EIBAzine

European International Business Academy Newsletter

ISSN 2222-4785

Issue Number 9 / November 2011

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Editorial

by Filip De Beule, Lessius and Catholic University of Leuven, Belgium

We are all getting ready to meet once again at the 37th EIBA Annual Conference in Bucharest. Tradition has it that prior to the event, we are offered some inspiring and welcoming words from the Chair and the President of EIBA, respectively. Peter Buckley in his Chairman's Message talks about the role of academics in shaping the world of tomorrow and the role that the European International Business Academy can play in this regard. Liviu Voinea welcomes us all to Bucharest and EIBA 2011 with an enlightening and informative message about the organisation of this year's conference.

This issue also features some intriguing articles. First there is the article by Nimet Uray, Nukhet Vardar, Ramazan Nacar and Canan Aktan about emerging multinationals from Turkey. They have taken a new and refreshing look at the internationalization process of the multinationals. In fact they have used a case study approach to their research and have focused on the marketing motives of these Turkish firms.

Case studies and qualitative research in general have rightfully become more commonplace in IB, especially in a time of great upheaval when uncovering new and insightful results will definitely move our field forward. Case studies have been used quite extensively in education for a long time. Sylvie Hertrich and Ulrike Mayrhofer are two case-study award-winning colleagues from France who have developed many case studies in collaboration with companies, and they share some of their insights with us.

In a subsequent article Danny Van Den Bulcke talks about 50 years of international business from a personal point of view. The article is based on the speech that he recently gave at the Faculty of Administration and Business at the University of Bucharest when he was awarded the honorary degree of 'Professor Cum Laude of the University of Bucharest' earlier this year. In fact there is a plenary session at the upcoming Bucharest conference on 50 years of research on the multinational enterprise, and another plenary on the contribution of Yair Aharoni to international business.

The following article is on the nationality of the multinational enterprise. Despite the increasing internationalisation of firms and globalisation of markets, most multinational enterprises still have a distinct nationality. Seev Hirsch analyses this distance penalty, but also considers the possibility of firms 'changing nationality'.

The final article is about the latest volume in the series on Progress in International Business, edited by Alain Verbeke, Ana Teresa Tavares-Lehmann and Rob Van Tulder, entitled "Entrepreneurship in the Global Firm". This 15-chapter volume provides the latest research insights from the international business field on entrepreneurship in the global firm.

The newsletter ends with more 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 this newsletter throughout your own networks? Your kind assistance with this collective effort to help expand the EIBA association and community is very much appreciated!

Let me end this editorial by thanking all of the contributors to this issue – without you, there would be no EIBAzine! And remember, I am always on the lookout for interesting articles and EIBA news bits. If you would like to submit something, please don't hesitate to get in touch with me at filip.debeule@lessius.eu. ®

Chairman's Message

by Peter J. Buckley, University of Leeds, UK

As we gather for the 2011 EIBA Conference in Bucharest we know that we live in interesting times. The problems of worldwide recession, the euro and its impact on the European Union and the difficult personal issues of unemployment, particularly youth unemployment, weigh heavily on Europe. The rise of China and the unresolved issues of accommodating emerging economies into the existing world trading and payments system provide a further source of volatility. The role of multinational banks is much discussed together with wider critiques of business ethics and values. Issues of income distribution underlie the protests seen across the world. There is much to concern civil society.

The importance of international business, its structure, conduct and outcome has never been more important. It is trite to see the problems of the world economy and the real suffering currently being observed as mere "research questions". However, if they are not to be resolved by serious academic research, then how are resolutions to be sought? It is our role as academics to face real issues and not to retreat into marginal additions to existing knowledge. In this sense, the current British obsession with "the impact of research" is a genuine concern. Our research needs to have an impact on the real world through improved management practices, improved policies and the challenging of received wisdom.

The great economist, Alfred Marshall, had a picture of a poor man on his desk to remind him constantly of the ultimate purpose of his work. Can we say that we have a similar welfare-improving goal underlying our academic endeavours? Understanding the world is a prerequisite to changing it and international business with its engaged, issue-based focus is exactly where this process should be occurring.

