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Editorial: Government influence

by Filip De Beule, KU University of Leuven, Belgium

It is hard to believe that it has been 3 years since I took over from Danny Van Den Bulcke as editor of *EIBAZine*. Since this is my final issue as editor, let me begin instead of end this editorial by thanking all of the contributors, not just to this issue but also to the issues of previous years – without whom there would be no *EIBAZine*!

As of the next issue, Ana Teresa Tavares-Lehmann will take over. I would like to thank Ana Teresa in advance for her commitment, and trust that *EIBAZine* is in good hands.

This issue starts off with a message from the new EIBA Chair, Philippe Gugler, who informs the membership of some of his plans for the future. Below his message is a call for proposals to host future EIBA conferences in 2017 and beyond.

This issue again has three articles for you, which I hope will be to your liking. The first article is written by Marian Gorynia, Barbara Jankowska, Marlena Dzikowska, and Maciej Pietrzykowski (all from the Poznan University of Economics), and is on the possible impact of Poland's entry in the Eurozone on the internationalization of Polish companies.

The second article is written by Wlamir Xavier, Rosilene Marcon, and Rodrigo Bandeira-de-Mello, on the impact of Business Groups (BG) on performance, and, in particular, the mediating role of minority government ownership in private Brazilian BGs. Their analysis demonstrates the positive mediating effect of this latter relationship.

In the West, we often have the preconception that BGs and government ownership are only a temporary phenomenon as developing economies slowly but surely evolve into copycats of more advanced economies, while the evidence clearly points to the contrary.

The third article, written by Francisco Figueira de Lemos, takes up the importance of adding a political view on the internationalization process of firms. The article is based on his doctoral work at the University of Uppsala, for which he was awarded the best doctoral thesis proposal presented at the 3rd COST-EIBA Doctoral Think Tank at the University of Sussex last December.

This issue of *EIBAZine* also features the call for papers for the upcoming EIBA conference at the University of Bremen in December 2013.

The 2013 EIBA Annual Conference will again host three events specifically aimed at doctoral students. These events aim to provide doctoral students with the opportunity to discuss their research with distinguished international faculty, and to enable the students to become acquainted with an international network of researchers in international business. Ten students will be selected to participate in the 27th John Dunning Doctoral Tutorial, while students doing research on the phenomenon of emerging multinationals and/or economies can participate in the 4th COST-EIBA Doctoral Think Tank. The 2nd EIBA Doctoral Symposium will also be held in Bremen, thanks to the success and popularity of the inaugural event.

This newsletter ends with information about the EIBA association and membership benefits, including application / subscription and renewal details.

In order to help us reach and inform potential EIBA members, after reading this issue of *EIBAZine*, why not take a few moments to distribute the newsletter throughout your own networks? Your kind assistance with this collective effort to help inspire and expand the EIBA Academy and community is very much appreciated!

And remember, we are always on the lookout for interesting articles and EIBA news bits. Do not hesitate to submit a contribution to the new editor of *EIBAZine*, Ana Teresa Tavares-Lehmann, at atavares@fep.up.pt.[®]

Message from the EIBA Chair

by Philippe Gugler, University of Fribourg

As the new Chair of EIBA, it is a great pleasure to prepare this message as one of my first undertakings in this coveted role. I am particularly proud to follow in the footsteps of such emblematic figures as Peter Buckley – who himself succeeded the great leadership of Danny Van Den Bulcke. I am very impressed and even a bit anxious since the “bar” is already set so high! The previous EIBA chairmen had a tremendous and positive influence on the development of our “family” known as the European International Business Academy.

As a member of the EIBA Board since 2002, I am aware of the numerous challenges we face and some of the questions to be resolved. I am lucky to be able to rely on a wonderful Board – which is really a “dream team” – as well as on the many members of EIBA who contribute in one way or another to the dynamism of our Academy. I am also pleased to announce that my dear friend, Francesca Sanna-Randaccio, has recently been elected as the new EIBA Dean of Fellows.

The EIBA Annual Conference is the highlight of our Academy. Many of us will remember the last conference at the University of Sussex in Brighton, which was a brilliant event, and we are already looking forward to enjoying a successful conference in Bremen (2013), in Uppsala (2014), in Rio de Janeiro (2015), and in Vienna (2016). A call has already been launched for hosting future EIBA conferences in 2017 and beyond.

As the organizer of the EIBA Annual Conference in Fribourg (2006), I am very aware of the huge responsibility taken on by the EIBA President who in so doing faces so many expectations. Since my own experience, I have admired each of my predecessors and successors who organized memorable EIBA conferences.

As a benefit of their annual membership, EIBA members automatically receive the journal *International Business Review* (IBR), which is the flagship of our community. In addition, the Academy’s newsletter *EIBAzine* informs us semi-annually on some of the scientific developments in IB as well as about different services which may be supplied thanks to this publication. We also rely on the annual book series *Progress in International Business Research* (PIBR), which illustrates some of the topics developed during the last EIBA Annual Conference.

Of course, new challenges and opportunities in addition to on-going projects (with respect to existing constraints) are the main cornerstones of the EIBA Board’s activity. We must preserve the “uniqueness” of EIBA and be proud of its great strengths. Furthermore, we need to be aware that an organization needs to evolve according to the new developments occurring in the academic world. Some new trends are already underway and on track within EIBA.

One of the major examples is the willingness to increase the support to PhD students within the EIBA community. Several doctoral events are already being organized around the programme of the EIBA Annual Conference. We should consider doing even more, such as organizing special sessions and mini-tutorials (e.g., how to prepare a questionnaire, how to conduct empirical studies, etc.). The annual conference gathers together many talented and experienced specialists who, I am convinced, would be ready and willing to contribute to such learning sessions. I’m sure you would agree that offering as many opportunities as possible to PhD students and young scholars attending the EIBA Annual Conference could also be considered a type of “life insurance policy” for the Academy.

Speaking for myself, without the kind help and friendship of John Dunning, I wouldn’t have had the opportunity to develop an academic career in

IB and to now have the privilege of serving as the EIBA Chair.

Over the coming years, we plan to take several initiatives to increase the visibility of EIBA. The recent implementation of the EIBA LinkedIn social media platform and network are already on track. A renewed website layout and content including some proposals to update the EIBA logo are already in the making.

For many members, the EIBA network and relationships go beyond professional links. True friendship, understanding and support are the core principles of our family. In this respect, I have a special thought for Andreas Al-Laham, who should have organized the 2013 conference in Mannheim. His sudden and unexpected death in late December 2011 affected many of us – we lost a

dear friend and EIBA family member. At the same time, I would like to express our deep gratitude to Sarianna Lundan whose proposal for EIBA 2013 in Bremen was accepted last year – she is the current EIBA President and Conference Chair. Despite the unhappy circumstances, Andreas Al-Laham's wish and plan to host the EIBA Annual Conference in Germany is in many ways coming true – and his legacy is thus being respected. We are looking forward to meeting you in Bremen this December!

The concept of the Academy is based on unique values as well as on the dedication of EIBA members and the work of the Board. This legacy, promoted by outstanding persons, must be perpetuated for the sake of posterity and to ensure a long and bright future. As EIBA Chair, I will do my best to serve and deserve this legacy. ®

Call for proposals to host EIBA 2017 and beyond

EIBA is seeking proposals from universities to host the EIBA Annual Conference in 2017 and beyond. If you and your university have an interest, please get in touch with the EIBA Chair, Philippe Gugler, at philippe.gugler@unifr.ch.

