the environment. In contrast, restricted movement and country barriers have created feelings of disengagement and otherness among mobile individuals. In their recent study, Nehring and Hu (2022) characterise the current situation as “fragile transnationalism”, brought to the fore by the pandemic and maintained by political processes, transnational infrastructures and national policy-making. The ideas of exclusion are also being cultivated in media discourses and general public opinion stigmatising mobility and mobile individuals, regardless of whether their movement relates to family, work or leisure purposes. This trajectory is problematic because the more a society valorises mobility, the greater are the resources, knowledge or abilities gained by it (Kaufmann et al., 2004), and vice versa. In our opinion, IB scholars should be active participants in this discussion, supporting an inclusive, sustainable and meaningful society. Studies like that of Reade et al. (2019) on how multinational companies can reduce migration push factors signal that this discussion has already started.

Additionally, the emergence of cosmopolitans who lack national and spatial anchors may challenge some elementary assumptions of IB research. Although some prior IB studies demonstrate that the bond between national identity and location is not self-evident (see e.g. Caprar, 2011), the majority of IB studies are built on the idea that places are socially and politically constructed and that they have a meaning for the actors (Saittakari et al., 2023). What if this is no longer the case? What are the implications for IB research?

Furthermore, we live in a very bordered world. Nevertheless, boundaries are socially constructed and exist while we consider them meaningful. The emergence of cosmopolitan individuals brings forward novel insights into how we view borders and the IB environment. For cosmopolitan individuals, boundaries and distance are not hurdles but opportunities for

bridging and crossing. Earlier research on cosmopolitans describes them as knowledge transferors; boundary-spanners (Wang, 2015); connectors of remote locations to metropolises; and creators of worldviews networking individuals from different countries, cultures, languages and beliefs (Saxenian, 2006; Janssens & Steyaert, 2014; Skovgaard-Smith & Poulfelt, 2018). They also possess competencies that are relevant for future multi-cultural and multi-locational working life and for companies competing for global talent (Collings et al., 2007). They have already had an impact on investment decisions (Elo, 2021; Belderbos et al., 2020) and the relocation of operations to global cities (Goerzen et al., 2013), since global individuals often locate to cosmoscapes (Skrbis et al., 2004). Thus, they are among the people who make IB-related decisions.

The global pandemic has changed our mindset towards mobility and the location of our employment. Enabled by the fact that, now and possibly increasingly in the future, an ever-growing number of interactions, such as meetings and negotiations, will take place remotely, the global mobility of individuals will persist. Individuals who engage in voluntary mobility will continue searching for work that presents itself as meaningful and flexible, providing these individuals with both sufficient income and the ability to aspire to their personal ambitions. This unavoidably sets demands for updating and changing the content of work – not least its need to be independent of time and place (Canibano, 2019). However, flexibility of work is not dependent only on the requirements of the firm or the choices of individuals. Existing work legislation and policies have so far been rather inflexible when it comes to companies being able to hire cosmopolitans and respond to their mobility needs and to individuals being able to determine their own mobility. There is potential for IB scholars to contribute on how to decrease the institutional constraints and make meaningful policy recommendations.

## THE WAY FORWARD

It is evident that there is a need to learn more about cosmopolitan individuals. We need to better understand the economic and

governance mechanisms that will enable globally mobile individuals to prosper in the future. These should extend beyond corporate human resources practices. Until today, the discussion on IB has concentrated on the needs of multinational corporations, but what about the importance of global mobility for small and medium-sized enterprises? There is budding interest in studying cosmopolitan entrepreneurs (Nummela et al., 2020), but very few studies have discussed their value added for SMEs (e.g. Niskavaara & Piekkari, 2023). Conversely, the aspect of involuntary migration has only recently been introduced to IB (Lång et al., 2024; Szkudlarek et al., 2021). Debates on themes that have already been touched upon in management studies, such as gendered perspectives, human rights and migration-related ethics are still scarce in the IB field.



Source: Photo taken by Ben White at Unsplash

In international human resource management research, the need for a strategic approach to global mobility and alternative ways of working in global organisations has been recognised (Collings & Isichei, 2018). With a better understanding of cosmopolitan individuals, IB scholars have the potential to contribute to this discussion and to support the development of multinational corporations and internationally operating SMEs as welcoming workplaces for these globally mobile talents.

If you are interested in learning more about our research on globally mobile individuals and the future of work, please visit our website at <https://cosmoresearchproject.wordpress.com/>

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## GLOBALIZATION AND KNOWLEDGE ARBITRAGE: STRATEGIC R&D MANAGEMENT IN MULTINATIONAL ENTERPRISES

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### INTRODUCTION

In the evolving global economy, the transition towards an information-intensive era has spotlighted the significance of knowledge assets as pivotal to value creation. Multinational enterprises (MNEs) are increasingly recognized for their role in developing these knowledge-intensive capabilities, propelling them to the vanguard of innovation and competitive advantage (Cantwell, 1989). The expanding scope of research and development (R&D) across borders underlines the urgency for firms to not only generate but also effectively disseminate knowledge internationally. This strategic internationalization, aiming to leverage home country knowledge in global markets (Hymer, 1960; Buckley & Casson, 1976; Gupta & Govindarajan, 2000), is fundamental for MNEs seeking growth and market presence.

Despite the strategic importance of knowledge transfer, MNEs face the dual challenge of protecting their intellectual property (IP), especially in regions with less stringent intellectual property rights (IPR) protections. The offshoring of innovation can pose a risk of knowledge exploitation by foreign entities,

potentially leading to lost market shares and diminished returns (Hymer, 1960; Buckley & Casson, 1976). However, in the information age, we have witnessed a dramatic growth of IP markets and knowledge exchange. Access to localized knowledge has been a key element in explaining the ability of MNEs to engage in locally exploratory activities (Cantwell & Mudambi, 2005; Andersson & Forsgren, 2000). Recent research highlights that international knowledge connections increasingly contribute to the innovative activities of MNE subunits (Cantwell & Piscitello, 2014). Especially as subsidiaries evolve toward a competence-creating role and increasingly tap into the local knowledge clusters, they also depend more heavily on their connectivity to international knowledge networks (Cantwell & Mudambi, 2011). Therefore, despite the greater ease of communication due to digital technologies, there is a growing emphasis on sourcing knowledge locally as well as on stronger global knowledge connectivity.

In fact, U.S. firms have increasingly invested in R&D within emerging economies like Brazil, India, China, and Mexico, despite their relatively lenient IPR laws (Bureau of Economic Analysis, 2000). However, the success of such strategies necessitates a nuanced understanding of the institutional variances across countries, particularly concerning IPR regimes. Ghemawat (2007) introduces the concept of institutional arbitrage as a strategic approach to navigate these international differences, exploiting comparative institutional advantages for value creation (Hall & Sockice, 2001; Peck & Zhang, 2013). This framework becomes crucial when tapping into the innovative potential of emerging markets, which offer both a burgeoning market base and a rich reservoir of local capabilities.

Nonetheless, leveraging this arbitrage effectively demands that firms possess robust

strategies and capabilities, not only to mitigate risks in weak IPR jurisdictions but also to compensate for their institutional shortcomings. While International Business scholars have focused on how MNEs create value in decentralized and widely distributed environments, Alacer et al., (2016) note a critical research gap in understanding alternative methods for protecting intangibles and securing their value, a key aspect of the Ownership advantage within the traditional OLI framework, especially as the more porous boundary of firms becomes less effective in guaranteeing internal value capture. The increasingly complex knowledge systems require constant exchange and interdependencies, as these knowledge networks generate IP in the first place. This article aims to shed some light on how firms are increasingly taking advantage of the rise of new technology producers and can manage these cross-country differences, leveraging institutional arbitrage to foster value creation in knowledge-intensive sectors.

## OFFSHORING KNOWLEDGE-INTENSIVE ACTIVITIES

The outsourcing of manufacturing tasks to regions with lower labor costs is a well-established trend documented extensively in the international business literature, illustrating a traditional approach to cost efficiency (Dunning, 1993; Vernon, 1966; Lee, 1986). However, the offshoring of knowledge-intensive activities, such as R&D, has historically been less widespread, described as a relatively novel and evolving practice (Amiti & Wei, 2005). Yet, in alignment with the global shift towards distributed economic production, the strategy of offshoring innovative activities to establish a worldwide division of R&D—mirroring global production value chains—has emerged as a pivotal corporate strategy (Dossani & Kenney, 2007; Branstetter et al., 2019), signaling a transformative phase in the international business landscape (Cantwell & Mudambi, 2005).

The phenomenon of offshoring innovation is not without precedent. During the early 1980s, several leading U.S. multinational enterprises, including Texas Instruments, Motorola, and

General Electric, began to offshore their knowledge-intensive functions to countries like India and China by setting up technology centers in these regions. This strategic move was driven by the pursuit of competitive advantages, ranging from favorable political conditions (Delios & Henisz, 2003) to access to a skilled workforce (Ernst, 2006). While initially limited to a select group of multinationals, an increasing number of firms have, in recent times, turned to offshoring knowledge, particularly for new product development (Dossani & Kenney, 2007).

Engineers at Samsung R&D Institute, Bengaluru, India, working on collaborative



research projects with KLE Institute of Technology students and faculty (Source: Samsung Newsroom India<sup>1</sup>)

Today, MNEs are creating significant intellectual assets in emerging markets, notably in India, which boasts a substantial reservoir of technically proficient talent and robust infrastructure (Rai, 2003). A prime example of this strategy in action is Samsung Electronics, which has established its largest R&D center outside South Korea in India, specifically the Samsung R&D Institute India-Bengaluru (SRI-B). Demonstrating a commitment to harnessing local talent and innovation, Samsung announced plans to recruit approximately 1,000 engineers from India's premier engineering institutions by the end of 2023 (Samsung, 2022). Sameer Wadhawan of Samsung India emphasized the company's intent to focus on innovation and advanced technologies, with new hires contributing to breakthroughs in technologies, products, and designs, including solutions tailored to meet the needs of the Indian market. Samsung's investment in India's R&D talent and capabilities is indicative of a broader

<sup>1</sup> <https://news.samsung.com/in/samsung-r-to-focus-on-upskilling-youth-in-future-tech-courses>

trend among multinationals, highlighting a significant shift towards leveraging global knowledge resources for competitive advantage.

### **WEAK IPR COUNTRIES AND MULTINATIONAL R&D CHALLENGES**

The expansion of multinational R&D into emerging markets has not been without its challenges, notably in the realm of IPR protection, which remains inadequate in many of these economies (Zhao, 2004). Evidence from various surveys, including those by the Economic Intelligence Unit (2004) and Schmiele (2013), highlights the significant concerns among executives regarding the sufficiency of IPR protection in these regions. A notable survey by the Economic Intelligence Unit revealed that 84% of executives view the lack of robust IPR protection as a major hurdle to the internationalization of R&D efforts. Similarly, Schmiele (2013) identified a tangible link between the presence of foreign R&D and the increased likelihood of IPR infringements, underscoring the risks posed by local competitors in misappropriating knowledge assets, which could critically undermine a firm's market standing and future earnings (Belderbos et al., 2021).

Traditional wisdom and prevailing literature advocate for maintaining strict control over knowledge-intensive business activities, which are deemed central to a firm's competitive edge (Barnet, 1991; Grant, 1996; Nonaka & Takeuchi, 1995; Patel & Pavitt, 1991). Historically, U.S. multinationals, among others, have predominantly concentrated their R&D activities within their home territory or in a select few highly industrialized nations (Branstetter et al., 2019). Various factors, such as the political institutions (Henisz, 2000), legal traditions (La Porta et al., 2008), and the adequacy of regulatory laws and their enforcement (Jandhyala, 2013), can amplify the threat of knowledge misappropriation. The danger is notably acute in environments with weak institutional frameworks, where lax contract enforcement allows competitors to exploit a firm's intellectual assets with minimal

repercussions (Berry, 2017). Conversely, in jurisdictions with strong institutional frameworks, firms generally benefit from more rigorous legal protections and effective IPR enforcement mechanisms (Berry, 2006), underscoring the critical role of robust institutional environments in safeguarding multinational R&D investments. To enhance IP protection, an open and competitive business landscape which is based on a robust rule of law and characterized by strategic interactions that extend beyond the government's direct control is needed (Zhao, 2020).

Apple CEO Tim Cook at factory operated by



partner Luxshare Precision Industry Co. Ltd. in Jiangsu province of China (Source: Caixin Global2)

However, as technology becomes more complex, capabilities have become more specialized, resulting in firms to have a unique expertise in particular parts of a value chain (Alacer et al., 2016). The increasingly globally dispersed process of value creation based on specialized yet significantly interconnected network of knowledge entails more reciprocal knowledge-based relationships. This type of advantage in relational networks is shaped by a firm's position and history within a network. A firm's ability to tap into these network capabilities depends on how deeply it is integrated or considered an insider within each network, often described in terms of its level of embeddedness (Cantwell & Mudambi, 2011). The growing importance of global knowledge networks suggests that knowledge, especially the public aspects of technology, is widely shared, ensuring a positive sum game through spillovers among innovators (Cantwell, 2006).

<sup>2</sup><https://www.caixinglobal.com/2017-12-05/apple-polishes-corporate-citizen-image-with-factory-visit-101180792.html>

## THE EMERGENCE OF NEW R&D HUBS AND STRATEGIC MOTIVE OF PATENTING

By 2025, it is anticipated that nearly 230 companies within the Fortune Global 500 will be based in emerging market countries, which is a significant increase from 85 in 2010, as noted in The Global Power City Index (2014) (Alacer et al., 2016). Thus, the relative significance of location factors is expected to shift. As the dynamics of locational factors evolve, new hubs, particularly in emerging markets, have arisen. One of the driving forces behind this shift is the expanding global talent pool, especially in science, technology, engineering, and mathematics (STEM) fields. Emerging markets such as China and India are producing a significant number of graduates with advanced degrees in these areas, with China awarding over 1.3 million bachelor's degrees in science and engineering annually (National Science Board, 2016). Furthermore, the demand for skilled personnel in software and ICT has led U.S. MNEs to these "new hubs" of R&D, like India, China, and Israel, which specialize in software engineering and ICT, differing from the traditional focus areas of "old hubs" in Western countries (Branstetter et al., 2019). The evolution of innovation towards more information-oriented economies necessitates a shift towards IT and software innovation, prompting MNEs to reconfigure their global R&D networks towards these emerging markets.