I hope that the collective endeavours of EIBA can be seen in this light, and I commend the organisers of the Bucharest conference for providing us with a platform where this is possible. The rest, friends and colleagues, is up to us. ®

EIBA 2011 Annual Conference: Message from the President

by Liviu Voinea, Academy of Economic Studies, Bucharest, Romania

It is my great pleasure to welcome you to Bucharest this December. The Bucharest conference owes much to the late professor John H. Dunning. Not only does he remain a source of inspiration for the younger generation, but he was, in fact, the first to suggest that an EIBA Annual Conference should be organized in Bucharest.

This happened in 2007, on the terrace of the Palace of the Parliament. At that time, I had organized a workshop in Bucharest, at the Academy of Economic Studies and the New Europe College. That workshop was attended by Rajneesh Narula, Klaus Meyer, Ulf Andersson and Matija Rojec, who also supported and championed this idea. Danny Van Den Bulcke, the then-Chair of EIBA, strongly supported the initiative of organizing the 2011 EIBA Conference in Bucharest. Peter Buckley, who became the EIBA Chair in December 2009, had the courage to stick with the original plan, although I must have seemed like a rather strange guy from a less known country.

I took this job very seriously. The first move was to lower the conference fee to 350 euros (200 euros for Ph.D. students), an unprecedented low cost level for EIBA in the last 10 years. The logic behind it was that I feared very few people would have paid much more than this, in a difficult time, with lower conference budgets all over Europe. Not to mention that the EIBA membership fee itself increased in 2011 to 110 euro (90 euro for Ph.D students). However, I soon regretted that I set such a low fee when I found out that a recent law asked conference organizers to charge VAT on their conference fees. And VAT in Romania is 24% (it increased from 19% as a result of austerity measures).

At the end of the day, I had to organize this conference for 166 euros per person (62 euros for Ph.D. students). Prices are lower in Romania than in Western Europe, but not that low! I could not have made it without the generous support of our sponsors: the National Bank of Romania, in the first place, and then a number of multinationals operating in Romania: Petrom, Enel, JTI, PWC, and Real.

By organizing the EIBA Conference in Bucharest I had two main goals. The first one was to bring the academic excellence of EIBA to the community of the Academy of Economic Studies (ASE). I am sure that the interaction with so many persons representing so many universities and cultures would create and consolidate future academic partnerships based on trust. Trust is one of the ingredients of life that you can never get online. I am old-fashioned in this respect: I think that seeing is believing, that one handshake is worth more than one hundred emails, that an informal talk over lunch or dinner may give birth to ideas for joint projects, for exchange programs, for visiting students and professors.

I benefitted from the full support of the Rector of ASE, Professor Ion Rosca, the Vice-Rector of ASE, Professor Dumitru Miron, and the Dean of the Faculty of International Business and Economics, Professor Silviu Negut. Without their strong support and efforts, this conference could not have been a success.

It is safe enough to already call it a success at least in terms of numbers: the total number of EIBA registered participants is close to 400, which strengthens the EIBA membership base for the coming years. In particular, countries such as Brazil and Poland largely increased their membership to EIBA, which is in line with the current times when emerging economies seem to change the balance of power in the global economy.

My second goal was to promote Romania – without being paid for that, of course. I love my country. I studied in Sweden, I worked in Spain, I travelled a lot, and I can still say that the quality of life in Romania is better than many foreigners may think. I wanted you to see for yourself what this country has to offer, also from a touristic point of view. I would be very happy if you come back to Romania after the Conference for a holiday, to the Danube Delta Reservation, to the monasteries in Moldova, or to the fortresses in Transylvania, for example. In fact, more than 50 EIBA participants registered for Dracula tours or other cultural events during the conference. Our partners from the travel agency Lartours added value, planning, and experience to our organizing efforts.

The academic program of the conference is full of events, with very interesting papers, panels and plenary sessions. I hope you will enjoy them all, along with plentiful traditional meals and excellent local wines. Have a great EIBA conference – and welcome to Romania! ® http://www.eiba2011.org

Do Turkish MNCs Have Different Marketing Motives? A Case Study Approach

by Nimet Uray, Nukhet Vardar, Ramazan Nacar and Canan Aktan, Istanbul Technical University, Turkey

INTRODUCTION

Changes that are taking place in the world economy and in the area of international marketing have accelerated the process of internationalization of emerging country multinationals (EMNCs). More and more EMNCs started to engage in foreign direct investment (FDI) and began to play a major role in the world economy, heralding a new era in international business and marketing. Although developed country multinationals (DMNCs) are still the major players in the world economy, especially the ones from the Triad; new actors performing outward FDI (OFDI) have emerged, representing a fundamental increase in OFDI from developing countries (Gammeltoft, 2007; Demirbag and Tatoglu, 2008; Goldstein and Pusterla, 2010).