The formal proposal should include information regarding the applicant's university and department, the proposed conference location, a preliminary theme and budget, logistical details, prior experience of hosting large events, and details of the key persons involved in the organization of the conference. You may contact the EIBA Executive Secretary, Ene Kannel, at ene.kannel@eiasm.be for an information package.

The deadline for proposals regarding the EIBA 2017 and 2018 conferences is: March 1, 2014.

Poland's entry into the Eurozone and its potential impact on the internationalisation of Polish companies

by Marian Gorynia, Barbara Jankowska, Marlena Dzikowska, and Maciej Pietrzykowski, Poznan University of Economics, Poland

INTRODUCTION

Entering the Eurozone remains one of the strategic goals of Polish economic policy. Poland has made significant progress in reforming its fiscal policy and will meet the Maastricht criteria -of an annual government deficit under 3% of GDP- very soon, and thus be prepared to introduce the common currency in the next few years. However, nobody can put a specific date since the Eurozone has to recover and be prepared to accept new members. The financial crisis of 2008 clearly showed that binding local currencies with fixed exchange rates to the Euro can have negative consequences on the competitiveness and health of economies (e.g., Lithuania, Latvia or Estonia). Moreover, being a member of the Eurozone does not in itself solve all problems, particularly those in the area of public finance, a fact which Greece and Ireland became bitterly aware. The problems faced by the countries belonging to the so-called PIIGS Group (Portugal, Ireland, Italy, Greece and Spain) revealed the structural weakness of the Eurozone. However, it must be stated that the problems are not the result of the weakness of the currency itself, but of disrespect for the principles that were fundamental to the creation of the Eurozone.

The example of Poland has shown that because of a floating exchange rate and the rapid depreciation of the currency (PLN) in 2009 the country was able to dampen the impact of the economic crisis and improve its competitiveness on the world market. This was, however, related to other profits and costs resulting from the lowering of the value of

the country's currency in relation to other currencies. One of the advantages of depreciating the Polish zloty was an increase in the valuation of transfers from structural funds. On the other hand, the weak zloty increased the valuation of debts denominated in foreign currencies. Also, the institutions which speculated on currency options found themselves in a very difficult position. However, overall it can be stated that on the macroeconomic scale the depreciation of the zloty turned out to be relatively profitable.

In this context, the authors formulated the following research aim: Identifying the potential opportunities and threats related to Poland's accession to the Eurozone and recognising the consequences of this process in terms of changes to the internationalization of Polish companies. This paper will therefore present some results of a survey of Polish companies on their perception of these issues.

POLAND'S ACCESSION TO THE EUROZONE

Empirical research conducted before the 2008 financial crisis showed that at least some Polish companies perceived Poland's entry to the Eurozone as an opportunity. This was especially visible among large and medium-sized companies involved in foreign trade operations (Marczewski, 2008). In 2010, the desire of some Polish entrepreneurs to introduce the Euro strengthened, which was evidenced by the high number of managers from large and medium companies who sought the shift from Zloty to Euro. This could be at least partly explained by the great volatility of PLN exchange rate during the economic crisis.

Undoubtedly, the small importance and instability of the Polish zloty burdens Polish companies involved in foreign operations with additional transaction costs related to currency exchange and protection against currency exchange risks. In 2004, the costs related to the EUR/PLN exchange rate amounted to around 0.2% of GDP (NBP, 2004). Moreover, since the number and value of

transactions settled in Euros has increased, these costs might be even higher now. Therefore, from the perspective of international companies originating from EU countries outside the Eurozone, currency exchange risks are higher than in the case of competitors originating from within Eurozone member countries. It has been shown that uncertainty about trends in currency rates can effectively inhibit the internationalisation ambitions of enterprises (Hooper & Kohlhagen, 1978; Kroner & Lastrapes, 1993). The importance of this risk also increases in line with the time span of a contract, and in line with the value of an investment (Currie & Williamson, 1990).

On the other hand, the shift from Zloty to Euro would also simplify price comparisons, and this could have various effects on particular companies. Some firms, whose offers would be noticeably more expensive, might find themselves under greater competitive pressure, and this may affect their market position and the durability of their previously achieved competitive advantage. If such a company could not play on the local or international markets using competitive instruments other than price, the said adverse price comparability might hinder the active internationalisation of such an entity. At the same time, companies, whose offers would be noticeably less expensive could gain more market interest and expand more easily and at a greater speed. Finally, from the perspective of companies acting as buyers, better price comparability would be advantageous, as it might generate savings and stimulate further internationalization in sourcing.

Undoubtedly, in relation to any discussion of the Eurozone topic one can find both pros and cons. The topic is especially controversial in reference to the current problems of Eurozone member countries and the economic problems within this monetary union. The above-mentioned observations concerning the influence of Poland's accession to the Eurozone on the internationalisation of Polish companies may be extended by the findings presented in the third

section of the paper. From this perspective the needs and expectations of Polish entrepreneurs and managers are of special importance.

RESEARCH RESULTS

The research was carried out on the basis of a questionnaire. The geographical scope of the empirical research covered the 16 Polish provinces. The research was conducted in October 2009, December 2009 and January 2010. The total number of companies researched amounted to 230. Due to the objectives of the study, only those companies which were involved in business activities connected with foreign markets, at least in the form of exports, were included in the research sample. 61% of the companies were involved in production and 37% operated in the service sector. 54% of the companies declared a gross income in excess of 1 million Zlotys. For the majority of questions a five-point Likert scale was used where 1 meant *definitely not*; 2 - *rather not*; 3 - *difficult to say*; 4 - *rather yes*; 5 - *definitely yes*.

The first set of questions and answers were related to the opportunities and risks resulting from entry into the Eurozone. The second set focused on the internationalisation of companies. It was important to first determine the current forms of internationalisation and the possible changes that the companies themselves envisaged after the introduction of the Euro. The questions referred to the expected or planned changes in the companies' market portfolios.

Taking into consideration the overall average of the answers, adopting the euro in Poland was believed to increase the level of competitiveness of the companies studied (level 3.58). The most positive opinions regarding the impact of introducing the Euro on competitiveness were expressed by those respondents who represented companies which employed between 100 and 249 people (level 3.80); those which employed between 50 and 99 people (3.79); and those with between 250 and 499 employees (3.63). The

smallest companies had the greatest difficulty in evaluating the direction of any impact (level 3.11).

Among the benefits connected with Poland's entry into the Eurozone and which were expected to improve the competitive position of the companies studied, respondents first of all mentioned a decrease in the currency exchange risks due to the introduction of the Euro (level 4.05). Other advantages, which respondents expected to improve the competitive position of companies, included a reduction in transaction costs (e.g., the costs of currency exchange) and a simplification of trading account settlements (i.e., the movement of financial and non-financial assets between parties) (levels 4.01 and 3.96 respectively). The positive influence of the factors listed above on the competitive position of the businesses they represented was indicated by respondents in all the subgroups of the companies researched.

The respondents were the most sceptical about any advantages connected with lowered manufacturing costs/unit costs, and about improved access to capital (i.e., increasing the range of material and non-material goods necessary to develop a company as well as increasing the level of financial resources). Respondents were unable to indicate whether such advantages would appear and whether they would influence their competitive position.

The greatest threats resulting from Poland's entry into the Eurozone which, in the opinions of the companies researched, would most influence their competitive position were an increase in prices in relation to earnings and consequently a decrease in demand among Polish consumers, as well as the risk of setting an unfavourable conversion rate (converting Zlotys to Euros). Respondents were virtually unanimous as regards the two above mentioned threats, regardless of the size of the companies they represented (all the companies researched evaluated both these risks at a level higher than 3.75). In the case of other threats it was difficult for the companies to clearly assess

their likelihood and their possible influence on their own competitive position (the overall averages in the categories of answers for the remaining threats ranged between 3.04 and 3.20).