For instance, Samsung's significant R&D presence in India, hiring around 1,000 engineers in cutting-edge fields and filing over 7,500 patents in technologies like 5G and 6G, exemplifies this trend (Samsung, 2022). This paradigm shift suggests that emerging markets are no longer just cost-saving destinations but crucial nodes in the global innovation network, challenging the traditional notion of comparative advantage in innovation held by highly industrialized countries. This trend is not only evident at a country-level, but also at a city-level, as demonstrated by Samsung's focus on innovation within key technological centers in India, such as Bangalore, Noida, and Mumbai. These cities are becoming prominent for their roles in fostering innovation and

serving as vital nodes in the global knowledge network, highlighting the shift towards more localized centers. To stay competitive, it is essential for cities to integrate complementary non-local sources of knowledge with local knowledge sources (Cantwell & Zaman, 2018). Such enhanced connectivity of global cities entails deeper integration into the global networks, making them pivotal hubs for innovation and economic growth (Goerzen et al., 2013).

In fact, the framing of the question about whether or why firms use patents to protect IPR might not be the most effective approach. Instead, a more insightful inquiry could focus on the extent to which patenting plays a critical role in regulating international knowledge networks through cross licensing agreements, rather than just protecting IP. This shift in perspective recognizes that firms may not solely aim to protect their IP but also to communicate their technical expertise to potential partners through strategic signaling. A pro-patenting regime is also a pro-licensing regime in the current era of intellectual capitalism (Granstrand, 2018).

A "thicket" of patent portfolios can serve as a sophisticated method for a firm to signal its innovative capabilities and competitive position in the market, rather than monopolistic protection of IP. Cantwell and Barrera (1998) find that while patents are not usually deployed in a direct search for individual market power or control over an entire industry segment since the early years of the 20th century, there is a strategic rationale for patenting to gain access and participate in corporate technology clubs. These 'clubs' are established for the exchange of knowledge including cross-licensing of patents, while firms initially outside these agreements may use patents as a means of joining the club so they too can enter international knowledge networks. This is especially true in the environment of the information age. Also, as Hall and Ziedonis (2001) demonstrate through an empirical study of patenting in the U.S. semiconductor industry, the new patent regime enables the rise of "technology specialists" – firms focused on patent-intensive design work – and this increased propensity for patenting reflects how patents serve as a strategic tool for firms. The strategic

accumulation of patents is emphasized as a mechanism to mitigate the risks associated with external patent “holdups” and to negotiation between access to crucial technologies.

Relatedly, actors located in weak IPR countries can enter into these ‘corporate clubs’ or knowledge networks with technical expertise for exchange, highlighting that this exchange is not aimed at restricting knowledge flow but rather at fostering it within such structures of clubs and alliances (Cantwell & Barrera, 1998). Patents serve as a means of joining the club to be able to participate in the international exchange of knowledge among companies, underscoring the strategic rationale for patenting in corporate clubs. In recognizing the importance of balancing the rewards for innovators with the broader advancement of technology, it is critical to understand the social costs of innovation (e.g., increased prices due to monopolistic practices) should be weighed against the social benefits (Levin et al., 1987), leaving large firms to continue patenting the majority of their patentable inventions (Mansfield, 1986).

#### **ARBITRAGING DIFFERENCES AND GLOBAL KNOWLEDGE INTERDEPENDENCIES**

Leveraging differences between distinct institutional settings as opportunities for value creation (Ghemawat, 2007), MNEs increasingly participate in local competence-creating activities and simultaneously in contributing to international knowledge networks. The expansion of global IP markets is indicative of and contributes to the establishment of global knowledge networks, highlighting international collaboration and knowledge exchange (Cantwell & Marra, 2024). With the reciprocity in international knowledge networks, the surge of newer countries as contributors to technology generation in the global economy indicates that in the information-intensive era, the global knowledge interdependencies are inherent. This increase in technology and outsourcing of knowledge-intensive activities, which has occurred alongside the fragmentation of value chains, has opened up new possibilities for locations with at least foundational

capabilities, particularly in emerging markets that were previously less internationally connected. Consequently, some of these countries with basic capabilities now find opportunities to build new niches in international creation of knowledge that does not rely on the pre-existing systems of trade and foreign direct investment (Athreye & Cantwell, 2007). Moreover, the benefits of global epistemic communities and innovation thrive on the exploration and discovery of new knowledge combinations (Cantwell & Marra, 2024).

The capacity of MNEs to engage in institutional arbitrage indicates that these corporations can operate across countries without being entirely dependent on its local institutions (Zhao, 2006). The interactions between local institutions and global competition are pivotal as they influence the success of local policies and shape the paths of institutional evolution across different countries, mirroring a co-evolutionary process witnessed in technology clusters (Cantwell et al., 2010; Beukel & Zhao, 2018). The sourcing of technology is geographically dispersed through these international knowledge networks of globally integrated MNEs, leading to greater emphasis on the asset-seeking motive for FDI (Cantwell, 1989; Dunning & Narula, 1995). The “dynamic connectedness between local knowledge creation and exchange in each node of the network” is the key to the international network for geographically dispersed innovation (Cantwell, 2009: 36). The development of competencies is not solely an internal process but is influenced by the relationships between firms, and the diversity and uniqueness of firms is maintained depending on whether the context involves collaborative learning or merely a transfer of knowledge (Cantwell & Barrera, 1998). The agency of multinational emerges from more decentralized approaches to experimentation within international corporate networks, where nodes that are creating new competencies can evolve with local institutions (Cantwell et al., 2010).

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## HOW BLOGGING ENTREPRENEURSHIP

## CONSTRUCTS

## INTERNATIONAL EIBA

European  
International  
Business  
Academy

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explores the intersection of language use and entrepreneurial legitimation, employing qualitative methodologies to advance the understanding of cross-border business creation.

## INTRODUCTION

Digital contexts are seen as one of the most prominent macro-level features defining international entrepreneurship (IE) (Coviello et al., 2017). It is the openness of the platforms, such as social media, for activity by any international entrepreneurial actors and the possibility for engagement of others that makes them pronounced (Chandra & Coviello, 2010; Nambisan, 2017). In the IE field, there is research about social media as a marketing tool for international ventures (Fraccastoro et al., 2021; Reuber & Fischer, 2011) and about its

influence on venturing by reducing entrepreneurs' or stakeholders' uncertainty (Fischer & Reuber, 2011, 2014). Overall, research has focused on the digitalization of the business-making by single ventures and the use of digital platforms on the firm level, but there has been less attention to the possibilities of entrepreneurs in engaging larger communities in IE (Ahsan & Musteen, 2021). Hence, we know little about how digital contexts create a generative platform for a global IE community. We suggest extending the research by uncovering how entrepreneurs' narratives in social media construct IE.

In our examination, we approach IE as an activity focused on opportunities for international venturing in various forms (Mainela et al., 2014; Oviatt & McDougall, 2005). We start by reflecting upon research on the digital contexts in IE, which brings forth such issues as online communications for the support of international venturing (Reuber & Fischer, 2011). We then go further with the narrative entrepreneurship research seeing that through narrating entrepreneurs infuse opportunities with meaning at the community level when imagining what can happen in the future (Garud & Giuliani, 2013). For empirical illustration, we examine blog texts of eight world-famous entrepreneurs. Their blogs reach hundreds of thousands of people globally enabling evoking wide interest in IE and unfolding its elements through narration. We suggest original contribution to IE research by, first, setting forth a global digital context—social media blogs—to construct IE. Second, the study differentiates four performative narratives for constitution of opportunities for the community. Overall, we aim to pave the way for elaborating further the research on digital IE by illustrating how narrating in social media constructs future-oriented IE.

## **SOCIAL MEDIA IN NARRATING INTERNATIONAL ENTREPRENEURSHIP**

The international activities of modern firms are influenced in many ways by digitalization. For our understanding of the role of social media, a core idea is the amplifying of the economic and social exchanges through digitalization, which perforates the boundaries and reduces the distances between parties (Coviello et al., 2017). Entrepreneurial activities are less bounded in terms of their processes and outcomes and the locus of entrepreneurial agency is less predefined (Nambisan, 2017). For firms born in the digital age, particularly those dealing with digital products, their omnipresent online identity transcends physical borders (Cahen & Borini, 2020; Monaghan et al., 2020). Chakravarty et al. (2021) stress the possibilities for worldwide support to international entrepreneurial ideas through online channels and see social media

providing a learning platform for international entrepreneurs.

In their inventive study, Chandra and Coviello (2010) saw the Internet as having allowed for co-development with consumers worldwide for marketing, creating, and funding of products and services internationally. Reuber and Fischer (2011) specifically noted the Internet creating communication channels that can assist in discovering, evaluating, and exploiting international opportunities. On the one hand, interaction in social media may influence the entrepreneurs themselves by, for example, facilitating effectual cognitions (Fischer & Reuber, 2011). On the other hand, growth-oriented firms can use social media to reduce stakeholder uncertainty (Fischer & Reuber, 2014).

Following Coviello et al. (2017), we emphasize that digital platforms make IE activities collective. Accordingly, Ahsan and Musteen (2021) have depicted a crowdfunding platform as a particular context for collective international opportunity processes. Fraccastoro et al. (2021) illustrated how communication through social media is connected to network embeddedness of firms in foreign markets. We suggest that understanding of the collectiveness of IE created by digitalization and realized in social media can be elaborated further through a narrative approach.

In entrepreneurship research narratives have long been acknowledged to support the entrepreneurial venturing. Entrepreneurs are noted as the plot builders for collective activity (Gartner, 2007) and as storytellers who seek to shape social reality (Garud & Giuliani, 2013). Narratives are the means through which understandings of entrepreneurship are brought about at the community level (Fletcher, 2007). Through stories, entrepreneurs think and speak for themselves (Fletcher, 2007), but they may also counter existing political or institutional orders (Hjorth, 2007). Entrepreneurs construct identity narratives that represent their theories of the entrepreneurial entities in the making and allow them to build a network of supporters for their ventures (Navis & Glynn, 2011). Entrepreneurs are also known to use particular rhetoric in their narratives for achieving legitimacy (Ruebottom, 2013; Andersen &

Rask, 2014).

From the narrative viewpoint of primary interest are the ways in which entrepreneurs set expectations for an uncertain future in their storytelling (Garud et al., 2014). It follows then that, through stories, entrepreneurs create visions on the possibilities and boundaries for entrepreneurial action attracting others to participate in the enactment of the imagined opportunities (Garud et al., 2019). Narratives, therefore, carry generative powers in relation to construction of IE to be uncovered with a focus on the international entrepreneurs' future-oriented stories in social media. The image below aims to illustrate IE in the digital age with entrepreneurs engaging in international opportunity constitution via digital platforms.

#### BLOGS AS EMPIRICAL MATERIAL

It has been estimated that every month bloggers post about 70 million posts and that more than 400 million people read blogs, to which readers comment 77 million times (Ouellette, 2020). Blogs are intended to attract



attention and create interaction with social community without regard to the parties' locations. Blogs can therefore be seen as appropriate material for understanding the construction of IE in digital contexts.

The potential for influence through social media is typically most significant for persons with previous success in their professions (here, their success as entrepreneurs) and with the most significant numbers of followers (Khan & Daud, 2017). Using these criteria, we selected the blogs by eight entrepreneurs under study. We followed the ethical guidelines of the Association of Internet Researchers, according to which blogs can be explored without the bloggers' approval. Despite being placed on public display, blog texts are personal accounts, and it is important to protect bloggers' anonymity (Hookway, 2008). Blogs are also often copyrighted but are subject to 'fair use' and 'not for commercial

purposes' principles. Their use for scientific research is compliant with these principles (Hookway, 2008). Here we are not focused on the entrepreneurs as individuals, but on their narration of IE.

To get into the texts with the most relevance for defining the narratives of opportunity constitution, we first performed a software-assisted analysis. We used NVivo 11 software to search for the locations for opportunity constitution within the larger narratives. In practice the material was automatically scanned for the text passages around the concept "opportunity" and its synonyms, and the passages were 573. We then conducted a detailed textual analysis that resulted in the definition of four performative narratives, which we illustrate in the following.

#### FINDINGS

Our investigation revealed a set of performative narratives employed by the entrepreneurs to construct IE (see Table 1). Two narratives, which include questioning established norms to present a better alternative and leveraging uncertainties for change, actively cultivate doubt and ambiguity towards accepted realities. These narratives prompt the audience to reflect on the adequacy of the status quo and its benefits for them. Entrepreneurs utilize these narratives to instigate opportunity constitution processes with potential of wide economic and social benefits. They articulate the limitations of existing approaches and their personal readiness to assist and ability to provide solutions.

The other two narratives involve fostering innovation to offer deserved recognition to entrepreneurial activity and envisioning alternative futures, painting a picture of a shared future superior to the current for everyone involved. In these narrations, entrepreneurs perceive the imperative to guide their audience through the complexities of abandoning the known for the not yet realized, acknowledging the inherent challenges faced by individuals and society. Entrepreneurs create narratives that not only resonate with their global audience but also legitimize the venturing, galvanizing support and fostering a shared belief in the

transformative power of their entrepreneurial vision.

Moreover, a close examination of language use unveils four rhetorical strategies for crafting compelling narratives that engage the reader. Standardizing delineates what constitutes the normative framework within which entrepreneurial actions are understood, creating a reference point for conventional activities. Generalizing transcends the particularities of an individual entrepreneur's story, weaving it into a fabric of universal

entrepreneurial experiences that resonate on a macro level. Sorting categorizes entrepreneurial actions across a spectrum of societal impact, thus clarifying their relative merit or disadvantage within the broader socio-economic matrix. Tasking is the narrative device that conveys the entrepreneur's role in shaping the business setting and societal progress, establishing the entrepreneur as the authoritative voice on the nature and parameters of opportunity constitution.