In 2010 –for the first time– developing economies absorbed close to half of global FDI inflows. They also generated record levels of FDI outflows, much of it directed to other countries in the South. EMNCs, especially large state-owned enterprises, from the BRIC countries have gained ground as important investors in recent years as the result of rapid economic growth in their home countries, abundant financial resources and strong motivations to acquire resources and strategic assets abroad (UNCTAD, 2011). In addition to BRIC, MNCs with head offices in Mexico, Chile and Turkey are being cited as global giants active in every economic sector and foreign market (Gammeltoft et al., 2010).

The Turkish economy started to open up to international trade since the mid-1980s. The increasingly unstable economic environment in the 1990s and two economic crises in 1994 and 2001 have generally been accepted as the facilitators of Turkish OFDI (Erdilek, 2003). In order to be able to cope with these crises, Turkey learned to become more competitive, utilizing international markets much more efficiently while utilizing domestic market characteristics to its advantage. Thereby, the number of Turkish firms' involvement in international business through FDI has risen accordingly.

As compared to other emerging countries, Turkey also accomplished a major increase in its OFDI to developed countries, especially after 2000. According to the Turkish Republic Foreign Trade Treasury data, the country's total OFDI was $3.8 billion in 2000, reaching $18.7 billion in 2011, where 80% of Turkish OFDI has taken place after 2000. Furthermore, EU countries lead among the countries that Turkey makes its OFDI in, constituting 55% of the total OFDI from Turkey according to cumulative results of 2011.

OFDI MOTIVES OF EMNCS

EMNCs' investment characteristics and behaviour seem to be different than developed country MNCs. As mentioned in the related literature, developed countries are more attractive for EMNCs seeking strategic assets through equity based entry modes that enable them to exert high level of control over the operations in the overseas markets. Actually asset-seeking OFDI enables the EMNCs to have new capabilities. In other words, EMNCs have OFDI to enhance their competitiveness, rather than exploit their existing status (Bonaglia et al., 2007; Deng, 2007; Gammeltoft, 2007; Schüler-Zhou and Schüller, 2009).

Recent studies support the growing importance of asset-seeking motives in EMNCs' inter-nationalization success (Deng 2008; Rios-Morales and Brennan, 2010). Some examples of new capabilities and strategic assets listed in the literature are: "acquiring advance technology", "enhancing managerial and marketing skills", "accessing know-how", "having management expertise", "having the reputation for being established in a prestigious market", "increasing brand familiarity" and "acquiring well known international brands", "innovation, design, branding and acquisition of technology" (Bonaglia et al., 2007; Gammeltoft, 2007; Demirbag and Tatoglu, 2008).

In order to study Turkish MNCs' marketing related OFDI motives and to see whether or not they exhibited any differences in comparison to other EMNCs and their motives, a research project was set up. The research is funded by the Scientific and Technological Research Council of Turkey since August 2010 as part of the COST Action IS0905 on The Emergence of Southern Multinationals and Their Impact on Europe. A case study approach was adopted in order to be able to gather thought provoking, relevant yet new ideas from a wide range of companies with OFDI into EU countries.

A quick literature search exhibited that usually macro- or micro-factors were studied by the previous researchers while looking into the OFDI motives, whereas marketing-related factors affecting EMNCs' OFDI motives were not studied separately but rather as part of different sub-groupings. Therefore based on the previous studies, our research aim was to have a special focus on marketing-related factors.

Some basic questions that were raised as part of our research were: What was the effect of marketing variables at the firm level? Were Turkish MNCs different than their EMNC counterparts in their OFDI decisions? What was the extent of influence of marketing variables within the whole range of other variables affecting the OFDI decisions by the individual companies? Since mostly derived metrics were used in the literature to measure the degree of internationalization, would it be enlightening to look at the problem from the managers' perspective, questioning the individual company's degree of inter-nationalization and the performance level based on managers' perceptions?

In order to understand Turkish MNCs' OFDI motives, six in-depth interviews with executives of the leading Turkish MNCs with OFDI into the EU countries were conducted. Of these six companies, each belonged to a different sector covering a wide range (energy/construction, sanitary ware, white goods/electronic goods, FMCGs, and telecommunications). Two additional interviews were conducted with two investment agencies located in Turkey.