The total exports of the companies researched amounted to, on average, just over 46% of their revenue. Almost 60% of the foreign deliveries for these firms were to the Eurozone market. Additionally, the Eurozone markets were also an important source of supplies for the companies studied (on average "imports" from the Eurozone accounted for almost 48% of total imports).

To evaluate the importance of particular markets, respondents were asked to assess them on a scale from 0 to 100, where 0 was the lowest rating and 100 was the highest. From a geographical perspective, the most important foreign partners for the companies researched were Germany, the Czech Republic, Great Britain, France, Spain, Italy, Holland and Belgium. These markets played a very important role in generating the companies' sales revenues (the average rating for those markets amounted to 83.54). A less important role was played by the markets of the following countries: America, Canada, Japan, China, Russia, Ukraine, Lithuania, Latvia and Belarus (the average rating for those markets amounted to 62.65). According to the 2012 statistics for the whole economy, the most important markets for Polish exports were as follows: Germany (25.1%), UK (6.7%), Czech Republic (6.3%), France (5.8%), and Russia (5.4%) (GUS, 2013).

The respondents were also asked to indicate the changes they anticipated in respect of the internationalisation of the companies they represented as a result of Poland's entry into the Eurozone. The overall averages obtained from the categories of answers ranged between 2.58 and 3.5. This means that in this area also the companies had difficulties in assessing the expected changes or that they were not able to anticipate the possible changes. The highest ratings (closest to the level corresponding to the

rather yes answer) were given to the following changes:

- increasing the share of exports to other EU markets in the company's total exports (level 3.50);
- expanding the company's portfolio of markets by entering new EU markets (3.49);
- increasing the share of exports to so-called other markets in the company's total exports (3.39);
- expanding the company's portfolio of markets by entering new non-EU markets (3.33).

The changes which were considered the least promising by respondents were related to taking the role of franchisor or franchisee in their cooperation with foreign business enterprises (2.59 and 2.58 respectively).

CONCLUSIONS

The results of the empirical research presented above clearly show that the majority of the companies analysed were in favour of Poland's entry into the Eurozone. However, the introduction of the Euro would be a sort of shock to companies, as it was very hard to anticipate the consequences with regard to business internationalisation. According to the organisational change theory, its efficient implementation depends on the degree of awareness and preparation of all the stakeholders, including enterprises. Thus it is important to emphasise the educational aspects of such preparations for the changeover. Particular attention should be given to the appreciation of possible dangers, threats, and unwelcome effects.[®]

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Minority Government Ownership: Evidence from Brazil

by Wlamir Xavier (FGV/EAESP & UNISUL),
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and Rodrigo Bandeira-de-Mello (FGV/EAESP),
Brazil

INTRODUCTION

State ownership of public corporations is pervasive in several countries and has been increasing recently. Extant literature has devoted efforts to understanding the effects of government ownership on performance and governance at the firm level. Market reforms in several developing countries have created partially privatized firms, i.e. a new model of state ownership (Gupta, 2005). This article analyses minority state ownership at a broader level, namely Business Groups (BGs).

BGs have an important role in several countries, in both developed and emerging economies (Ghemawat & Khanna, 1998; Khanna & Yafeh, 2007). Despite them not being pivotal to developed economies, some countries like Sweden, Italy and Japan have important BGs. In emerging economies, BGs account for a significant share of the Gross Domestic Product (GDP) and often encompass the largest private companies (Casanova, 2009; Ghosh, 2010). In the 1990s, following market reforms in these economies, BGs were expected to fade as they did in most developed countries. However, as Schneider (2008) points out, BGs kept their economic power and even became more relevant.

An approach based on two independent and complementary theories provides insight into BG performance. On the one hand, Institutional Theory highlights BGs' ability to overcome underdeveloped or lacking market support institutions, which is often referred to as market voids. On the other hand, the Political Economy approach focuses on BGs' ability to interact with

the Government - a major and active player in emerging economies. According to Xavier et al. (2013), this resilient behaviour in emerging economies indicates the need to resort to market and non-market strategies to explain the phenomenon.

In this article we investigate the joint effects of the institutional environment and political connections on emerging economies' BGs and how minority government ownership affects this relationship. The key contribution is shedding light on the government's role as minority shareholder and testing this empirically in an emerging economy.

INSTITUTIONAL ARRANGEMENTS

Institutional Theory is rooted in the Transaction Cost Economics (Coase, 1937; Williamson, 1979), which has been used to explain BGs' ubiquitous presence in emerging economies. Leff (1978) attributes BG creation, to some extent, to market failures and entrepreneurship. According to this line of thought, BGs are viewed as markets' answer to imperfections not just in capital markets, but also in labour and product markets (Khanna & Palepu, 2000). Capital market limitations are central to this approach, as one of BGs' main attributes is their ability to foster efficient internal capital markets to serve their affiliates, whenever liquidity and long term financing are not available (Almeida & Wolfenzon, 2006).

While Institutional Theory views BGs as value-enhancing arrangements, the Political Economy approach defines them as rent seekers that may even become socially harmful (Ghemawat & Khanna, 1998). Governments use power structures, such as legislation and fiscal policy, to meet their targets, which may affect firm performance unevenly across an industry. However, when BGs establish strong political connections this may prove advantageous, i.e. governments may opportunistically change policies to favour their allies. This, in turn, may boost economic performance at the expense of society.

Khanna & Yafeh (2007) describe this phenomenon in Indonesia, where groups benefit from political liaisons and are granted state-approved monopolies.

According to Institutional Theory and the Political Economy approach, BGs are not expected to be enduring, as over time all emerging countries tend to mitigate market imperfections and mimic developed country institutions, where governments do not substantially intervene in the economy. Nevertheless, anecdotal data show BG resilience rather than decline (Xavier et al., 2013). Value-creating mechanisms seem to evolve in order to adapt to the changed environment and promote BG development.

One of the non-market strategies that may affect BGs is related to political capabilities. Schneider (2008) claims that state and politics are rarely incorporated in comparative analysis of BGs, despite both concepts being frequently cited as relevant. Guillén (2000) considers that valuable political capabilities may also lead to diversification and growth when there are foreign capital flow asymmetries. BGs may acquire and sustain institutional power through influential political contacts (Dieleman & Sachs, 2008) not only when the government is a minority shareholder, but also through other types of connections.

Schneider and Karcher (2010) define a complementary political relationship as intermediated by the state or the political system, or one that affects players' ability to gather support for political agendas. While Wöll (2007) focused on the dynamics of business-government relationships, Oliver and Holzinger (2008) used a Resource Based View to list several political activities that firms may pursue to leverage their non-market capabilities.

As the causal mechanisms derived from the Institutional Theory and Political Economy are not related, direct effects of both market voids and

political connections on BG performance are expected to be additive. Hence, we posit that:

Hypothesis 1: During institutional transitions in emerging economies, both market voids and political connections have a positive effect on private Business Groups' performance.