**Table 1.** The narratives employed in opportunity constitution for IE community.

| Performative narratives                                                                | The opportunity constitutive rhetoric                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Challenging the status quo – “I suggest a bold alternative”                            | Many prefer the known, cycling through the routine and avoiding the emotional depths. [standardizing] However, what if you will never have a better chance than now to produce something significant in your life? Imagine a chance that resonates with your talents and desires. [tasking] Technological advances disrupt cultural conformity, granting the freedom to chase dreams, and I do not think that people are interested in money. [sorting] Anyone can tell the story, escape mediocrity, and be the person who changed the world. [tasking] If this notion kindles a fire within, it's a testament to your intrinsic motivation to embrace these opportunities. [generalizing] |
| Embracing uncertainty can catalyze reform – “I understand your true needs”             | Current global unrest hints at greater disruptions. In this climate, firms seek profit, often overlooking societal needs. [standardizing] While change is desired, it's mostly businesses advocating efficiency over equity that thrive. [sorting] This era, however, is also ripe for entrepreneurs to create new paths. We have the potential to make new societal structures, braving the anxiety that comes with innovation. [tasking] Facing this or yielding to inertia is a choice. True success lies in overcoming hesitations and excuses. [generalizing]                                                                                                                          |
| Fostering innovation – “I pledge to aid in securing your rightful gains”               | Things often fail, and there is no change, concealing learning behind guilt. [standardizing] I adopt specific methods to assess failures constructively, promoting innovation without blame. Change is about providing value—time, aid, or acclaim. [tasking] In return, people often contribute to shared ends, as in customer issue resolution. [sorting] I personalize my approach, posing questions that resonate individually, facilitating transformation. [tasking] Such tactics introduce choices leading towards innovation or misuse. Applied with integrity, they herald novel breakthroughs at a decisive moment. [generalizing]                                                |
| Envisioning shared futures – “Could this be something that we want to reach together?” | When I tell about my life, I reveal myself. Then others can reveal things about their life that would otherwise not be told to a stranger. [standardizing] I delve into various cultures, interacting with creative individuals and youths who offer perspectives divergent from mainstream adult society. [sorting] Through mutual storytelling, one can seek to deeply understand alternative viewpoints. [tasking] These engagements shed light on universally relevant paths for the shared futures, despite diversity. [generalizing]                                                                                                                                                  |

At the core of these narratives can be seen a mission to participate in the change of society, using as a means both the defiance of institutions and the creation of common value. The agency of the entrepreneurs is expressed in the desire to assist in realizing the future value in terms of both economic and social

success at the individual and community levels. The entrepreneurs intend to make others see that the current institutions are not capable of bringing about change and that it requires the entrepreneurs to build a better future.

## DISCUSSION

Digitalization has been brought up as one of the primary determinants of IE (Coviello et al., 2017; Chakravarty et al., 2021). We have here elaborated the intersection of digitalization and narratives to extend IE research in terms of narrating opportunity constitution in social media. We propose that the public blogs by entrepreneurs can be a platform for constructing IE. Through this type of analysis, we can complement Chandra and Coviello's (2010) findings of the consumers as international entrepreneurs on digital platforms and Fischer and Reuber's (2014) findings on online communications to reduce stakeholder uncertainty, by illustrating how blogging produces performative narratives in relation to international opportunities. The prior research has suggested further attention to the possibilities offered by digital platforms for engaging larger communities (Ahsan & Musteen, 2021). In our analysis, we saw blogs producing a dialogue between the prevailing and the action needed for future-oriented IE. Hence, in IE, digitalization plays a key role in shaping cross-border entrepreneurial activities, especially through platforms like social media. Social media extend the reach of entrepreneurial narratives beyond national and cultural boundaries, fostering a participatory context where international stakeholders can engage directly and frequently. This digital context is crucial for IE because it enables entrepreneurs to construct and disseminate their narratives across-borders, effectively using these platforms not only for marketing but also as venues for international opportunity creation and stakeholder engagement. Such interactions may lead to the reduction of uncertainties associated with international venturing and allow for a collective approach to international opportunities. By emphasizing the narrative dynamics in social media, we suggest a more instantaneous, communicative, and interactive approach to international opportunity constitution and stress the importance of uncovering the small stories to understand the subtleties of IE for the future. The image<sup>ii</sup> below depicts the embeddedness of IE in the communications between people on multitude

of digital platforms.

From the viewpoint of practitioners, we propose further attention being placed on the use of social media in constructing IE for an uncertain future. Projective storytelling in the



form of narratives (Garud et al., 2014) is likely to be a powerful medium for envisioning the better future in relation to the various grand challenges of present-day societies. It is IE as “a potential force for good”, not purely as a means for doing business, that will be needed for solving these grand challenges, such as inequality, climate change, and pandemics (Wiklund et al., 2019). As we live the era of digital connectivity, entrepreneurship is an international phenomenon crossing borders for business opportunities and connecting actors in different locations and positions across global value chains (Chakravarty et al., 2021). Because of the potentially extensive reach of people and the performative power of narratives, social media can have a critical bearing in moving toward solving global issues through IE.

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# THE INTERNATIONALISATION OF R&D: PAST, PRESENT AND FUTURE<sup>3</sup>

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## INTRODUCTION

The ‘internationalisation of R&D’ – the phenomenon whereby multinational enterprises (MNEs) perform R&D and innovation activities outside their home countries – is one of the most striking features of globalisation during the last 50 years. Considered a marginal trend in the 1970s and 1980s, it emerged as one of the engines for the growth of business R&D in many countries, a trend which was also reflected in the IB literature of that time (Cantwell, 1995). The 2000s saw the opening of new host countries, including China, India, and other emerging economies. At the same time, multinational enterprises from emerging economies (EMNEs) appeared on the stage of R&D internationalisation after 2000.

After reaching new heights in 2010, R&D internationalisation seems to stagnate. R&D expenditures of foreign-owned affiliates worldwide have been growing in absolute terms, but are decreasing in relative terms, as a share of total business R&D expenditures (Dachs & Zahradnik, 2022). This is mainly due to the fast growth of domestic R&D activities in some Asian countries. In addition, recurrent supply chain disruptions and political tensions between the United States and China have led some observers to believe that economic globalisation is at the crossroads.

Are the best days for R&D internationalisation over, and MNEs, in particular for emerging economies, again prefer to invest in R&D in their home countries? In the following pages, we will have a closer look at four factors that will likely shape R&D internationalisation in the coming years. Our aim is to better understand if the current stagnation is a temporary phenomenon, or the start of a re-concentration of business R&D in the home countries and regions of MNEs.

## THE NEW SCIENTIFIC LANDSCAPE

New scientific knowledge has been a main driver of R&D internationalisation. Globally, the output of peer-reviewed science and engineering journal articles is increasing significantly, and it grows faster in upper-middle-income and lower-middle-income economies compared to high-income economies (National Science Board, 2021). Similar trends can be found in the number of researchers and R&D expenditures. China and India stand out, with China surpassing the United States in the number of publications and India's scientists publishing more than their counterparts in the United Kingdom or Japan. These improvements are impressive, even if we consider that papers by US or European scientists are still more frequently cited than research by Chinese and

<sup>3</sup> A longer version of this article by the same authors has been published in the *International Business Review*, 2024, Vol. 33, Nr. 1.

Indian scientists.

This shift has transformed the scientific landscape from a bipolar one dominated by North America to a tri-polar world encompassing Europe, North America, and Asia-Pacific. New opportunities for sourcing knowledge abroad also emerge from a different specialization of emerging economies. Publications in engineering and in computer and information sciences, for example, are overrepresented in China and India, while health or social sciences are underrepresented (Lewis et al., 2021). This attracts MNEs in some sectors in particular, such as information and communication services.

An expanding global knowledge base creates new opportunities for MNEs to source knowledge from abroad. The question, however, remains how open some emerging countries are to knowledge sourcing by multinational firms. R&D activities of foreign-owned firms may raise scepticism in countries that consider science as a tool for achieving goals of national interest. China's prime minister Xi Jinping, for example, made it clear in a speech that "science has no borders, but scientists have motherlands" (Schwaag Serger et al., 2021). Another imminent challenge is competition for talent between foreign-owned firms and domestic organizations. A lack of scientists and engineers even challenges a large country like China (Sun & Cao, 2021). Moreover, such conflicts may intensify if foreign MNEs lure some of the best scientists to work on projects that contribute to their corporate knowledge base rather than on projects of national importance (von Zedtwitz, 2004). Academic freedom is another critical factor. In some upper and lower-middle-income economies including Brazil, China, India, and Russia, academic freedom has been decreasing (Kinzelbach et al. 2022); this could impact R&D agendas of MNE subsidiaries, as well as their co-operation with domestic organisations in these countries.

## DIGITAL TECHNOLOGIES

MNEs have always been at the forefront of adopting new technologies, and the adoption of information and communication technologies (ICT) is no exception (Ahi et al.

2022). Early discussions in the mid-1990s emphasized how ICT is reshaping the global organization of R&D and challenged established theories in technology management. Much work has focused on how international R&D management could best leverage these technologies for remote communication, coordination, and the management of dispersed teams.

The expansion of MNEs into countries like China and India underscored the importance of robust ICT infrastructure in enabling global R&D and innovation networks. Papanastassiou et al. (2020, p.644) conclude that "the use of digital technologies appears to facilitate virtual collaborative environments, largely unaffected by distance, especially when codified knowledge transfer and processing are at stake."

But the impact of ICT and other digital technologies on dispersed R&D also includes a qualitative aspect. Recent developments in work from home – especially social media-embedded innovation tools, video conferencing, and VR/AR technologies – have changed how MNEs co-operate at a distance. Experts in virtual teams are being "called in" when needed and often just for limited tasks and amounts of time. Face-to-face still matters, but local networks and digital networks appear to substitute rather than substitute each other. In addition, Artificial Intelligence may have the potential to profoundly change not only knowledge exchange, but the innovation process itself (Cockburn et al., 2019). Here, key questions are whether and how firms use AI to either automate or augment human activities and the extent to which AI provides a new perspective on the exploration vs. exploitation debate (Johnson et al., 2022).

The ease of use and availability of ICT reduces the constraints of space in the development of innovation (Nambisan et al., 2017) and permits international R&D to be more spatially disseminated. Some of these effects will only reveal over time, as 'Digital Natives' use ICT differently, and this affects their reliance on conventional R&D inputs (von Zedtwitz, 2020). Virtual communication appears to curb the production of creative ideas (Brucks and Levav, 2022), but may be aiding in the quality of idea selection, which requires cognitive focus and analytical reasoning – all core to industrial

R&D. These results validate earlier research suggesting that international R&D is best centralized in the early stages of new product development, when tacit knowledge exchange prevails requiring frequent in-person communication, but may be decentralized in later stages, once R&D tasks can be decomposed and dealt with autonomously (Boutellier et al., 1998).

### THE SUSTAINABILITY CHALLENGE

MNEs are certainly responsible for a lot of today's environmental problems; as the main source of new technologies, however, MNEs could also be part of the solution. Embedding sustainability practices into their corporate strategies to accommodate stakeholders' social and environmental expectations has become vital for many MNEs to build legitimacy. Increasing environmental pressure and the policy push towards sustainable innovations are currently propelling the market for green technologies forward. The world's top R&D investors own 70% of all global climate change mitigation or adaptation patents and over 10% of global climate-related trademarks (Amoroso et al., 2021). Inward foreign direct investments in green R&D contribute significantly to EU regions' specialisation in environmental innovation and thus to the sustainability transition (Castellani et al., 2022). Noailly and Ryfisch (2015) provide empirical evidence on the internationalisation of green R&D. Using data on inventors' addresses for 1,200 MNEs patenting in green technologies over the 2004-2009 period, the authors find that about 18% of green patents derive from MNEs' R&D activities conducted abroad. China, the US, and Germany are the most important destination countries. This confirms the emergence of the US and China as 'green innovation superpowers', as they are driving the global market for electric vehicles (Yang, 2023).

Policy may also have a positive influence on climate-related innovation via subsidies. Various countries have also put in place large funding schemes to support sustainable and digital transitions which may play a catalytic role in attracting R&D investments by foreign MNEs. Examples are the EU Recovery and Resilience Facility (RRF) or the US the Inflation

Reduction Act (IRA).

### POPULISM AND ECONOMIC NATIONALISM

Demand conditions and the availability of knowledge in home and host countries have been at the centre of the analysis of innovation strategies of large MNEs (Papanastassiou et al., 2020). During the last 10 years, however, academics also began to recognize the implications of political instability and the rise of populism for globalization. Luo (2022) describes how the zero-sum world view of techno-nationalism can harm globalisation. In the same vein, Petricevic and Teece (2019) analyse how constraints for MNEs may emerge from the rivalry between the United States and China resulting in an increasingly polarized world order. Cui et al. (2023) point to the prohibitive costs of such a bifurcated world which, in their opinion, will make such a scenario unlikely.

The semiconductor industry is a focal point of these developments. China, as the largest consumer of semiconductors globally, is striving for technological independence, competing with the US and Taiwan in semiconductor production. Chinese firms intensified their innovative activities which made China one of the top five countries in semiconductors, wireless telecommunication technologies, and other digital technologies (Godinho and Simões 2023). As a reaction, the US introduced the CHIPS and Science Act, which is aiming to strengthen semiconductor research and manufacturing in the US. The US CHIPS and Science Act is a paradigm shift in policymaking because of its geopolitical purpose, but also because of the instruments employed (Luo & Van Assche, 2023). These include export restrictions and limiting support by US firms for Chinese microchips companies, including R&D.

Dividing the world into friends and foes is certainly creating challenges for R&D internationalisation, but it is unlikely that all Western MNEs will abandon their operations in China, a vital market. Instead, some MNEs may adopt "local for local" strategies, granting more autonomy to their Chinese subsidiaries. This strategy, which signifies a return to the 1970s production and trade toolkit, reflects the anticipation of a prolonged geopolitical tension

between China and USA. It may not lead to less but even more R&D internationalisation, since R&D for the Chinese market will mainly take place in China. However, this approach may also lead to parallel and redundant R&D activities, potentially reducing the benefits of globally dispersed R&D activities.

## CONCLUSIONS AND FUTURE RESEARCH

Covid-19, supply chain disruptions, the war in Ukraine, and tensions between the United States and China have led some observers to believe that economic globalisation is at the crossroads.