SOME EARLY FINDINGS

In line with literature, we observed that the Turkish MNCs mainly started their inter-nationalization attempts by taking somewhat less risky and smaller steps, such as first getting to know a new market by way of exporting, and maybe working with an agent or a distributor within the next couple of years. This slow expansion starts within the neighbouring countries, mainly due to logistic costs and less cultural barriers to overcome.

However, as a result of case studies, five somewhat different marketing related factors affecting the Turkish MNCs in their OFDI were identified. These were:

1. Quick Branding Efforts:

Since Turkish MNCs started their internationalization process much later than developed country MNCs, they were naturally the late comers in this arena. They had less time to internationalize. Therefore they rushed in to "buy time". First of all, they could not rely on the value of their own brands, given that globally renowned and recognized Turkish brands were only a handful. However creating a brand from scratch was no easy task. It was both costly and timely. Therefore the only way out is to buy well-known brands from developed countries. In this way, Turkish MNCs would inherit the positive brand image, together with technology, innovation and design all at the same time and they would get these almost instantly in a single package. So even if Turkish MNCs might have joined the game later than others, buying such strong brands allowed them to catch up in the EU and other developed countries.

2. Technology, Innovation and Design Efforts:

The same remarks could also easily be applied to innovation efforts. It takes considerable time, energy, money to carry out successful innovation. But if companies follow where the innovation is, acquiring it where necessary, then these new breed of MNCs can actually buy time versus developed country MNCs and start building up their new innovation efforts where the developed MNCs have left off.

Being innovative and using the latest technologies through FDI in EU markets also facilitates new product development activities for the company. Together with the accelerating new product developments and having international brands in the product portfolio, these companies have more balanced and competing product mixes through FDI activities by acquiring brands and plants in the EU.

3. Increasing Company/Brand Image through 'Manufacturing Country of Origin'

Since Turkey is an EU candidate country, having production sites located in EU countries enable Turkish MNCs to enjoy the benefits of a member country. Therefore in our interviews, we observed Turkish MNCs acquiring companies in new member countries or even non-member countries which are likely to become members in the near future. Although this factor could be seen as a direct production related factor, it also had close ties to marketing. Because once production was established in the EU, the country of origin started to matter less for the EU consumers. Therefore Turkish MNCs producing in an EU country would also use this fact in terms of their marketing and branding efforts. At least the product labels would start reading "made in the EU".

4. Effective Communication (Turkish Pop Music and TV Series)

Especially after 2000, Turkish pop music started to become known more internationally. Similarly Turkish cinema films and Turkish TV series started to become very popular in Europe, especially in the Balkans, the Middle East and the CIS with the expansion of internet and satellite TV. With the help of cultural proliferation, Turkish heritage was transmitted to these countries, with whom Turkey has historical ties, going back for centuries. In addition people from Turkish origin living in Europe also constituted an important target group for the Turkish music, cinema and the TV series.

5. Niche Marketing: Turkish Population in Europe

Since there are nearly five million people living in EU countries from Turkish origin (Turkish nationals and the EU nationals with Turkish roots), they constitute a considerable target group for any company. However, for Turkish MNCs, it is especially vital not to overlook their special needs. Although some of them were born in the EU, being second or even third generation of immigrants, they did not let go of their Turkish roots. Therefore this potential target group was mentioned as an important attraction for Turkish MNCs going into Europe, leading them to tap into this target group's needs while addressing their marketing activities.

CONCLUSION

The qualitative analysis of Turkish MNCs investing in the EU gave important insights about the OFDI motives in general, marketing strategy related motives in particular, and the way they internationalized. Turkish MNCs' OFDI experiences were predominantly through acquisition of some well-known EU MNCs. This way, almost all interviewed companies were able to access tangible as well as intangible assets by buying not only a single asset but also an entire knowledge system under a unified control.

Undoubtedly, the most important asset for the companies is the possession of well-known, prestigious, clearly positioned international brands in order to compete successfully in world markets. Especially for some Turkish MNCs investing in Western European markets, having established and successful international brands enhanced the company's image positively. It was the most important strategic asset for these companies in order to access higher value-added markets and to catch up with global market leaders.