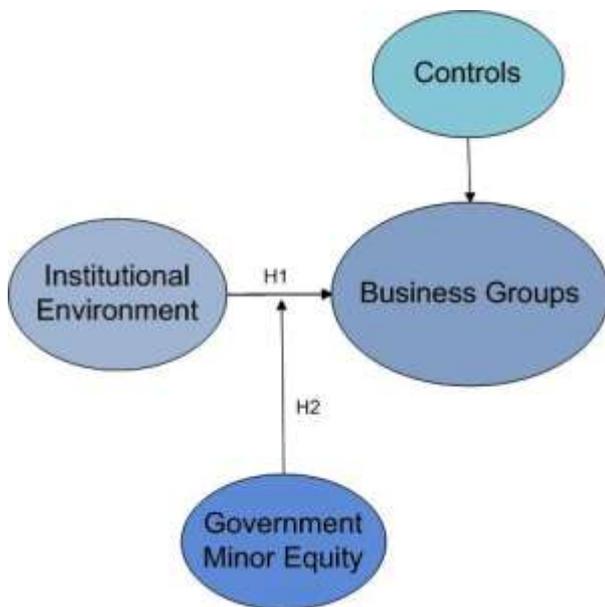
GOVERNMENT MINORITY OWNERSHIP

Despite the extensive literature on private and state-owned firms, analysis of the government as a minority owner or shareholder is still virtually unexplored, so is the view of Government minority ownership as a political connection. Privatization initiatives sprung up in several emerging economies since the 1990s resulting in partially privatized firms. In some countries, like China, privatization programs generated partially privatized firms and meant State-ownership of non-transferable shares and assets that limit firms' governance. In order to prevent government interference in such firms, Shleifer and Vishny (1998) state that privatization should be designed to restrict state influence through regulations and minority ownership; otherwise, firms may pursue political goals instead of economic ones. Despite this risk, empirical studies indicate that partially privatized firms perform better than state owned ones (Gupta, 2005; Majumdar, 1998).

Authors like Lazzarini and Musacchio (2001) analysed minority state ownership resulting from state equity investments in private firms. They studied minority state ownership through investments by development banks in Brazilian companies not formerly state-owned. Their results show that higher returns on assets are related to minority government ownership. This positive effect may be explained by mitigation of capital market voids, as discussed in the previous section. State development banks can provide long-term equity at low costs (both agency costs and financial ones) without government interference. This study also concluded that this effect is not the same for private BGs, mainly because BG internal capital

markets can offer low cost financing for affiliated firms.

Figure 1: Conceptual Model



Hoskisson et al. (2005) assert that whenever the Government has an equity position in a Business Group, through one of its major companies, a diversification effect is likely to be observed. Limited government monitoring may also lead to BG growth, as controlling shareholders may extend advantages, such a partner offers, to other affiliate firms, particularly access to low cost and abundant long-term financing. This aspect deserves further investigation, as limited government monitoring is not a general rule. In India, the government plays an important part in the companies where it holds equity (Ramaswamy et al., 2002). In other words, when the government acquires an equity position in a major company in a BG, spillovers may spread to several other BG-affiliated firms. Hence, we postulate that the whole BG may enjoy enhanced performance, especially in times of institutional environment changes. Moreover, government-related BGs are better suited to cope with market voids and uncertainties than private BGs. Hence, the benefits and opportunities to BGs when there are market voids are enhanced by government minority equity. A signalling effect corroborates this concept, as the market may perceive this

equity position as an implicit governmental guarantee (Lazzarini & Musacchio, 2001). Therefore, our second hypothesis, as suggested in Figure 1, is:

Hypothesis 2 – During institutional transitions in emerging economies, minority government ownership positively moderates the effect of institutional environment changes on private Business Group performance.

RESEARCH SETTING

Brazil is our chosen scenario for testing these propositions mainly because market reforms in the early 1990s significantly changed several aspects of the institutional environment. These reforms ended hyperinflation, the economic crisis and high government external and internal debt. Concurrently, the economy became more open to international trade and a redemocratization process led to the first presidential election by direct vote following decades of military dictatorship. Over time, the Brazilian State began switching from a role of bureaucratic universal provider to regulator, which is still in its early stages. As a whole, these institutional reforms led to market concentration and the consolidation of groups and conglomerates - a recurring strategy against external competition. Nonetheless, certain market imperfections remain a great obstacle for economic development and an opportunity for BGs.

Some Brazilian BGs were created during the first efforts towards industrialization in the beginning of the twentieth century. Family-owned and government-sponsored Brazilian BGs control key industries. Among several emerging economies surveyed by Khanna and Yafeh (2007), Brazilian BGs are the least diversified and relatively vertically integrated. Family-based ownership structure is also ubiquitous (Laporta, Lopez-de-Silanes & Shleifer, 1999). Anecdotal evidence corroborates the relevance of Brazilian BGs' political capabilities for their growth during and

after the liberalization process (Schneider, 2008). Institutional Theory predictions of less diversified and refocused smaller groups as a response to the new environment do not apply to Brazil (Hoskisson et al., 2005). In the beginning of the 2000s, Brazilian BGs managed to position themselves in regulated and non-tradable industries (Schneider, 2009). Another important piece of anecdotal evidence is that non-Brazilian multinational enterprises, despite the availability of business resources, have not had the same market penetration in those regulated sectors, except through joint ventures with Brazilian enterprises.

DATA & RESULTS

The unit of analysis for the purpose of this research is the Business Group, not the firm. The final sample was comprised of 1709 observations from 317 different BGs, between 2001 and 2009. BG data were obtained from several sources - affiliated firm reports and websites, magazines and the Economática database. Market reforms' effects on the institutional environment were analysed based on two sources, namely the IMF structural reforms index, published by The Heritage Foundation, and The Wall Street Journal (Miller & Holmes, 2011), as well as several indicators from the World Competitiveness Yearbook, published by the IMD (International Institute for Management Development). In order to assess BGs' political connections, we used a proxy that accounts for discretionary donations. Brazilian legislation requires political parties to register all personal or firm donations to electoral campaigns; hence, this publicly available information was used to determine firms' willingness to establish implicit contracts with government stakeholders.

Our results indicate that political connections' and market voids' direct effects on BG performance are not significant. Hence, hypothesis 1 is not supported. It is worth noting, however, that all capital market void coefficients were significant and confirmed that at least some institutional

environment changes do affect BG performance. In regards to interaction effects, we noticed that all interactions between the government as a minority shareholder dummy and market void proxies were significant. We also noticed that there were no major differences in the fit of the various models that we analysed; hence, hypothesis 2 is fully supported.

FINAL REMARKS

In this short article, we shared some preliminary findings of our research that investigates the effect of minority government ownership on private Brazilian BGs. Our data suggests that the presence of the government as a minority shareholder moderates the effects of institutional changes on BG performance. The brevity of this article prevents us from providing all descriptive statistics and detailed regression results, but these are available upon request. The authors welcome any comments and insight that could enhance our approach to this on-going research. ®

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A Political View on the Internationalization Process

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It was an enormous satisfaction to be awarded with the best doctoral proposal of the 3rd COST/EIBA doctoral think tank. Though, more than the individual recognition, what makes me really pleased is the recognition by the academic community of the political setting as an important subject of research in the internationalization process. My doctoral thesis entitled “A political view on the Internationalization Process” is extensive and holds many concepts, thus the following summary -whilst a partial description of the manuscript- is just a skin deep overview of the research problem.

INTRODUCTION

The role of governments in the internationalization phenomenon had early recognition in prominent seminal studies in international business, such as Hymer’s thesis or the Uppsala model (U-model), though the interaction between multinationals and governments has only merited seldom attention. As so, the main stream of economics and management studies have been focusing internationalization essentially as an issue of the firm, wherein the multinationals’ interaction with the environment is limited to a business-industrial scope of suppliers, clients, and competitors. The few exceptions brought by institutional theory scholars do include political elements in the surrounding environment, yet they stand on describing governments as hazardous sources that multinationals have to avoid or, at the most, to minimize its consequences by influence (Hadjikhani & Ghauri, 2001; Henisz & Zelner, 2005). In a different direction, the thesis studies the beneficial part of governments in the internationalization process of the firm.