We believe that such challenges will not stop MNEs from pursuing R&D and innovation activities abroad. Science will provide new opportunities to innovate. The growing scientific capabilities in emerging economies in particular will create new hot spots for relevant knowledge. The imperative of combating climate change and providing affordable clean energy will drive novel research activities. Digital technologies and AI will further facilitate coordination and knowledge exchange within MNEs and provide opportunities for new products, services and enterprises. Attracted by market growth and the need to access knowledge not available in the home country, MNEs will continue to locate a considerable share of their R&D and innovation activities abroad in future decades. Internationalisation will continue to be an important component of the global R&D strategies of MNEs.

New challenges for R&D internationalisation may arise from policy. Current discussions in Europe and North America about friend-shoring and a decoupling of the West from China, and more cautious relationships with authoritarian states will continue. Rivalries between China and the US add to these tensions. R&D follows foreign direct investment, so decoupling may also mean less R&D internationalisation.

So far, to a large extent the literature on R&D internationalisation has missed to include geopolitics its analysis. Future research on R&D internationalisation thus should embrace possible consequences of geopolitics at the country, enterprise, and entrepreneurial level. First, we should bring nation-states back into the analysis as decision-making actors that

shape the competitive environment, and not as mere locational factors. The early IB literature (for example Dunning, 1994) reminds us that there were times when governments were critical and even hostile to FDI. Attitudes towards MNEs seem to shift again in the wake of the “Tech Cold War” between China and the United States. As China, India, the European Union and the United States are ramping up funds to support their economies in the digital and climate transition, national policy goals regain importance for the R&D strategies of MNEs.

Second, research on R&D internationalisation should recognize MNEs as political entities with their own agendas, which may intensify tensions between them and their home-country governments. The role of SpaceX and its Starlink satellite service in the Ukraine conflict illustrates the growing role MNEs and their leaders play in global affairs.

Third, IB research needs to investigate potential trade-offs between national policies and transnational business activities for MNEs. In a ‘strategic’ perspective on MNE-government interactions (Rugman & Verbeke, 2005), techno-nationalism will lead to less consistency and more conflict between the goals of governments and MNEs. Governments have initiated ambitious industry policy programmes such as the US CHIPS and Science Act. What do they expect from MNEs in exchange for generous funding? MNEs create international technology spillovers which also may benefit potential rivals of the MNE home country. From the viewpoint of techno-nationalism, it may be unacceptable that knowledge created with the public support is exploited internationally. The interplay between techno-nationalism and science should also revitalise the research agenda on national innovations systems, in particular on the interactions of international R&D activities of MNEs with the local science base. Despite its current stagnation, the outlook for R&D internationalisation is positive.

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## MIGRATION AND THE FUTURE OF HOSPITALITY AND TOURISM PROFESSION

**EIBA** | European  
International  
Business  
Academy

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### INTRODUCTION

Migrant and migration policy (MMP) issues have often influenced important international business (IB), MMP issues tied to changes in migrant demographics, wealth, skills, home country provenance, host-country attitudes, and international governance (Barnard et al., 2019).

The hospitality industry attracts a wide variety of workers from a number of different labor markets. Therefore, considering only locals as a source of labor maybe an outdated recruitment strategy. The continued globalization of the free market economy will encourage the migration of international labour (Choi et al., 2000).

In Europe, the Hospitality and Tourism sector faces not only high turnover, but also a lack of human resources. In times of uncertainty, technological transitions and new cultural environments, the search for a balance between professional life and well-being is a challenge for companies operating in the sector and crucial for retaining talent and convincing human resources to stay and improve competitiveness (Ping-Chao et al., 2020).

Most of hospitality companies operating in Portugal such as Hotels and Restaurants are integrated in a multinational environment. Concerning cultural identity threats and identity work of skilled migrants in

multinational corporations, Xie and Peltokorpi (2024) concluded that skilled migrants respond to identity threats in the forms of cultural tightness, value conflict, and stigmatization by protective identity work (i.e., differentiating, detaching, distancing, and rejecting) or adaptive identity work (i.e., shifting, revising, extending, and suppressing).

The “work environment” significantly influences the job satisfaction of Generation Y employees, followed by “empowerment”, “compensation” and “relationship with managers”, which influences “employee commitment” and “intention to stay in the business” and Hospitality”. (Frye et al., 2020). Younger workers are rethinking their priorities and seeking high-purpose jobs in search of harmony in career and life, in search of IKIGAI (a life with a purpose).

“Change initiatives, employee engagement and motivation are important predictors of organizational outcomes linked to transformation and defined as a force (mindset) that binds an individual to a course of action considered necessary for the successful implementation of a change initiative.” (Herscovitch & Meyer, 2002, p. 475).

The lack of human resources in the sector of



hospitality and tourism sector, attracted men power from different countries (not European), not usual to see in Portugal.

Students from the last year of the Hospitality Management Degree in the introductory course to research practices raised concerns

about the multicultural change in the sector.

**Figure 1.** The team: finalists of the degree in hotel management (Portuguese, Erasmus students and professors of ISEC Lisboa) during a wine tourism visit (Adega Mãe).

After conducting "focus group" meetings with the students, it was considered important for the future of the Hospitality and Tourism profession to:

- Understand the motivation to continue studying and working in the hotel and tourism sector.
- Understand the impact of the entry of non-European cultures into the sector and the satisfaction of Portuguese people who study and work in the sector.

## METHODOLOGY

Taking into consideration the three-component model of organizational commitment by Herscovitch and Meyer (2002). A questionnaire was sent to ISEC Lisboa students and alumni of the Degree in Hotel Management, from the current year and the last two years. A total of 361 questionnaires were sent out, and 254 valid responses were received.

The analysis will use two approaches:

- Quantitative Analysis (SPSS): Closed questions (Likert scale).
- Qualitative analysis of the content of responses to open questions in the questionnaire.

Testing the following hypotheses,

H1: There is recognition that a change in the structure of the workforce (input of non-European labor) is necessary for the Hospitality and Tourism sector in Portugal (Affective Commitment).

H2: The change in the structure of the workforce (input of non-European labor) is something that I have to accept as the new culture in companies in this sector (Continuance Commitment).

H3: The change in the structure of the workforce (inflow of non-European labor) is something that I have to accept as a social norm (Normative Commitment).

## SOME PRELIMINARY RESULTS

The preliminary results show that the main motivation to work and stay in the sector are:

- Greater employment opportunities.
- Greater opportunities for career growth.
- International career opportunity.
- Life goal.
- Contact with people.
- Being able to contribute to people's good times.

Much more than the main demotivation factors, such as:

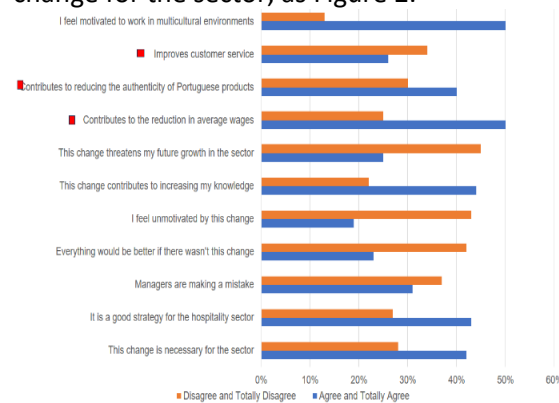
- Salary.
- Balance between personal and professional life.
- Contractual Instability.

The priorities are:

- Be happy.
- Wage.
- Find a job.

These priorities could be inserted into the very basis of the Maslow pyramid, as all of us, in general, have survival factors (finding a job to have a wage to buy the basics) as the first priority of life and everyone wishes to have a happy life.

In fact, preliminary results confirmed the negative concerns pointed out by the students in the "focus group", such as: decrease in service quality and product authenticity and salary reduction), but there are more positive points than negatives, such as: motivation to work in multicultural environments, contribution to knowledge, good strategy for the sector and recognized as a necessary change for the sector, as Figure 2.



**Figure 2.** Perspectives of Hospitality students and workers on the changing labor structure (influx of non-European labor)

This study and analysis are still ongoing. Interviews will be conducted with employers on the same subject; to compare outputs and identify similarities and differences.

ISEC Lisboa is investing in its young students, who are the future of the hotel and tourism sector, and encouraging them to research from the ground up.

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## EXPLORING SUSTAINABILITY OF THE SATELLITE INDUSTRY: POTENTIAL INSIGHTS FROM THE INTERNATIONAL BUSINESS RESEARCH



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Magdalena Teissandier is Assistant Professor at Toulouse Business School in the Department of Strategy, Entrepreneurship, and Innovation since 2020. Her research is at the intersection of International Business Strategy, Global Value Chains (GVC), and new organizational institutionalism, with a focus on governance and power dynamics, internationalization processes of high-tech SMEs, and, more recently, questions of sustainability in GVC. Before joining the academia, she enjoyed a dynamic 15 years career in consulting SMEs from a broad range of industries. This significant experience has influenced her research interests and etched a strong practical orientation

on her teaching.

### INTRODUCTION

"Today's space industry is thriving on disposable materials".

This sentence, pronounced by a French space entrepreneur in 2019, as Starlink and OneWeb entered the race for mega satellite constellations, was the spearhead for my research project on the sustainability of space activities. Since then, the term "space sustainability" has been everywhere: it's been the guest of honor at the world's biggest business events, systematically featured in business and policy speeches, turned engineering school curricula upside down, and of course become the subject of study in an ever-growing number of publications in

scientific journals in all fields.

Faced with this veritable craze, punctuated at times by good news: "Elon Musk has achieved a tremendous success with his SpaceX partially reusable launcher!", at other times by bad news: "the Kosmos-2251 satellite collided with the Iridium 33 satellite, causing 1,800 small pieces of debris to be emitted into space!", we can legitimately ask whether and to what extent is space sustainable.

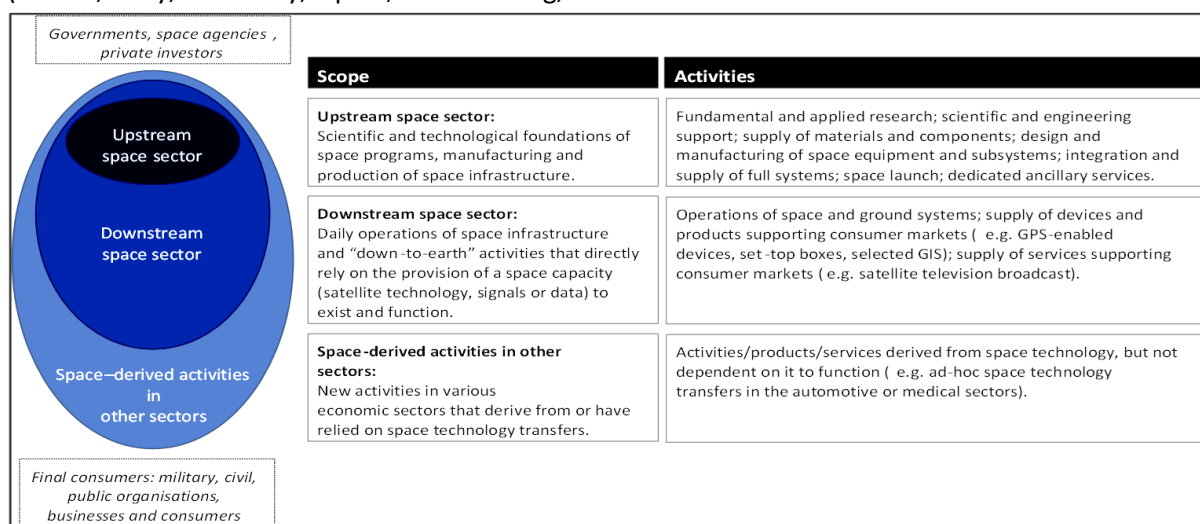
Several theoretical approaches and methods have already been deployed to answer this question, leading to publications of bibliometric studies (Dos Santos Paulino and Pulsiri, 2022) and conceptual models (Wilson and Vasile, 2023). Empirical investigations are still few (Pulsiri and Paulino, 2024). My research builds on this work and aims to investigate the topic through the prism of IB literature. In the following lines, you will see that space and the question of its sustainability is becoming an urgent concern. It requires powerful theoretical tools. I hope that this contribution will give rise to a momentum of work and research collaborations that will enable policymakers and top managers in the space industry to move forward in an enlightened and efficient way on this important subject.

After a brief presentation of the space industry (1), the article provides an overview of intermediary results. They come from the first phase of data collection and analysis based on 20 interviews with space players carried out between 2022 and 2023 (large companies, SMEs, start-ups, institutions, professional organizations) from six European countries (France, Italy, Germany, Spain, Luxembourg,

UK) and on 500 pages of documents (industry reports, specialized press). While mobilizing the grounded theory approach (Gligor et al., 2016) with qualitative methods of data collection and analysis (Magnani and Gioia, 2023), I first explain why space sustainability emerged as concern in the industry (2.1.) Next, I decode three definitions regarding the term "space sustainability" given by the interviewed actors (2.2.). Finally, I shed light on what changes they perceive in the industry as attempts to reinforce sustainability of space activities (2.3.). Each of these three sections highlights urgent topics emerging from the results and exposes explanatory power of IB theories to address them. The conclusion (3) emphasizes the place of space in our daily lives and the urgent need for research and action to improve the sustainability of space activities.

## SATELLITE INDUSTRY IN THE CONTEXT OF THE GLOBAL SPACE ECONOMY

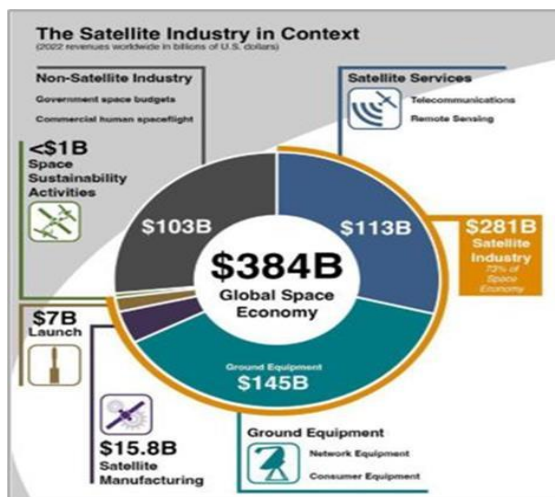
*"The space economy consists of space-related goods and services, both public and private. This includes goods and services that: are used in space, or directly support those used in space; require direct input from space to function, or directly support those that do; are associated with studying space"* (The US Bureau of Economic Analysis, 2020). Based on this definition, the Organization for Economic Cooperation and Development (OECD) suggests a segmentation of space industry around upstream and downstream activities (Fig.1).



**Figure 1.** Defining the main segments of the global space economy

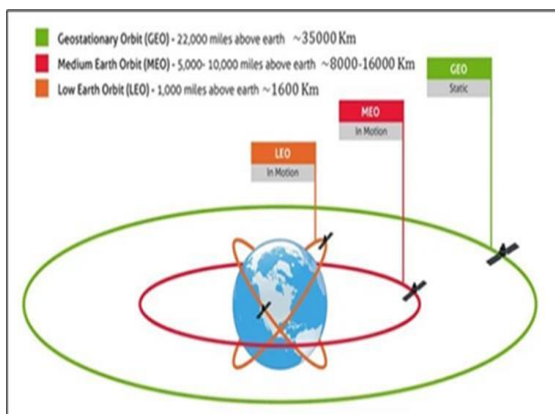
Source: adapted from OECD Handbook on measuring the space economy, 2022.

The satellite industry accounts for 73% of the value of the global space economy (Fig.2). Satellites are man-made objects placed in one of three orbits around the Earth (Fig. 3) and designed to accomplish specific missions (for example, providing weather data or communication signals). They vary considerably in size - from small CubeSats weighing just a few kilograms to large communications satellites weighing several tons - in complexity - from simple Earth observation CubeSats to megacomunications constellations like Starlink - and in their mission either to provide communications (e.g., Internet), or Earth observation (e.g., geo-intelligence or weather) or navigation (e.g., GPS).



**Figure 2.** The satellite industry in context.

Source: BryceTech



**Figure 3.** Three orbits around the Earth

Source: Ditel

## PRESENTATION OF INTERMEDIARY RESULTS

### EMERGENCE OF CONCERN ABOUT SPACE SUSTAINABILITY

Our results show that the satellite industry encompasses two distinct technological and commercial approaches: traditional space and "New Space". The former has its origins in the Cold War between the United States and the Soviet Union. Satellites were then primarily used for military and espionage purposes. The industry was self-sufficient, open to a few national companies (e.g., Lockheed Martin in the USA, Khrunichev State Research and Production Space Center in Russia). With this model, reproduced in a few other countries (Europe, China, India, Japan), a low number of active satellites was maintained in orbit (464 in 1990, compared with nearly 10,000 in 2023). Their extremely complex development and high launch costs mobilized significant national budgets. Designed for long duration (15 to 20 years), heavy and robust, satellites were placed in geostationary orbit (see Fig. 3), providing broad coverage of the Earth. At the end of their mission, they were moved to the garage orbit to avoid encumbering the geostationary one. The notion of sustainability, even if not explicitly named and partial, was integrated into the satellite manufacturing and end-of-life process.

The end of the Cold War forced space nations to justify and maximize their budgets. In 1998, the US government authorized, through Commercial Space Act, private entities to "...provide space transportation services or other space-related activities, primary control of which is held by persons other than Federal, State, local, and foreign governments". SpaceX, created in 2002 and bolstered by contracts with NASA (e.g., to supply the international space station), spearheads the new "New Space" approach. Technological feats, like returning part of the launcher to Earth and reusing it, or design and manufacture of mega-constellations, have lowered barriers to entry and prices, especially for launch operations. Mega-constellation projects for Internet connectivity have multiplied. Thousands of

smaller satellites offering better signal quality are now put into orbit. In addition, they are shorter-lived (5 to 7 years) and burn up in the atmosphere once their mission is finished. All this contributes significantly to orbital pollution, exacerbating the existing problems of space debris: 36 500 objects greater than 10 cm, 1 000 000 objects from greater than 1 cm to 10 cm, 130 million objects from greater than 1 mm to 1 cm (Dec. 2023, ESA).

Faced with this paradigm shift, the existing legal framework is proving inadequate: *"It's a new Far West!"* says one of our interviewees. New, more restrictive laws are emerging at national level (e.g., in France, La loi relative aux opérations spatiales - France's space operations act, 2008) and guidelines for responsible practices are being promoted by international bodies and organizations, such as Space Traffic Management in Europe, or Space Sustainability Rating at World Economic Forum. But, as industry informants pointed out, this is largely insufficient, and above all takes time compared with the speed of projects deployment. To address this issue, two streams of IB research may be considered. First, given the intrinsic characteristics of the space industry, the literature on the different roles of the state: facilitator, regulator, buyer and producer (Horner and Alford, 2019) is of major interest. The "buyer" orientation of states to the detriment of "producer" could be analyzed from the perspective of environmental upgrading, and namely processes involved in setting up more sustainable procurement policies (De Marchi and Alford, 2022), possibly paving the way for future regulations. Governments remain a major business partner, and institutional demand, despite the boom in commercial projects, still accounts for 50% of the satellite industry market. Secondly, research at the intersection of IB and institutions (Aguilera & Grøgaard, 2019) seems promising, particularly the concept of institutional voids (Doh et al., 2017), defined as a situation where institutions are not yet formalized, are operating with difficulties or are "fluid" in nature. The latter configuration corresponds to the situation in the space industry. Fluidity suggests that institutions are being shaped by different actors. Currently, we see entrepreneurs using this fluidity as an opportunity to impose new

business models (New Space), strongly profit-oriented. Some studies show, however, that fluidity of institutions can also be conducive to actions to signal companies' CSR strategies (Amaeshi et al., 2016), which beyond the legitimizing effect on organizations, may serve to shape institutions as well future regulations.

## DEFINITIONS OF SPACE SUSTAINABILITY

Our analysis shows that the term "space sustainability" refers to three different notions. First, the sustainability of space activities in orbit. The interviewees define it as the need to protect the outer space in order to guarantee secure access for private and public operators worldwide. They point out that space is a finite resource, in the sense that it is not possible to increase the number of radio frequencies available for satellite signal broadcasting. The second notion concerns the sustainability of space activities on the Earth. While this appears to be similar to what can be observed in other industries, e.g., the carbon emission in the production chain, it differs significantly on the question of the circular economy of spacecrafts. Our interviewees highlight that the circular economy of spacecraft is still in its infancy, even though R&D projects are being developed on subjects such as the self-curving of components for satellites placed in orbit. The third notion sees space activity as contributing to a better sustainability of life on Earth. However, not everyone agrees with this view. For many informants, the Earth observation segment, which enables data to be collected and supplied for a better understanding of climate change, cannot "compensate" for the use coming from the "communication" segment, and in particular Internet connectivity, which by far pollutes the outer space and Earth the most, through massive production and orbiting. The secondary data we've collected are indisputable: already in 2021, the communications segment accounted for 63% of orbiting satellites, Earth observation for 22%, navigation for 7.7%, and the rest for science-related activities. The last two years have been marked by launches of communication satellites, notably by Space X (79% of all launches in 2023).

These emerging results show that the environmental aspect remains predominant in the formulation of the definition. They are in line with the paradox already established in the literature (Wilson and Vasile, 2023): space contributes to a greater sustainability on Earth with Earth observation data, while being polluted by more and more spacecrafts. They do, however, add an important nuance: most of the pollution in orbit results from the communications segment. The paradox may therefore stem more from the fact that we use Earth observation satellites (often financed by public entities) to mitigate climate change, while letting the ultra-powerful private players in the communications segment (Elon Musk, Jeff Bezos) pollute space, by virtue of "Internet for everyone, everywhere in the world". This paradox is undoubtedly even more complex, as is the public-private relationship. To analyze it, we need powerful theoretical concepts. This is where Global value chain (GVC) research comes into its own. First, it may enable us to go beyond the notion of the industry and study the question of "sustainability" using the GVC cross-sectoral concept (Lee and Gereffi, 2021), a configuration that characterizes the satellite industry. Secondly, to understand the complexity of the satellite value chain, the study of sustainability can be carried out by exploring "sustainability in", i.e. in the links making up the value chain, "sustainability of" involving analysis of the transfer of practices, of knowledge within relationships and finally sustainability through, which highlights the normalizing effects of governance (Ponte and Gibbon, 2005; De Marchi et al., 2019). Finally, the GVC literature takes up the issue of governance and power of all stakeholders with the model of power types (Dallas et al., 2019), extremely relevant for decoding the public-private relationship in the space industry, involving the issue of sustainability.

#### **ATTEMPTS TO REINFORCE SPACE SUSTAINABILITY**

Our results converge towards the idea that there is a growing awareness at industry level of the issue of sustainability in space activities. Three major elements are put forward by the interviewees. First, they note that analysis about how to reduce the industry's negative

impact on the environment pertains to all segments of the value chain: upstream, i.e., spacecraft manufacturing, downstream with the in-orbit operations part and the services-related part. However, they indicate that the most concrete actions are visible in launch activities (upstream), including technology for reusing the upper parts of launchers, the development of propulsion systems to equip engines with more environmentally-friendly propellants such as hydrogen peroxide or electric systems, and audits of rocket launch sites to prevent noise pollution and protect biodiversity. The second element advanced concerns the emergence of a new chain in the space value chain: traffic management and risk prevention in orbit. Several start-ups (USA, France) are offering management services to improve monitoring and reduce the risk of collision, while others (Japan) are launching devices to clean up orbits. Finally, while highlighting the benefits of application services (information on climate change, better management of agricultural land, Internet access), the informants nevertheless raise the question of the digital pollution these services generate, their relevance in relation to terrestrial alternatives, and above all who benefits from these services: developed countries to the detriment of poor countries. This last point is important because it shows that the societal aspect, little mentioned in the definition of sustainability, is this time taken into consideration: how can we produce in a way that is more respectful of Earth and of outer space, while offering useful services that are accessible to the greatest number worldwide? The growing body of IB and sustainable development goals (SDGs) research could shed light on this issue. Particularly interesting is the approach recently proposed by Montiel and colleagues (Montiel et al., 2021) which, by grouping the SDGs into 6 categories, determines how companies can increase positive externalities (e.g., knowledge enhancement) and reduce negative externalities (e.g., overexploitation of natural resources). Corporate investment decisions, such as those in the satellite industry, should therefore be based not only on the direct benefits resulting from these externalities and consolidating firms' competitiveness, but also on the direct benefits responding to the SDG

agendas of the countries hosting these investments (Sinkovics et al., 2021). In a somewhat similar vein, Nielsen and colleagues (Nielsen et al., 2023) create theoretical bridges between IB research and the concept of disaster (natural or man-made) to address grand societal challenges. According to the authors, companies should incorporate the very notion of disaster into their reflections, actions, and strategies. This way of doing could be of great benefit to space companies in their quest for greater sustainability. It would enable them to take a holistic approach to the satellite mission, and to question the relevance of certain activities by considering potential disasters they may cause.

## CONCLUSION

Given its value to the global space economy, its technological evolution and its contribution to understanding sustainability issues on Earth, the satellite industry has become the flagship segment for analyzing the issue of sustainability. Today, the use of satellites and their applications is simply indispensable. As a short video from Ted-Ed reminds us, satellites provide data for international travel and transport in the air, on water and on land. Machines, such as heating, air conditioning and production lines, rely worldwide on extremely accurate satellite-based timing systems and satellite-based time stamps play a critical role in financial international transactions, from simple credit card payments to stock exchange trading. Understanding whether, and to what extent, this industry is sustainable is crucial. IB scholars have formidable theoretical tools at their disposal to address the urgent need for action that this subject demands.

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## **SLOWBALISATION, DEGLOBALISATION, DIGIBALISATION... WHAT'S IN STORE FOR THE FUTURE OF INTERNATIONAL ECONOMIC COOPERATION?**



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### **INTRODUCTION**

Over the last few years, the global economy has experienced the impact of a myriad of crises. Following the shock of the COVID-19 pandemic outbreak in 2020 and the economic recovery in 2021, tensions surrounding the war in Ukraine since February 2022 have contributed to a slowdown in economic growth worldwide, with incomes of major economies remaining at pre-2019 levels. (UN 2022a). With high inflation, the rising costs of living are affecting most households in both developing and developed countries. Damaged by pandemic and war turmoil, global supply chains remain vulnerable and fragile - especially in key sectors such as those related to microchips (Miller 2022). At the same time, as interest rates rise, government budgets are under increasing fiscal pressure, in some cases coming ever closer to the onset of debt crises. Overshadowed by all these ongoing problems, there is also the growing threat of climate catastrophe, causing social unrest and likely to have serious consequences for human civilisation throughout the 21st century (WTO 2022a; UN 2022b).

Given the current trends regarding the state of globalisation, it has become more common to emphasise a slowdown (or even a reversal) in global integration. Associated with this are in particular two notions: slowbalisation and deglobalisation, which have emerged in the aftermath of the global financial crisis of 2007-2009 and have slowly been entering mainstream since then. However, as will be shown throughout this article, the scenario of the collapse of globalisation seems unlikely. Its future will probably be associated with less trade-oriented forms of cooperation such as data flows, digital services exports, telemigration and many other digital interactions, thus contributing to a more "softer" connectedness than during the hyperglobalisation period.

In the context of the above, the aim of this article will be to highlight the most important characteristics of the aforementioned notions of slowbalisation and deglobalisation through a literature review, and then juxtapose them with empirical data relating to the digital economy. This will make it possible to hypothesise on the future of globalisation - which I believe will be largely linked to the increasing digitalisation of economies.