WHY A POLITICAL VIEW ON THE INTERNATIONALIZATION PROCESS?

The answer to this question entails the purpose of the research question of the doctoral thesis. The internationalization process, as described by Johanson and Vahlne (1977), is essentially a process of continuous fit with the foreign environment through the management of uncertainty. The conceptual utopia consists of the efficient adaptation of the firm to the environment conditions. In an ideal state of static environment and unbounded rationality the firm fully acknowledges the environment conditions. The uncertainty is zero and the firm simply adapts to the environment. Yet, the conceptual ground of the U-model frames a dynamic environment wherein rationally bounded firms strive to fit. Whilst environmental conditions change over time, the firm cannot fully acknowledge the environment. The uncertainty is not zero and the firm strives to keep in step with the environmental changes. A lack of knowledge is perceived and the firm engages in a learning process in order to adapt to the new conditions of the environment. Nevertheless, this is only true if the environmental changes are predictable. If not, i.e. if the firm cannot predict those changes, then the decrease of uncertainty becomes possible only through the ownership of the uncertainty source.

Although Johanson and Vahlne (1977) refer the ownership choice, namely by the ‘takeover of costumers’ (p.29), the model is not about the decrease of uncertainty by ownership but by learning, and namely by ‘learning by doing’. The U-model explains internationalization through a ‘learning by doing’ process, i.e. to learn the local market the firm needs to operate the local market. The market commitment becomes thus both the cause and consequence of the learning process. The consequence because learning will propel new commitments supported in newly acquired knowledge. Also the cause once learning requires ‘doing local business’ which requires local commitment. Hence, the market uncertainty can

be reduced with both knowledge and commitment, whether by increasing the interaction with the elements of the local environment or, ultimately, through their ownership (Johanson & Vahlne, 1990).

It is thus without surprise that the U-model excludes the political elements in its conceptual framework. As Johanson and Vahlne state: "increases in market uncertainty due to political changes cannot be expected to lead to the uncertainty-reducing commitments discussed here since such commitments cannot be expected to affect the political situation." (1977: p.30). Indeed, firms cannot learn politics by doing politics as they do with business. The interaction of the firm with the environment becomes considerably different from the U-model's principles. The firm cannot 'be a national government' in order to 'learn politics by doing politics' as it does 'being a business firm' in order to 'learn business by doing business'.

Therefore, essential to the study is to understand "how do multinational firms manage the political elements of the environment and to what extent do these elements hinder or catalyse their internationalization process."

THE CONCEPTUAL MODEL

While delineating learning and transactional constraints between firms and governments, the conceptual model emerges from the discussion on the management of uncertainty within the business and the political settings. It is built on the U-model, complemented with Transaction Costs Economics (TCE), and overarched by institutionalism studies related to international business. Concerning the business environment, U-model and TCE explain uncertainty management whether through learning by doing (Johanson & Vahlne, 1977, 1990) or control by internalization (Coase, 1937) respectively to reduce or to eliminate the uncertainty that stems from business elements of the environment such as suppliers, clients, or competitors.

Learning by doing comprises the increase of foreign commitment which can evolve to full ownership of operations, though with a different aim than the transactional control. The U-model advocates learning as the mean to achieve efficiency in the commitment process. Once knowledge supports prediction, more knowledge means more accurate predictions and the less the risk of unmatched commitment towards environmental changes. That is, as the uncertainty is reduced by knowledge, learning enables a more efficient process of adaptation to environmental changes.

Conversely, in TCE there is no incentive to learn. The fundamental choice between contractual and internalization does not give any space to learning processes. That is, rather than to acquire sufficient knowledge to write better contracts and, thus, to avoid internalization, TCE promotes the internalization of the transaction into the firm. The transaction's integration does not end with the transaction itself, but requires the internalization of the assets, whether tangible or intangible, associated with the specific transaction. The underlying strategy to face uncertainty is not to learn the environment but to control the assets and activities through their internalization.

In such a context, the internationalization process can be synthesized as a complex phenomenon that involves adaptation, learning and control of the environment surrounding the firm's boundaries. Whilst environmental variations may be predictable or unpredictable, the firm a) adapts to the environment when the existing knowledge is deemed sufficient; b) learns when it perceives the environmental changes, evaluates the lack of knowledge and acquires the respective knowledge to face those environmental changes; or c) controls the environmental elements whenever extreme uncertainty is perceived, i.e. when the changes are difficult to predict or too costly to be learnable.

However, not all the elements of the environment are possible to control or predict. Therefore, the thesis framework augments the basic variables of the U-model, knowledge and commitment, respectively, to cognitive state and foreign commitment variables. The cognitive state comprehends knowledge, lack of knowledge, and uncertainty. The counterpart of this cognitive state is foreign commitment. It is distinguished through its different purposes whether to adapt to, to learn from, or to control the environment. The relation between each of the three variables of cognitive state and the ones of foreign commitment relate respectively with the adaption based on knowledge; the learning due to a lack of knowledge; and the control to face uncertainty. It also follows Henisz and Williamson's (1999) suggestion to distinguish the political elements from the other elements of the environment, and narrows Boddewyn's (1988) political setting just to governments. Since governments are 'non-internalizable' (Henisz & Zelner, 2004) and difficult to be learnt (Henisz & Delios, 2004), some strategies to circumvent environmental hazards – such as control – may not be possible to deploy and, in consequence, may complicate the fitting process with the environment.

Table 1: Theoretical positioning

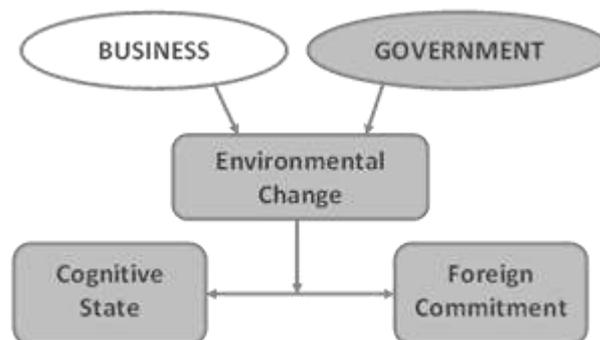
Environmental Change	Attitude towards the environment	
	U-model	TCE
Predictable	Adapt	Contract
	Learn	Internalize
Unpredictable	Control (a)	Internalize
Political	---- (b)	---- (b)

(a) by ownership, but is not the explanatory emphasis
(b) limitation and/or out of the explanatory scope and dealt within institutional studies

The effects of changes in the environment, although implicitly held in the original model of Johanson and Vahlne, become elicited here. In this conceptual design, besides business elements, the

role of governments as a catalyst of change is emphasized, and thus the environment of the firm is augmented with the political elements.

Figure 2: Conceptual model



Although institutional theory has offered few contributions in order to understand the importance of the environment's political elements in the internationalization process, most of those analyses remain focused on the superficial tension between the two spheres, governments and firms, and do not go deeper in explaining why and how governments can combine and be active in the internationalization of the firm. Buckley and Casson (2009) shed some light on the causes of this vague state of research. They suggest that the lack of multilevel approaches has caused Hymer's 'big picture' of international business to fade, and micro analysis to fall short in explaining the actual phenomena of internationalization. Once governments and their related power branches render a variety of roles, the lack of multilevel studies becomes a sensible issue when the political setting is considered. Henisz (2000) substantiates this idea arguing that the research of phenomena associated with political behaviour calls for empirical validation that encompasses individual to country level data.