### **IS SLOWBALISATION THE ENDGAME FOR GLOBALISATION...**

Slowdown in global integration is said to have started in the aftermath of the global financial crisis of 2007-2008, and originated from the numerous backlashes against the previous hyperglobalisation era (Önis & Güven 2011; Subramanian & Kessler 2013). As Bakas (2016) notes, it was then that the ideologies of globalism and neoliberalism have been questioned by rising nationalist and populist political movements. By the end of the 2010s, this trend had become so noticeable that it

received a name – slowbalisation. Slowbalisation has been popularized by The Economist (2019), which argued that a previous period of Hyper Globalisation was slowing down, or even has stopped. This slowdown has been particularly observable through the Maastricht Globalisation Index, according to which globalisation was still continuing but has slowed down, due to the economic crisis (Figge & Martens 2014). Similar conclusions stemmed from the analysis of the Elcano Global Presence Index, which suggested that globalisation has slowed down, but not retrenched – and that the soft projection has become its main driver (Olivie & Gracia 2020). On the other hand, as international trade in physical goods has been slowing, in the digital realm, globalisation was actually speeding up. In the slowbalisation period, services trade was growing at a far faster rate than goods trade (Lund et al. 2019). Online working meant that there was no longer a need to stop looking for new employees at the national border (Baldwin 2019). International data flows and cross-border bandwidth continued increasing exponentially, contributing to the 'digital leap', which indicated that globalisation was not over, but merely changing in shape and form (Titievskaia et al. 2020). Rapid technological changes also contributed to the significant deindustrialisation trend, where countries were running out of industrialisation opportunities sooner and at much lower levels of income compared to the experience of early industrialisers (Rodrik 2016). Hence, the hitherto paradigm of the international division of labour has been disrupted - with new one still having to emerge - which meant that the economic globalisation was at a critical conjuncture (Coe & Yeung 2019). It was during this transitional period that the global economy had to face severe restrictions associated with COVID-19 pandemic. At the beginning of 2020, the world was set to experience slower growth as global trade volumes were drying up (Kupelian 2020). Throughout the pandemic, discussion on the turn from 'just-in-time' to 'just-in-case' globalisation has intensified, acknowledging the need for globalised production to be more resilient to shocks (Brakman et al. 2020). Experiences with these disturbances also stimulated a debate to consider a 'decoupling'

or 'repatriation' of global value chains, especially those that involved China (Baldwin & Tomiura 2020). As such Linsi (2021) argues, that there are indications that transnational production networks may be in the process of bifurcating further into US- and China-centered spheres – with more cross-border integration within but less across the two – in the years to come. Hence, as of right now the view that the trend towards global value chains fragmentation and segmentation will become intensified or, at least, remain an important feature in many sectors has seemingly become a prevalent one (Butollo 2021).

As the topic of sustainable development enters the mainstream discussion it is also beginning to influence the discourse on globalisation. A growing number of authors believes that the future global value chain models will have to be developed in the light of sustainable development in order to foster their performance and resilience (Kandil et al. 2020; Golgeci et al. 2021). With an increasing range of countries pledging to achieve climate neutrality over the course of the 21st century (Wallach 2022), the paradigm of endless economic growth appears to be challenged for the first time so far (Binswanger 2012). If the concept of post-growth (Jackson 2017) or even de-growth (Hickel 2020) becomes widespread, this will undoubtedly also have the impact on slowing down global integration.

Taking into account the issues mentioned above; impact of the financial crisis on the global economy, the digital transformation, lessons learned from the COVID-19 pandemic and potential implications of sustainable development, it is predicted that the traditional trade volume will shrink further and the electronic trade volume will grow even more (Ari 2020). Internationally oriented firms will increasingly continue to experiment with the newly discovered online options (Autor et al. 2020), suggesting that a new channel – digitally driven – for globalisation and global value chains participation is emerging (Blázquez et al. 2022). Therefore, the current consensus on the future of slowbalisation seems to assume its further digitalisation (Javorcik 2022). These suspicions are confirmed by the DLH Global Connectedness Index, which equates globalisation with "connectedness" in the broadest sense; which

includes flows of goods, investments, data and people. Even though trade in goods and FDIs might have been shrinking amidst crises of the 21st century, the overall connectedness of the world never diminished (Altman & Bastian 2022).

### ...ARE WE HEADING TOWARDS DEGLOBALISATION...

The concept of deglobalisation has existed ever since the anti-globalisation movement (Bello 2004), but it was only after the global financial crisis of 2007-2008 that it grew in popularity considerably. As opposed to slowbalisation however, its supporters went further in interpreting the phenomena of declining global trade, capital flows and immigration, by declaring that globalisation itself is reversing (Altman 2009). By the mid-2010s deglobalisation has already sparked off numerous debates about whether globalisation can continue to spread and whether the interconnectedness of the global economy can increase without limits (Postelnicu et al. 2015), with an increasing number of authors voicing the belief that deglobalisation may be especially noticeable at the level of physical goods trade in the coming decades (Livesey 2018). Indeed, evidence of reshoring manufacturing activities to the developed world has been observed in some industries and sectors (Dachs et al. 2019), which according to some was a harbinger of trends of regionalisation, and/or domestication of value chains and production activities, ultimately supporting the notion of deglobalisation (Lund & Steen 2020). Nevertheless, according to many studies discussion on deglobalisation did not emerge organically, but instead was closely associated with the political backlash and a retreat into protectionism in the aftermath of the financial crisis (Hillebrand 2010; James 2018; Van Bergeijk 2018), and have noticeably accelerated because of the United States' push to contain China in the context of the strategic competition between the two (Bloomberg News 2020) and an attempt to “de-risk” strategic global supply chains due to geopolitical tensions (Wolf 2024). Given that globalisation and the liberal international order evolved side by side, deglobalisation would be likely to negatively affect the future of world

politics (Kornprobst & Paul 2021), aggravate policy tensions across countries (Antràs 2021), and even threaten global humanitarian action (Gómez 2021). Therefore, some opinions emerged advocating the need to ‘save’ globalisation by harnessing elements of global governance (James 2017), suggesting that deglobalisation could prove itself to be a grave mistake because of its potential to cause inflation, reduce consumer choice, slow the pace of innovation, and lead others to retaliate with import restrictions of their own (Haas 2020).

Even though the discussion on deglobalisation started earlier, it was due to COVID-19 pandemic that borders – on land, at sea, and in the air – were staging a true comeback (Ortega 2020). The initial shock associated with freezing of the world economy challenged the hitherto paradigms associated with the its interdependencies (Balsa-Barreiro et al. 2020), stimulating the appearance of opinions according to which world would have to settle for a thinner model of globalisation (Bloomberg News 2020), or even that that the death of globalisation is inevitable (O’Sullivan 2020). Nonetheless, due to all the restrictions, discussions of shifts towards trends of regionalisation, and/or domestication of value chains and production activities have become much more established in the mainstream (UNCTAD 2020; World Bank 2020), as reshoring and shortening of supply chains became a part of re-evaluated supply chain risk management (Grossman & Helpman 2020). In accordance with a popular belief, the pandemic affected global value chain configuration by driving a trend toward a more regional footprint in industries in which resilience and reliability are critical, thus creating new opportunities for reshoring (Pla-Barber et al. 2021), which ultimately might lead to emergence of an “archipelagic world economy” (Gong et al. 2022).

However, after the initial shock associated with the pandemic has worn off, a new, reactionary line of commentary has appeared, according to which de-globalisation and rapid re-localisation of global supply chains in a post-coronavirus world is a grossly exaggerated assumption (Williamson 2021), as due to rapidly rising flows of data and knowledge around the world the process of globalisation

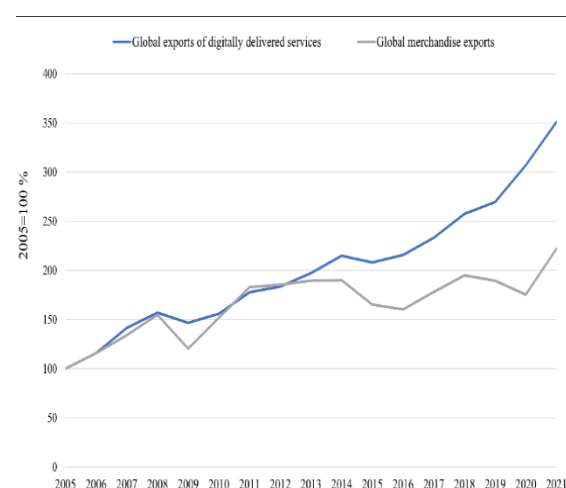
continues, but is changing its form (Atkinson et al. 2022), thus coupling the narratives of slowbalisation and deglobalisation. Even though deglobalisation has been found empirically – estimated by the decreasing trend of import share in a country's gross domestic product – it was more apparent in developed countries than in developing ones (Kim, Li & Lee 2020). Additionally, an analysis of production relocation patterns implied that re-shoring would be more likely to be adopted in capital or technology-intensive manufacturing (Gao et al. 2022). Meanwhile, a review of Japan's semiconductor-related industries proved that the globalised semiconductor industry is unlikely to reshore to Japan even amid supply chain disruptions due to the coronavirus pandemic (Kamakura 2022). Such conclusions were thus in line with the observations on the political background of deglobalisation, and allowed the presumption that, despite the experience of the COVID-19 pandemic a complete collapse of globalisation seemed unlikely.

The narrative on deglobalisation has, however, intensified since the beginning of the war in Ukraine. It exposed the vulnerabilities of the system, from capital imbalances, through supply chain disruptions to geopolitical turmoil (Foroohar 2022). Increased 'politicization of trade policy' surfaced in many Group of Twenty (G20) economies (Lippoldt et al. 2022) amidst extreme inequality of assets, incomes and opportunities (Ghosh 2022). Hence, as Evenett (2022) notes, a narrative has taken hold on both sides of the Atlantic that contends that deglobalisation is happening or that it needs to happen. While the pandemic proved to be an insufficient stimulus for widespread reshoring, in the shadow of the war Western countries declared the need for achieving strategic independence of their supply chains from China and Russia through increased investment in national economies – such conclusions can be drawn both from European Union's (2022) Versailles Declaration and Inflation Reduction Act in the US (White House 2022). Although this will be associated with some positive outcomes, such as a faster divergence away from fossil fuels and

investment in the green transition, it also means that the current consensus on the future of deglobalisation assumes further regionalisation of the world economy, which in turn could pose a risk of increasing tensions between emerging blocks (Ruta 2022).

### ...OR DOES THE FUTURE LIE IN "DIGIBALISATION"?

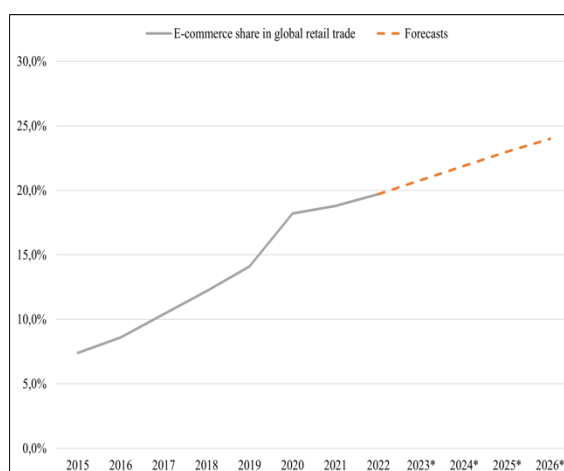
While both slowbalisation and deglobalisation are referencing digitalisation<sup>4</sup>, their main focus remains on traditional indicators from the area of trade in goods and FDI flows. Meanwhile, the growing importance of the digital economy could have been observed throughout the 21st century. Between 2005 and 2021, trade in digitally-delivered services grew at an average annual rate of 8.16% compared to 5.11% for goods – more than tripling their total value, which was estimated at US\$3.71 trillion at the end of 2021 (WTO 2022b). Exports of digitally delivered services increased by 30% between 2020 and 2021, thanks in part to trends in remote working, distance learning and home entertainment due to the COVID-19 pandemic (Figure 1). The importance of e-commerce has also increased significantly, with the share of e-commerce in global retail trade increasing from 7.4% in 2015 to 19.7% in 2022, with a 3.9 p.p. increase in 2020 alone. (Figure 2).



**Figure 1.** Value of global exports of digitally delivered services and merchandise, 2005-2021 (2005=100%)

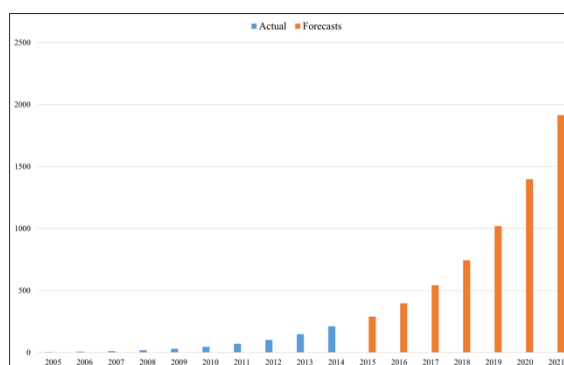
Source: WTO 2022b; TISMOS database

<sup>4</sup> Which is understood as increasing transformation of processes, activities and behaviours carried out in the real world into their counterparts carried out in the virtual world (UNCTAD 2019).



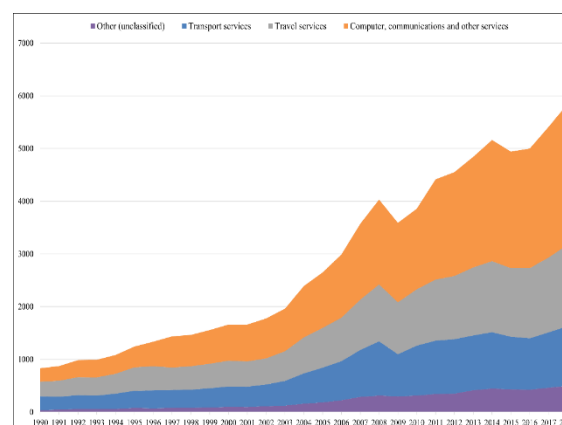
**Figure 2.** E-commerce share in global retail trade 2015-2022, with forecasts to 2026  
Source: Statista 2022

One of the main distinguishing features of this transformation is the exponential growth in the amount of machine-readable information, and digital data transmitted over the internet. This data has become the basis for all rapidly developing digital technologies, such as data analytics, Artificial Intelligence (AI), blockchain, and the Internet of Things (IoT) (UN 2021). The ubiquity of data sometimes makes it referred to as the 'oil of the 21st century' and highlights its growing impact on many aspects of reality, such as national security, the economy or human rights (I&JPN 2021). Between 2005 and 2021, the world's total cross-border digital data capacity increased almost 400-fold, from 5 Tb/s to 1,900 Tb/s (Figure 3).



**Figure 3.** Cross-border digital data traffic worldwide 2005-2021 (Tb/s)  
Source: McKinsey Global Institute 2016  
Skillful use of growing data flows can lead to

improvements in societies through multiple channels - both government programmes and private initiatives. Given the multitude of opportunities for their use in creating economic and social value, economies of scale in data analytics create incentives to concentrate data storage and processing centres, the vast majority of which are now located in countries in Europe, North America and East Asia (World Bank 2021). Thus, these countries account for most of the change in the structure of global services exports - between 1990 and 2018, the share of computer, communications and other data-driven services increased from 30.6% to 45.8%, reaching US\$2.67 trillion (Figure 4).



**Figure 4.** Value of global services exports from 1990 to 2018 by type, US\$ billion  
Source: World Bank 2021; WITS database

All of those changes have profound implications for the globalisation itself. Digitalisation is fundamentally changing the structure of classic Fordist industries, with the Internet of Things, Big Data and artificial intelligence revolutionising production processes and business models (Lorberg & Janusch 2021). As the importance of traditional foreign assets declines, multinational corporations (MNCs) are paying increasing attention to the component of small, liquid assets, enabling them to avoid taxation on an even larger scale than before (Trentini 2021). Therefore, in the coming decades, the global economy is likely to be significantly transformed by the integration of solutions such as work automation, the development of AI, telemigration, blockchain technologies, IoT

<sup>5</sup> Even though in the original source only a forecast of the values for years 2015-2021 can be found, it still remained the most commonly cited source in 2023, with no other alternative estimates available.

and many others that will affect both globalisation and the nature of its most important actors such as states and MNCs. Hence, in my opinion the next emerging iteration of globalisation could be called “diglobalisation”, given that it will have its direct origins in the digital economy.

## CLOSING REMARKS

As could have been observed throughout the literature review referring to the notions of slowbalisation and deglobalisation, the discussion on globalisation is becoming increasingly influenced by political action, as opposed to hitherto organic developments associated with the activities of MNCs. Although it is impossible to make conclusive judgements about the future of globalisation, I believe that the scenario of the collapse of globalisation seems unlikely. Current slowdown in traditionally understood economic integration (encompassing FDI and goods trade) stems mostly from the correction of the previous overinflated hyperglobalisation era, and its contemporary iteration has the potential to become more sustainable, more democratic and more inclusive than ever before. Even though we might experience increasing regionalisation of the global economy due to geopolitical tensions, the international cooperation will continue. It might become less trade-oriented than before, but data flows, digital services exports, telemigration and many other forms of digital interactions will be here to stay regardless of political sentiments.

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## CATALYST OR INHIBITOR? - DIGITAL TRANSFORMATION DURING PANDEMIC

EIBA

European  
International  
Business  
Academy

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### INTRODUCTION

The overview presented in the following article constitutes part of the Horizon Europe project "Towards a World Integrated and Socio-economically Balanced European Economic Development Scenario". The TWIN SEEDS project is led by Politecnico di Milano in cooperation with 10 other research entities. The aims of the programme are to: (i) examine the shifting geography of Global Value Chains (GVCs) amidst changing geopolitical, economic, and technological landscapes, with a focus on multinational enterprises (MNEs) and their production networks, (ii) investigate the impact of COVID-19 on trade and GVCs, particularly in key sectors such as healthcare, (iii) assess how new technological advancements and the restructuring of GVCs

influence social disparities, by altering production structures globally and transforming labour organization, job availability, and skill requirements and (iv) investigate how these shifts align with the significant changes needed to tackle climate change and other environmental demands, and what they mean for productivity, growth, and employment at various levels. Lastly, the project intends to develop comprehensive scenarios for interconnected policy areas like trade, investment, competition, and social policies, which will serve as a foundation for proposed policy guidance.

Our study addresses the questions on the evolution of digitalization within organizations in the selected GVCs. We examine the transformation in the uptake of digital technologies, encompassing the types of solutions implemented, the challenges encountered, and the strategic adjustments companies have made in adopting digitalization.

### WHAT WE KNEW BEFORE STARTING THE STUDY

Manufacturing sectors may increasingly adopt digitalization to enhance their resilience. The COVID-19 pandemic has significantly disrupted supply chain operations; however, digital solutions could have lessened these effects and

bolstered resilience. Implementing digital systems in transport, warehouse, and order management could have allowed supply chain professionals to track fluctuations and adapt inventories and schedules effectively. Numerous studies underscore digitalization's importance in fostering resilience and recovery amid disruptions caused by the pandemic (Amankwah-Amoah et al., 2021; Bai et al., 2021; Bianco et al., 2023; Bigliardi et al., 2023; Gereffi, 2020; Hopkins, 2021; Papadopoulos et al., 2020; Spieske & Birkel, 2021). Yet, the understanding how the digitalization rolled-out in various industries still is under investigation.

#### **WHAT KIND OF METHODS WE USED IN THE STUDY**

Econometric analysis often faces the challenge of incorporating nuanced insights that extend beyond quantitative data. Therefore, our study applied qualitative perspective by using case studies. We investigated the adoption of Industry 4.0 technologies amidst the COVID-19 pandemic to determine if it acted as a catalyst or an impediment to technological evolution. Our qualitative research employed grounded theory and interviews for data gathering and analysis. Grounded theory is particularly apt for examining social phenomena and is invaluable for emergent or less explored areas, such as the pandemic's impact on technological change and business disruption. We conducted interviews with firms in the automotive and healthcare equipment global value chains, focusing on companies with operations in Poland and Germany, and occasionally, other regions.

#### **WHAT WE REVEALED IN OUR STUDY**

The interviews revealed that the digital transformation of companies was already underway prior to the pandemic. The adoption of Industry 4.0 technologies was initiated in response to market demands and not as a direct result of the pandemic. Nevertheless, the pandemic did expedite the adoption process and influenced the prioritization of technological upgrades. Different sectors experienced varied impacts. For example, the automotive sector seized the opportunity

during lockdowns to integrate Industry 4.0 technologies, such as robotics and automated lines, to transition their production towards environmentally friendly vehicles like electric cars. While the pandemic did not initiate this shift, it did alter the timeline for implementation. Similarly, the pandemic reshaped market demands, impacting the medical equipment sector. Manufacturers had to pivot their production to meet the urgent needs of the pandemic, producing critical items such as CT scanners, X-ray machines, PCR tests, and protective gear. Additionally, the sector embraced digital tools to maintain operations while ensuring safety, including remote work software for employees and AI-powered cloud solutions to minimize patient-doctor contact. Interviewees also highlighted the critical role of digitalization in enhancing company performance and managing resources more effectively. Yet, their views on what constitutes a digital shift varied, even among those in similar roles within the same industry and global value chains. Companies embraced digitalization through diverse approaches. One approach included the adoption of Industry 4.0 technologies like AI, automation, big data analytics, and cloud computing to bolster operational efficiency. These technologies extended beyond manufacturing to areas such as procurement, sales, and back-office operations. Predominantly, these technologies were "competence-enhancing", building upon existing capabilities to refine operations while preserving established practices. Consequently, employees were required to upskill, or occasionally reskill, to oversee their previous tasks. Industry 4.0 technologies, though considered essential, were not seen as a source of competitive advantage but rather as a necessity to maintain market relevance. Big data analytics facilitated improved coordination of processes and functions within the global value chain, enabling swifter internal information sharing. Automation streamlined repetitive tasks, cutting down time and costs, thereby increasing efficiency. Cloud computing and software development introduced greater flexibility and location independence to non-manufacturing roles. Nonetheless, companies did not regard this digitalization path as a long-term competitive strategy. Yet, digitalisation sometimes transcends

merely streamlining company operations; it can evolve into a value-creation strategy for customers when attention pivots from production to market needs (Pedersen & Tallman, 2022). This represents the second dimension of digitalisation as perceived by the interviewees. By integrating digital enhancements into their offerings—a practice known as servitization—they could elevate customer experiences through data analysis and actionable insights. The efficiencies gained by companies through digitalisation are thus repurposed for customer convenience. Moreover, the interviewees' perspective on digitalisation and technology underwent a profound shift. They acknowledged that digital transformation is an ongoing journey, not a singular event. Merely implementing cutting-edge technology is insufficient for gaining competitive advantage. Given the widespread accessibility and cost-effectiveness of such technologies, digitalisation has become imperative for many businesses, not merely a choice.

It is frequently argued that digitalization alters labor demand, potentially leading to the dismissal of workers with limited digital skills. However, our study emphasizes that human resources remain crucial for businesses, even amidst digital transformation. Companies tend to favor enhancing and cultivating their employees' skills over termination. Therefore, both enterprises and governments can devise supportive strategies and resources. Governments, in particular, can implement developmental solutions that benefit both organizations and individuals concurrently.

## CONCLUSION

Our study revealed that Covid-19 pandemic accelerated much the digitalisation within the firms. Thus, that crisis like other earlier disruptive occurrences were ambiguous in nature. The good message is that firms possessed earlier their digitalisation plans and the pandemic only accelerated the implementation of I4.0 solutions. Thus, the facilitated adoption of I4.0 is not the manifestation of strategic drift but the well thought-out strategy slightly modified by external circumstances.

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## EIBA 2023 LISBON - AWARDS



**Nuno Fernandes Crespo** (ISEG – University of Lisbon, Portugal). *EIBA President & Conference Chair*

**Vitor Corado Simões** (ISEG – University of Lisbon, Portugal). *Conference Co-Chair, EIBA Fellow*



It was a huge pleasure for us, and all the other members of the Organizing Committee, to welcome the participants of the EIBA Community to the 49th EIBA Annual Conference in Lisbon, Portugal, which took place at ISEG – University of Lisbon.

With the theme “The Changing Global Power Balance: Challenges for European Firms” as a touchstone, we were very pleased with the support and acceptance that the conference had among the IB research community, which translated into high numbers of submissions and participants in the conference. Despite the inherent challenges, it was a privilege for us to welcome the largest number of participants (646), and to receive the second largest number of submissions (549) ever at EIBA Conferences. Overall, the conference program included a total of 44 competitive sessions (169 papers), 28 interactive sessions (153 papers), 2 poster sessions (96 papers) and 24 panels. In addition to the work of the local Organizing Committee, the work of the 29 Track Chairs, the 508 reviewers and the 72 Session Chairs deserves to be highlighted, as they were essential for everything to run smoothly.

During the EIBA 2023 conference, several awards and distinctions were awarded. The award ceremony took place specifically at two different moments of the conference: the General Assembly and the Gala Dinner. The list of winners is presented below (and also on the EIBA2023 website).

### AWARDS PRESENTED AT THE GENERAL ASSEMBLY

#### EIBA CONFERENCE TRACKS BEST PAPER AWARDS

##### Track 1: The Changing Global Power Balance: Challenges for European Firms

“How sustainable conduct impacts companies’ reactions to sanctions? The international survey” by Stępień Beata & Truskolaski Szymon (Poznan University of Economics and Business, Poland)

##### Track 2: MNE Organization and Strategy

“Understanding the role of institutions in cross-border acquisition abandonment through a New Institutional Economics lens” by Johannes Kleinhempel (Copenhagen Business School, Denmark), Vincent E. Kunst (Utrecht University, Netherlands) & Riccardo Valboni (Utrecht University, Netherlands)

##### Track 3: MNEs, Corporate Social Responsibility and Sustainable Development

“The impact of control mechanisms and home-host institutional environment on the alignment of sustainability-Specific Strategic practices in Multinational Companies” by Stefano Franco (Politecnico di Bari, Italy), Alfredo Valentino (ESCE International Business School, France), Valentina Marano (Northeastern University, USA) & Matteo Caroli (Università Luiss Guido Carli, Italy)

##### Track 4: Subsidiary management and intra-corporate networks

“The Contingent Effects of Challenge Stressors and Hindrance Stressors on Multinational

Corporations' Subsidiary Performance" by Chong Yu (Middlesex University London, UK), Matthew Robson (Cardiff University, UK), Zhaleh Najafi-Tavani (University of Leeds, UK) & Ghasem Zaefarian (University of Leeds, UK)

### **Track 5: International Value Chains and Inter-firm Networks**

"Resilience in times of war: how Ukrainian exporters enhance relational factors with foreign partners" by Oksana Kantaruk (ICN Business School, France), Raluca Mogos Descotes (Université du Littoral Côte d'Opale, France) & José Pla Barber (Universidad de Valencia, Spain)

### **Track 6: Internationalization Process of SMEs and International Entrepreneurship**

"Antecedents of E-Commerce Firms' Wholly Owned Foreign Direct Investment" by Marius Mueller & Bernhard Swoboda (Trier University, Germany)

### **Track 7: International Marketing**

"Interfirm International Exchange Relationship" by Aswo Safari (Mälardalen University, Sweden)

### **Track 8: International Finance, Accounting and Corporate Governance**

"Joint venture growth and goal congruence of ultimate owners" by Maria Cristina Sestu (University of Groningen, Netherlands)

### **Track 9: International HRM and Cross-Cultural Issues**

"It's personal: The emotional dimension of psychic distance perception in intercultural knowledge transfer" by Qiu Wang (University of Huddersfield, UK), Jeremy Clegg (University of Leeds, UK), Hanna Gajewska-De Mattos (University of Leeds, UK) & Peter Buckley (University of Manchester, UK)

### **Track 10: International Innovation and Technology Management**

"AI-enabled value creation in International Business: Crossing the boundary of bounded rationality" by Mohammad Rana & Thomas B. Moeslund (Aalborg University, Denmark)

### **Track 11: International Business, Institutions and Public Policy**

"Antitrust enforcement and first internationalization emerging market firms: Insights from Institutional escapism and springboard perspectives" by Zhihong Wen, Huan Zhang & Vikas Kumar (University of Sydney, Australia)

### **Track 12: Location, Digitalization and Servitization in IB**

"Under the spotlight: Contextualizing the firm vs. industry debate through the introduction of neighborhood effects" by Anish Purkayastha (University of Sydney Business School, Australia), Siddharth Vedula (Technische Universität München, Germany) & Markus Fitza (Frankfurt School of Finance and Management, Germany)

### **Track 14: Emerging Markets**

"Multinationalization of Family Firms: The Influence of Business Group Affiliation" by Somnath Lahiri (Illinois State University, USA), Arindam Mondal (Xavier School of Management, India) & Surender Munjal (Leeds University Business School, Leeds, UK)

### **BEST REVIEWER AWARD**

Linda Rademake (BI Norwegian Business School, Norway)

### **GSJ GLOBAL STRATEGY RESEACH PRIZE**

"The role of regional integration in the internationalization of state-owned enterprises from emerging economies" by Pavlina Jasovska (University of Technology Sydney, Australia), Thao Quyen Dang (RMIT University Vietnam, Vietnam), Ying Guo (Xi'an Jiaotong-Liverpool University, China), Hussain