Following the above calls for research, the conceptual framework of the doctoral thesis includes the micro, the meso, and the macro levels of analysis. Moreover, it also segments their effects on the internationalization process in accordance to relevant business-government literature related with the international business

field. Succinctly, at the micro level, it includes the dyadic relationships, the co-evolution process, and the embeddedness between political and business elements. At the meso level, hybrid vehicles and specialized structures of policy change are considered. At the macro level, diplomacy networks and comparative studies of institutional profiles are taken up.

THE EMPIRICAL MATERIAL

The diversity of the empirical material follows the broad sense of the multilevel approach of the conceptual framework. Despite the resulting heterogeneity, the data collection process entails a rationale synthesized along two main lines. The first, which concerns the nature of research and data, evolves from qualitative to quantitative. Like other studies in international business (Coviello & Munro, 1997), it explores a phenomenon through qualitative research and data, evolving to quantitative research by confirmation testing with quantitative data. The second, which comprises the level of data, develops from a micro to a macro level and is consistent with the former direction due to the quantitative nature of macro indicators (Kinal & Lahiri, 1993).

At the micro level, the dataset includes a multi case study of the internationalization paths of nine Swedish multinationals in Iran during 1960 to 1992. The primary data was collected upon more than 90 interviews with Swedish and Iranian managers involved in the foreign operations before, during and after the critical period of the Iranian revolution (1978/79) along with the first years of the Iran/Iraq war. In regard to the variables involved, commitment and knowledge, a discourse analysis was made distinguishing each variable type and scale. The qualitative approach was mainly due to the need to distinguish tangible and intangible commitments.

The meso level comprises a set of both country-level and firm-level data. Firm-level data was collected from the case study on FIEP (Fund for the

Internationalization of Portuguese Enterprises), the institutional vehicle used by the Government of Portugal to promote the internationalization of the Portuguese economy. FIEP consisted of a venture fund constituted in the late 90's and partnered by the Government of Portugal, along with banks, with the intent to participate directly in the capital structure of the internationalizing firms. Despite the time lag between the study and FIEP's activity, most of the data collected is primary data thanks to the privileged position of one of the authors of the case study as a member of the Government of Portugal and, after stepping down from office, as the president of FIEP. Thus, besides all the information publicly available like newspaper clippings and television broadcast records, an immense set of empirical material was gathered from unpublished data, such as board presentations, communications to shareholders, portfolio evaluations, and internal procedures.

Relative to country level data, a longitudinal set of outward and inward FDI data, covering the period from 1966 to 2008 was extracted from databases of reliable institutions like the INE (National Institute of Statistics) and from Banco de Portugal (Central Bank of Portugal). A longer time span of the macro data was required in order to check if any variance at national level could be associated with the FIEP's intervention in the economy. Considering Steenbergen and Jones' (2002) guidelines, the procedure consisted of the evaluation of the two longitudinal datasets, followed by the analysis of the resulting pattern and a cross-analysis with the qualitative findings. The data, plotted in longitudinal graphs, has clearly shown a causal relationship between micro and macro data, reflecting the consistency between the assumptions made upon the qualitative material and the pattern that emerged from the quantitative data.

At the macro level, the conceptual relation between the cognitive state and foreign commitment is proxied through the distance between institutional environments and the

international operations' modes. Secondary data was used to measure the informal, formal and political differences of institutional environments between home and host countries, each of which provided respectively by Dow and Karunaratna's (2006) 'psychic stimuli' dimensions, Kaufmann, Kray and Mastruzzi's (2010) Regulatory Quality and Rule of the Law indicators, and Henisz's (2000) POLCON index. Other secondary data was extracted from institutional sources to measure the dependent and the control variables. The data on international operation modes, exports and outward FDI, is found in the UNCTAD and OECDstats databases, respectively. For each variable, the average value of the longitudinal series from 2000 and 2009 was adopted. The control variable, the national GDP of each of the countries, was extracted from UNCTAD's database following the same method as done for exports and FDI.

Additionally, primary data on diplomatic networks was collected to gauge the political links between countries. The Ministries of Foreign Affairs of The Netherlands, Sweden, and the UK were inquired for information about their diplomatic network in 119 different countries. After listwise deletion, the sample fixed a total of 243 out of 347 possible observations. The diplomatic network mapped therefrom for The Netherlands, Sweden, and the UK accounted for 91, 62, and 90 missions respectively. A structural equation model was used to test empirically the conceptual framework at the macro level.

CONTRIBUTION TO THE IB FIELD

Five main contributions are claimed in the doctoral thesis, three at the conceptual level, one at the managerial level, and another one at the policy level. The first one, at conceptual level, concerns a novel perspective of the U-model revealing old misconceptions, new limitations, and sharper boundaries between theories. The analysis depicts important limitations of the U-model, though not those that are usually and inadequately addressed

to the Johanson and Vahlne's model. For instance, determinism or disruptive paths of commitment do not entail, per se, limitations of the U-model's explanatory power. Considering the authors' deliberated circumscription of uncertainty management through learning by doing rather through control by ownership, the doctoral thesis exposes a crucial limitation of the model: the impracticality of managing – either by learning or by ownership – the uncertainty that stems from political elements. If the ownership inhibition is obvious because of the public nature of governments, learning processes are not fully effective either to empower firms against political changes. As stated before, unlike Johanson and Vahlne's (1977) internationalization process of 'learning business by doing business,' firms cannot 'learn politics by doing politics.'

The second conceptual contribution regards the clarification of the incremental behaviour in commitment decisions. Unlike some studies that describe incremental behaviour merely with the observation of the commitment scale progress, in the internationalization is depicted through a process where the firm balances knowledge and commitment. Therefore, internationalization as conceptualized in the U-model should not be understood as a process of foreign commitment undertaken in small steps, but rather as a continuous effort to keep small gaps between knowledge and commitment. The rationale employed also assists the disambiguation between models of incremental commitment, like the stage models, and models based on Cyert and March's (1963) fundamental notion of incremental behaviour, such as the U-model.

Still at conceptual level, another important contribution is the conciliation of the U-model with transaction costs. Extant research holds the asset specificity concept to integrate both theories. Though, the integration with the U-model is not clear whilst adopting, indistinctively, either TCE or internalization theory (INT). In a different direction, the doctoral dissertation elaborates a

clear distinction between those TCE and INT theories, proposing not an integrative perspective but a complementary view of the former with the U-model. The novelty in this exercise is the conciliation of both models through the uncertainty concept rather than by asset specificity. The sharper distinction between uncertainty and knowledge gave the conceptual basis for a better understanding of the boundaries between the TCE and the U-model, generating, thereof, a more complete synthesis of the internationalization process.

At managerial level, the thesis offers a tool for managers to screen the implications of the different elements of the environment while assisting their choices on the governance modes of international operations.

The fifth and final contribution is at policy level. The interaction between firms and governments is not limited to mutual influence and pressure. Unlike mainstream institutional studies, the thesis demonstrates that the involvement between governments and firms is deep and designed accordingly with their audience. The present political view on internationalization offers a framework with strong predictive power, which can be applied to improve the efficiency of public policies at various levels. For instance, given that business-government relationships perform both as a buffer in the risk perception of managers and as an emulator of control of environmental uncertainty, governments should assume open channels of relationships between business and governmental actors. Besides, hybrid structures with governments and multinationals have shown to be effective vehicles to converge different goals, whether supporting the firms' needs of growth or the governments' aim to internationalize their national economies. Hence, new policies should include the potential of combination of public-private resources, namely by giving preference to structured financial participation over untargeted schemes of subsidies. Indeed, the efficiency achievement in public support measures can be as

complex as the internationalization game. Securing the national wealth and employment means tenuous compromises between protecting national firms without driving off inward FDI. Being a magnet or a repellent of FDI, the profile of the institutional environment has to come in to the center of government's political actions. Whilst public policies have different impacts in the different elements of the institutional environment, a more analytical approach to the process of policy making, which would include predictive models of differential change in the cognitive-cultural, normative, regulatory and political elements, is therefore suggested.

FINAL REMARKS

By adding a political view on the internationalization process of the firms, the present dissertation exposes and devolves Hymer's 'big picture' to the internationalization phenomenon. Indeed, in Hymer's vision, neoclassical models based on markets and firms are incomplete explanations of the world economic order. However, his major concern about the 'new imperialistic power' of the MNCs over the political power of governments in moderating market imperfections and social inequality is, actually, heading in a reverse direction. Ironically, new phenomena, such as 'reverse takeovers' or the rise of 'south multinationals' from emerging and/or developing countries, besides from being supported by their home economies are also being participated by their home governments (Bandeira-de-Mello, Arreola & Marcon, 2012; Freire de Sousa & Figueira de Lemos, 2009). Moreover, the empirical evidence gives grounds to conclude that internationalization is not a game played just between firms, or, even, between firms and markets, but also with and within governments. ®

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Call for papers: 39th EIBA Annual Conference on Transnational Firms, Markets and Institutions

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For the international business (IB) community, the term transnational has come to be associated with a particular form of multinational enterprise (MNE) that is able to resolve the tension between local responsiveness and global integration. In other areas of social sciences and the humanities, the term transnational is used to designate actors or institutions that span across borders in a way that begins to challenge the existence and legitimacy of those borders.

The theme of this year's conference explores the role of MNEs as transnational actors that mould and shape other actors and institutions in the global economy. At the macro level, this concerns for example questions regarding the political behaviour of MNEs when they join with national governments and international organizations to craft new regulations. It also includes examining the role of MNEs as both partners and adversaries of civil society organizations. In the legal realm, some key questions of interest concern the role of MNEs in generating a body of transnational private law in order to fill gaps or remove uncertainties in the established body of law. At the micro level, topics of interest include the role of MNEs in both promoting, and responding to, changing attitudes and values concerning globalization and the emergence of new transnational institutions.

While all of these topics deal with the contemporary global economy, historical analyses concerning the role played by MNEs in economic and social transformation in the past are also clearly relevant. By focusing on the processes of transnational influence and transformation, we hope to encourage the IB community to become

more engaged with this discourse and the work that is being done in other social science fields. Since MNEs are important actors taking part in these processes, the IB community has a great deal to offer in this area, both in terms of identifying the managerially relevant implications, as well as formulating recommendations for public policy.



CONFERENCE VENUE

The conference venue is on the campus of the University of Bremen. All meeting rooms are located within one complex. Bremen is a city of short distances, and the campus is easily accessible with tram line 6, the most frequent and modern tram line.

The airport of Bremen is located very close to the city centre and is served by major carriers like Lufthansa (Star Alliance) and KLM (Sky Team). Discount airlines like Germania and Ryanair also fly directly to Bremen Airport. Hotel accommodation has been reserved in advance, ranging from economic to high standards.

SUBMISSION OF PAPERS

All papers will be refereed. Detailed guidelines for the submission of conference papers will be available on the EIBA 2013 conference website: www.eiba2013.org

- The submission deadline for all competitive and interactive papers as well as panel proposals is Monday, July 15, 2013.
- All papers should be submitted via the conference website to one (and only one) of the conference tracks. The submission system will be live from June 2013. We welcome papers in all areas of IB. If you do not find suitable keywords in the track descriptions, you will have the opportunity to define additional keywords when you submit your paper.

TRACKS

1. Transnational firms, markets and institutions

Track chair: Sarianna Lundan

Conceptual or empirical papers that are interdisciplinary, or papers that are grounded in other areas of social science, that examine MNEs as economic, social or political actors participating in transnational communities that shape and regulate global capitalism. MNEs as political and regulatory actors alongside national governments, international organizations and global and local civil society. MNEs and the development of transnational private law. MNEs and the development of transnational attitudes and values. Historical perspectives on the role of MNEs in shaping the global economy.

2. Developments in IB theory

Track chair: Alain Verbeke

Conceptual papers that advance IB theory, including the extension of concepts from economic or organizational theory and strategy, including institutional, capabilities or resource based perspectives and business history. Papers that seek to modify existing theory in light of new empirical phenomena, such as emerging market MNEs as outward investors, or the wider political and social role of MNEs. Also formal modelling and methodological contributions.

3. The internationalization process and international new ventures

Track chair: Stefan Schmid

The role of learning, risk and resource commitment in the geographical pattern of internationalization. Measures of distance, internationalization and MNE performance. New patterns of internationalization, including small and medium sized enterprises (SMEs), born globals and state-owned enterprises (SOEs). Real options in internationalization.

4. Financial management, accounting and corporate governance

Track chair: Trond Randøy

The effects of the financial crisis on MNEs, sources of funding and cost of capital of MNEs and SOEs, cash holding by MNEs, risk insurance. International accounting standards and issues of taxation and transfer pricing. Board composition and internationalization, executive compensation, duties of top management and directors.

5. International human resource management (HRM), cross-cultural management and communication

Track chair: Rebecca Piekkari

International HRM and diversity management. Cross-cultural management, including the role of culture and language in intra- and interorganizational relationships. Cross-cultural communication and marketing, including brand and image management.

6. Management of the value chain and market entry mode

Track chair: Ram Mudambi

Outsourcing and offshoring, management of the value chain, control and coordination in contractual relationships. Determinants and consequences of the choice of market entry mode. M&As, JVs or exporting as modalities. Multi-stakeholder partnerships involving MNEs.

7. Headquarters-subsidary relations and knowledge transfer

Track chair: Ulf Holm

Headquarters-subsidary relations, including the role of regional headquarters, subsidiary autonomy and initiative. Management of the process of knowledge generation and transfer between the subsidiaries and the headquarters.

8. Innovation and technology transfer

Track chair: Axèle Giroud

International R&D activities of MNEs, interaction between MNEs and regional systems of innovation. Technology transfer, linkages and spillovers in the host country. Reverse technology transfer. R&D alliances.

9. MNEs, governments and local development

Track chair: Philippe Gugler

Investment climate, institutions, incentives and investment attraction. Negotiations between MNEs and governments. Patterns of foreign direct investment (FDI) and trade. The role of regional and bilateral trade and investment agreements. MNEs and local economic development in host countries.

EIBA 2013 Doctoral Events

The 2013 EIBA Annual Conference will host three events specifically aimed at doctoral students. These events aim to provide the students with the opportunity to discuss their research with distinguished international faculty, and to enable the students to become acquainted with an international network of researchers in international business. Students participating in one of these events are also expected to register for the EIBA conference.

- The 27th John H. Dunning Doctoral Tutorial in International Business;
- The 4th COST-EIBA Doctoral Think Tank, where the focus is on issues related to MNEs from emerging and transition economies;
- The 2nd EIBA Doctoral Symposium.

The numbers of participants at both the John H. Dunning Doctoral Tutorial and the COST-EIBA Doctoral Think Tank are strictly limited, as both events involve a considerable amount of faculty time, and the current one-day format does not allow for more students to participate.