Rammal (University of Adelaide, Australia)

31(6): 102027

## **AWARDS PRESENTED AT THE GALA DINNER**

### **EIBA DISTINGUISHED HONORARY FELLOWSHIP AWARD 2023**

Elisa Ferreira (EU Commissioner for Cohesion and Reforms)

### **EIBA LIFETIME ACHIEVEMENT AWARD**

Klaus Macharzina (Emeritus Professor of Business Management at the University of Hohenheim, Germany)

### **COPENHAGEN BUSINESS SCHOOL PRIZE**

“Picking the right cherries - The relevance of venture-CVC complementarity and CVC presence for new venture internationalization, location choice, and performance” by Ilka Weichert & Theresa Veer (University of Tübingen, Germany)

### **SSE GUNNAR HEDLUND AWARD, 2021-2023**

Khadija van der Straaten (University of Amsterdam)  
“Inequality of Opportunities in Multinational Enterprises”

### **IBR BEST JOURNAL PAPER OF THE YEAR AWARD**

“Multinational subsidiaries and green innovation.” (2022) by Valentina de Marchi, Giulio Cainelli & Roberto Grandinetti, IBR,

### **JOHN H. DUNNING BEST DOCTORAL THESIS PROPOSAL IN IB AWARD**

“Bridging Cross-Country Differences: The Value of Immigrants for MNEs” by Julia Mittermayr (WU Vienna, Austria)

### **DANNY VAN DEN BULCKE BEST PAPER PRIZE**

“It’s personal: The emotional dimension of psychic distance perception in intercultural knowledge transfer” by Qiu Wang (University of Huddersfield, UK), Jeremy Clegg (University of Leeds, UK), Hanna Gajewska-De Mattos (University of Leeds, UK) & Peter Buckley (University of Manchester, UK)

Once again, we would like to thank all EIBA members who were track chairs, session chairs, panelists, pre- and post-conference contributors, and reviewers, for their help in organizing the conference and specific events within the EIBA 2023 Lisbon Conference. Their generosity and hard work helped make the conference a success. We also want to thank the participants for their insightful and constructive contributions and discussions. We sincerely hope that their experience at the conference was rewarding and insightful, and that participants will forever keep good memories of this conference in Lisbon and at ISEG - University of Lisbon. We also hope that all participants can be present at the upcoming EIBA 2024 conference in Helsinki, which will certainly be memorable as EIBA conferences celebrate 50 years. See you at the 50th EIBA Annual Conference in Helsinki!



# WELCOME TO EIBA 2024 HELSINKI - THAT'S INTERESTING!

## RETHINKING IB RESEARCH FOR THE NEXT 50 YEARS

**EIBA** European  
International  
Business  
Academy

*Rebecca Piekkari (Aalto University, Finland) EIBA President & Conference Chair*



The 50th EIBA Annual Conference in 2024 will bring the IB community together not only to celebrate the past 50 years, but also to collectively envision future-facing, bold IB research with societal impact. In 1971, Murray S. Davis asked what makes theories interesting in his thought-provoking article entitled 'That's interesting!' In answering this question, Davis emphasized that interesting theories cross boundaries, deny old "truths" and challenge taken-for-granted assumptions in the field. More than fifty years later EIBA's Annual Conference theme responds to Davis' concerns by posing the question *how can we as a scholarly community rethink existing knowledge in IB and push the boundaries of our field to make it more interesting and impactful for the future?*

Rising polarization of the society and global grand challenges are unlikely to disappear; rather they are expected to intensify with significant ramifications for international firms. Geopolitical turbulence is also becoming 'the new normal'. As the UN Secretary General António Guterres urged at the World Economic Forum Annual Meeting 2023 "Now more than ever, it is time to forge the pathways to cooperation in our fragmented world". Understanding the causes and implications of rising societal issues for cross-border operations calls for increasing transdisciplinarity (Hajro et al., forthcoming). In such research, different actors (e.g., scientists, designers, artists, practitioners, policy-makers) collaborate and transcend

disciplinary boundaries and sectors to develop integrated knowledge for science and society.

Conference participants are invited to consider the many implications that rethinking IB research for the next 50 years has for the phenomena that we study, the research questions that we pose, the theoretical approaches that we draw on as well as the paradigms and methodologies that we use. We welcome both traditional and emerging topics in IB that push the boundaries of current thinking. Some potential themes include, but are by no means limited to:

- cross-sector partnerships (e.g., business-academia, business-NGO-government);
- grand challenges (e.g., global circular value chains, MNCs and planetary boundaries and regenerative organizing, economy, climate change, migration studies);
- diversity, equity and inclusion;
- effects of disruptive technologies (e.g., AI & big data) on business models;
- creativity in IB (e.g., aesthetics, imagination and innovative research methods);
- city-level research in IB (e.g., sustainable cities, creative cities);
- atypical research contexts in IB (art, museums & digital creative industries, space industry, BCorps, social enterprises)
- methodological innovations, research ethics and paradigmatic debates

EIBA 2024 is organized in collaboration with LUT University, University of Oulu and University of Turku. It will be hosted on Aalto University campus which is located in the innovation and entrepreneurship ecosystem in Otaniemi, Espoo. Aalto is a forward-looking university where business meets technology, arts, design and architecture. This setting invites conference participants to think creatively about new research questions for IB research at the interface between disciplines, practitioners, and society. For more information, please visit:

<https://eiba2024.eiba.org/>

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## PROGRESS IN INTERNATIONAL BUSINESS RESEARCH (PIBR) #19: THE CHANGING GLOBAL POWER BALANCE: CHALLENGES FOR EUROPEAN FIRMS

**EIBA** European International Business Academy

*Tribute volume: John Cantwell*

*Volume Editor(s): Rob van Tulder, Nuno Fernandes Crespo, Vítor Corado Simões and Cátia Crespo*

## Synopsis

The changing global power balance has been determined by different challenges such as the US-China 'tech cold war', the invasion of Ukraine, the Covid 19 pandemic, or the rise of populism and nationalism across the countries. These events have contributed to making the world economy increasingly uncertain and unpredictable, where new risks and new ways of dealing with them emerge. Various phenomena related to how European firms overcome these challenges, Chinese and American firms adapt to the new global balance and international businesses and governments deal with these additional risks deserve additional research. This book addresses some of the implications of this split and unstable world for the international economy and IB.

Taking the theme of the EIBA 2023 Lisbon Conference as a touchstone, the Editors of the PIBR Volume#19 invited several researchers

who presented interesting works at the conference or are known as experts on a specific subject to contribute to this book. Hence, this PIBR volume includes diverse contributions from established and young scholars who attempt to cover different aspects related to the different issues that have altered the global power balance. While some of the chapters have an empirical focus and draw clear conclusions, others are more provocative and aim to fuel the discussion and future research on these themes.

Due to the wide range of themes and research questions that are explored throughout the book in the context of challenges that have affected the global power balance, the chapters have been grouped into six parts, each of which addresses a main challenge.

## Provisional Table of Contents

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### Preface:

#### *A Tribute to John Cantwell*

(Vítor Corado Simões; Rob van Tulder; Nuno Fernandes Crespo; Cátia Crespo)

### Chapter 1:

#### *The changing global power balance: Challenges to European firms - an introduction to PIBR 19*

(Vítor Corado Simões; Rob van Tulder; Nuno Fernandes Crespo; Cátia Crespo)

### PART I

#### **ECOSYSTEMS AND INTERNATIONAL COOPERATION FOR INNOVATION**

### Chapter 2:

#### *An evolutionary approach to technological innovation and international business: The links from the past to the future*

(John Cantwell)

### Chapter 3:

#### *Ecosystems of innovation in a multi-paradox era*

(Lucia Piscitello)

### Chapter 4:

#### *Critical raw materials and MNE strategies under paradigm shift*

(Andrea Ascani, Simona Iammarino & George Yunxiong Li)

### Chapter 5:

#### *China risk and excess returns: The role of firm technological capabilities*

(Anupama Phene & Yuxi Cheng)

### Chapter 6:

#### *In the shadow of the war – reflection on IB related challenges for Poland*

(Barbara Jankowska & Marta Götz)

### PART II

#### **HEADING TOWARDS DE-GLOBALIZATION?**

### Chapter 7:

#### *The changing global power balance: challenges for European firms: Commentary*

(Peter Buckley)

### Chapter 8:

#### *Does de-globalization imply de-internationalization?*

(Gabriel Benito)

### PART III

#### **ECONOMIC GEOGRAPHY AND EUROPEAN POLICY CHALLENGES**

### Chapter 9:

#### *The return of economic geography in a fragmented world: attracting and anchoring talent and firms*

(Elisa Ferreira)

### Chapter 10:

#### *An international business policy perspective of the European Union's cohesion investments*

(Ari Van Assche)

### PART IV

#### **WAR IN EUROPE – MAIN CHALLENGES**

### Chapter 11:

#### *Internationalization as a resource: lessons from Ukrainian company response to war's crisis*

(Krzysztof Obloj & Roksolyana Voronovska)

### Chapter 12:

#### *How sustainable conduct impacts companies' reactions to sanctions? The international survey*

(Stępień Beata; Truskolaski Szymon)

### Chapter 13:

#### *Analyzing consumer responses to warwashing amidst the Russia-Ukraine conflict: A comparative study of Portuguese and Danish perspectives*

(Susana C. Silva; Paulo Duarte; Benjamin Kanne)

### PART V

#### **IMPLICATIONS OF INCREASING GEOPOLITICAL RISKS**

#### Chapter 14:

*Institutional construal and Chinese versus American firm's performance in the in the semiconductor industry through business narratives*

(Tariq Malik)

#### Chapter 15:

*Diplomacy in a challenging geopolitical landscape: Impact on chinese multinational corporations*

(Diego Quer)

#### Chapter 16:

*Alone or together: Chinese overseas lending governance structure choices and the role of bilateral relations*

(Constantin Lackinger)

#### Chapter 17:

### BOOK LAUNCH

The next book in the series – PIBR Volume 19 – is scheduled to be published this coming fall and launched during the 50th Annual EIBA Conference in Helsinki, Finland.

Acceptance speech by John Cantwell and pitches by most authors.

*Geopolitical risks: Differential impacts on domestic firms and MNEs*

(Siyana Gurova, Benedikt Zoller-Rydzek & Florian Keller)

### PART VI

## RELEVANCE OF EMERGING COUNTRIES ISSUES

#### Chapter 18:

*Impact investment firms and institutionalization in emerging countries*

(Gilbert Kofi Adarkwah, Birgitte Grøgaard & SverreTomassen)

#### Chapter 19

*Beyond the horizon: Exploring the unknowns of trademarks in emerging markets*

(Amy Linh Thuy Nguyen)

## EUROPEAN INTERNATIONAL BUSINESS ACADEMY (EIBA)



*The European International Business Academy (EIBA) was founded in 1974 under the auspices of the European Foundation for Management Development (EFMD) and in close cooperation with the European Institute for Advanced Studies in Management (EIASM).*

EIBA is a professional society for academics and practitioners with an interest in the growing field of International Business (IB). It is distinct from other associations in that members range from a wide variety of disciplines and functional backgrounds yet share the common practice of using the international context to bridge and even cross the intellectual boundaries that so often divide institutions of higher education.

The main **mandate** of EIBA is to serve as the core network in Europe for the communication and dissemination of professional information, as well as for the promotion of international exchange in the field of International Business. Annual EIBA **membership** is available to individuals in Europe and elsewhere in the world

(either by attending the Conference, or by joining and/or renewing online). At present, the European IB Academy consists of more than 600 members from 50+ countries representing all five continents.

EIBA organizes an **Annual Conference** hosted each December by a renowned university in Europe (or occasionally abroad). In addition to the usual **academic program** of competitive and interactive papers, there are also several **panels** and **special sessions** as well as **posters** featured. **Doctoral events** for registered PhD students are organized by esteemed IB faculty (among other pre- and sometimes post-conference activities).

A number of **awards** are presented at the EIBA Annual Conference, including the following (among others): Danny Van Den Bulcke Best Paper Prize; EIBA Best Doctoral Thesis Proposal in IB Award; Copenhagen Business School Best Paper Prize; SSE Gunnar Hedlund Award; EIBA Conference Track Best Paper Awards; Best

Reviewer Prize; IBR Best Journal Paper Award; EIBA Distinguished Honorary Fellowship Award.

Among the many compelling **benefits of joining** the EIBA family & community are the following:

- EIBA members form a community and a global professional network of individuals actively involved in IB research activities, study, teaching and practice.
- EIBA members are entitled to full online access (via a secure society gateway on the EIBA website) to the *International Business Review (IBR)*, EIBA's official associated journal, published by Elsevier.
- EIBA members have full online access (via a secure society gateway on the EIBA website) to published volumes of *Progress in International Business (PIBR)*, an annual book series, published by Emerald. Each PIBR volume features high-quality research, based on the themes of the EIBA Annual Conferences. (Full online access to four Emerald journals is included.)
- EIBA members receive the in-house newsletter: *EIBazine – International Business Perspectives (IBP)* twice yearly (Spring/Summer & Autumn/Winter).
- EIBA members are informed of EIBA activities, news, and other relevant IB events (via e-mail and websites, etc.), and may benefit from special offers, promotions, or discounted prices on selected IB publications, as well as being entitled to participate in the EIBA Annual Conference & General Assembly.

The annual **EIBA membership fee** is currently

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€130 per calendar year / €100 for PhD students and retired members (plus 21% VAT). **Full online access** to EIBA's associated **journal** *International Business Review (IBR)* – and to the *Progress in International Business Research (PIBR)* **book series** – with four business journals (CR, EBR, IMR, IJoEM) – are the included **membership benefits**.

**NOTE:** The EIBA Annual Conference registration fee includes EIBA membership and IBR / e-PIBR subscriptions for the following year (but not for the year of the event).

To find out more about your EIBA membership status or your online access to IBR / e-PIBR, as well as for making general enquiries, please contact the EIBA Secretariat by sending a detailed e-mail message to the address: [info@eiba.org](mailto:info@eiba.org).

For more information and news on EIBA activities or to renew your annual membership, you are invited to visit the EIBA website: [www.eiba.org](http://www.eiba.org). ✉

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<sup>ii</sup> The same as above.