Applicants who are not selected for either of the above events may be invited instead to participate in the EIBA Doctoral Symposium.

All tutorial events will take place before the conference starts. More information about all three events will be available on the conference website. The submission deadline for proposals for all of the doctoral events is 2 September 2013.

27th John H. Dunning Doctoral Tutorial in International Business

*Chaired by Jean-François Hennart,
Faculty of Economics, University of Pavia, Italy
Queen's Univ. Management School, Belfast, UK
Singapore Management University, Singapore
Center for Research in Economics and Business,
Tilburg University, Netherlands,
& Rebecca Piekkari,
Aalto University School of Business, Finland*

The 27th EIBA Doctoral Tutorial will take place on Thursday, December 12, 2013, at the University of Bremen, Germany, immediately before the start of the EIBA conference.

The first objective of the Tutorial is to provide an opportunity to doctoral students in International Business to discuss their research plans and their work in progress, both with a distinguished international faculty and their colleagues. The second purpose is to enable them to become acquainted with the international EIBA-network of experts and colleagues working in the field of International Business. The names of the 2013 faculty will be announced as soon as possible after the submission deadline.

If you are interested in this event, you are required to submit a 3-page abstract of the doctoral research currently being undertaken and a copy of your CV. The submission deadline for abstracts is September 2nd 2013. We recommend that applicants divide their 3-page abstracts into the following sections, and use the proportions shown as a guideline:

- central research question addressed (to include a brief statement of the topic, and of the issue or problem that motivates the research) [10%];
- theory and literature review [20%];
- research design, data and methodology (to include hypotheses in the case of quantitative methods, and the methods of measurement and

the generative questions that will guide grounded theory building in the case of those using qualitative methods) [30%];

- expected results and summary of the evidence of the study thus far (to include if applicable an outline of any preliminary findings) [20%];
- expected contribution and its significance to scholarship in the IB field [10%]; and
- conclusions, and remaining concerns or problems to be overcome [10%].

Please include on your CV the name of your main thesis advisor, and the number of months (years) that you have been working on your thesis.

The number of participants in the Tutorial is strictly limited. We are particularly keen to encourage applications from doctoral students who, although not yet being close to having completed their theses, have already developed a clear idea of the data they will use (or are in the process of collection), and of their intended research design. Especially applications from doctoral candidates who are mid-way through the process of research for their thesis are welcomed. We are also keen to encourage applicants from schools or universities that do not as yet have established IB faculty research groups, but with the aim of ensuring a reasonable mix of participants from different backgrounds for the Tutorial.

The students who are selected to participate in the Tutorial will be requested to present a short paper about their thesis proposal. Participating students are required to register and attend the EIBA conference immediately following the Tutorial. An award of €1000 will be presented to the student with the most promising thesis abstract.

For regularly-updated information leading up to the event, as well as to submit a paper (deadline: September 2, 2013), visit the event's webpage: http://www.eiasm.org/frontoffice/event_announcement.asp?event_id=997. ®

4th Doctoral Think Tank on the Emergence of Southern Multinationals

Chaired by Lucia Piscitello, Politecnico di Milano, Italy & Danny Van Den Bulcke, University of Antwerp, Belgium

The Doctoral Think Tank (DTT) is jointly organized by EIBA and by the European Cooperation in Science and Technology (COST) programme, as part of the COST Action ISO905 project on 'The emergence of Southern multinationals: Their impact on Europe.' The DTT event will take place at the University of Bremen on Wednesday, December 11, 2013, the day before the start of the EIBA conference; however, the COST-EIBA DTT consists of participation in the Think Tank itself as well as the EIBA Annual Conference. The COST programme ISO905 covers the travel and accommodation expenses of the participating students.

The objectives of the DTT are similar to those of the John H. Dunning Doctoral Tutorial, but the focus is on issues related to multinationals from emerging and transition economies. If you are interested in this event, you are urged to submit a 3-page abstract of the doctoral research currently being undertaken and a copy of your CV (using the

2nd Doctoral Symposium on International Business

Chaired by Jeremy Clegg, University of Leeds, UK

Applicants whose research is does not completely match or is not quite ready for the above doctoral events are welcome to submit their research and to participate in the 2nd EIBA Doctoral Symposium to take place on Thursday, December 12th – immediately before the start of the EIBA 2013 conference in Bremen, Germany.

guidelines set out above for the John H. Dunning Doctoral Tutorial). The submission deadline for abstracts is September 2, 2013.

The number of participants in the DTT is strictly limited. Furthermore, participation is limited to students affiliated to institutions in countries that are members of COST and whose country representatives participate in the COST Action research project. Therefore, students who carry out their doctoral studies in the following 24 countries are eligible: Belgium, Bosnia and Herzegovina, Croatia, Denmark, Finland, France, Germany, Hungary, Iceland, Ireland, Israel, Italy, Netherlands, Norway, Poland, Portugal, Romania, Serbia, Slovenia, Spain, Sweden, Switzerland, Turkey, and the United Kingdom. Other countries may still join.

The students who are selected to participate in the DTT will be requested to present a short paper about their thesis proposal. Participating students are required to register and attend the EIBA conference immediately following the DTT. Financial support will be offered to those students selected to participate.

For more information or for submission (deadline: September 2, 2013), visit the event's webpage http://www.eiasm.org/frontoffice/event_announcement.asp?event_id=998.[®]

The Symposium will consist of several parallel 1½ hour sessions, attended by 2-3 faculty members. Three students will be allocated to each session and each will be asked to give a short presentation of their research work, after which they will receive feedback from the panellists. Participating students are expected to register for and attend the EIBA 2013 conference (i.e., this is a special conference event for registered PhD student delegates).

The submission deadline for abstracts is September 2, 2013.[®]

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). The Academy is a professional society for academics and practitioners with an interest in the growing field of International Business. It is distinct from many other associations in that members come from a wide variety of disciplines and functional backgrounds and share the common purpose of using the international context to cross the intellectual boundaries that so typically divide institutions of higher education.

The aim of EIBA is to serve as the core communication network for disseminating information and promoting international exchange in the field of International Business in Europe. Membership is open to individuals from Europe and elsewhere. At present, the Academy has more than 400 members from 40 different countries representing all five continents.

EIBA organizes an Annual Conference, which is hosted each year by a major European university. As pre-conference activities for registered student delegates, doctoral events for PhD students are organized. A series of prestigious awards is presented during the EIBA Annual Conference, including (although not necessarily each year) the Gunnar Hedlund Award for best doctoral dissertation, the Copenhagen Prize for the best paper written by a young scholar in International

Business, the IMR International Marketing Award, the IJoEM Best Paper on Emerging Markets Award, the IBR Best Paper of the Year Award, the Best Doctoral Thesis Award, and the Distinguished EIBA Honorary Fellows Award.

Among the many good reasons for joining EIBA are the following:

- EIBA members are part of a global network of people involved in international business research and teaching.
- EIBA members automatically receive six yearly issues of the *International Business Review* (IBR), EIBA's official journal.
- EIBA members can attend the EIBA Annual Conference at a special Academy rate.

The current EIBA membership fee is €110 per calendar year (€90 for PhD students with valid proof of status) including an annual personal print subscription to the *International Business Review*.

Note that the EIBA Annual Conference registration fee already includes an annual EIBA membership and IBR journal subscription for the following year!

To find out more about your membership status or your subscription to IBR, please don't hesitate to contact the EIBA Secretariat: eiba@eiasm.be.



For more news and information on EIBA, or to renew your annual membership online, please visit the Academy's website: www.eiba-online.org.

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