Turkish MNCs investing in Eastern European countries within the EU preferred to take the advantage of growing markets and seemed to act with cost cutting intentions. However, a closer look at these MNCs' intentions indicated that the cost efficiency was only the tip of the iceberg. The big hidden chunk was related to the aim of managing brands more effectively by taking advantage of "manufacturing country of origin" and improving EU customers' perceptions and attitudes.

On the other hand, the Turkish MNCs' OFDI experience, as reported in our study, showed the importance of satisfying the unmet needs of a specific sub-culture by implementing niche marketing strategies more effectively by employing different communication strategies and with the help of cultural proliferation.

All of these findings supported the importance of marketing related factors for Turkish MNCs with business interests in the EU, highlighting that marketing related factors need to be researched separately. Those companies were interested in OFDI activities for not only securing assets such as advanced technology, design know-how, high value brands in order to complement their existing advantages in international markets, but also achieving marketing related objectives more effectively, thus accelerating their involvement in international business as potentially dominant actors in the world economy. ®

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How to Develop Case Studies in Collaboration with Companies?

by Sylvie Hertrich, University of Strasbourg and Ulrike Mayrhofer, University Lyon 3, France

The French Chamber of Commerce and Industry has awarded the "Top Case Study Prize in Marketing" and the "Top Case Study Prize in Strategy" to Sylvie Hertrich and Ulrike Mayrhofer and the "Top Author Prize" to Ulrike Mayrhofer. These three prestigious awards are given to authors whose case studies are used by an important number of business schools and universities. The case-studies (available in English and in French) have been published at the Centrale de Cas et de Médias Pédagogiques, CCMP, see http://www.ccmp.fr).

Sylvie Hertrich and Ulrike Mayrhofer

INTRODUCTION

The development of case studies with companies is a very challenging yet interesting activity. Over the past ten years, we have written case studies in close cooperation with international companies from different industries, e.g. Adidas, Audi, Club Méditerranée, Danone, Hilton Group, Lustucru (Panzani Group) and PSA Peugeot Citroën. The topics cover the fields of international management, marketing and strategy.

HOW TO SELECT COMPANIES?

Concerning the selection of companies, we attempt to identify companies that have an original approach concerning the topic analysed and that are highly appreciated by students. For instance, the German company Audi is currently the most appreciated automobile brand in the French market. As such, we are currently working with the company on the marketing plan of the Audi A1 model which addresses the new market segment of urban cars. The contact is either established by ourselves or by the business school and/or university we work for and which have established important relationships with companies. We attempt to contact a manager at a high hierarchical level, e.g. the general manager, which usually facilitates the collaboration with the company. For example, for the case study we developed on a new marketing concept (with Christopher Melin, a colleague from IAE Lyon), the Lunch Box launched by Lustucru, we met the general manager of the French Panzani group (which owns the Lustucru brand) through IAE Lyon, University Lyon 3. The general manager suggested the topic of the case study and then facilitated the contact with the general manager of the Lustucru brand and the marketing team in charge of the Lunch Box concept.

HOW TO WORK WITH COMPANIES?

The first step is usually to collect secondary data on the company we are working with (e.g. annual reports, documents available on the website of the company, articles published in the business press, etc.) in order to become familiar with the context and to identify one or more topics that we could develop. The analysis of the collected data allows us to prepare the first interview with the company. During this interview, we explain how we would like to collaborate for the case study and we make some suggestions about the topic we could develop. Sometimes, the company makes a proposal for the topic. We then ask for internal data about the project and determine the teams we can collaborate with and interview for the case study. This first interview is usually followed by several meetings with the teams involved in the project we are working on. In general, we integrate parts of the conducted interviews in the case study. If the company agrees, we also make a filmed interview with one of the managers and the film then becomes part of the case study. For example, for the case study we developed in collaboration with the French Danone group (with Michel Kalika, a colleague from Paris Dauphine University), we prepared a film with a member of the executive committee of the group. The interview, which lasts about an hour, provides additional information and emphasises key managerial issues faced by Danone. After the collection of primary and secondary data, we start writing the case study. Before we publish the case study, we send it to the company for approval. Companies receive the final version of the case study and can use it for internal training purposes.

WHAT IS A GOOD CASE STUDY?

We believe that a good case study should explain business reality and allow the students to apply concepts they learn about in their classes. Our background allows us to meet these two requirements: Sylvie Hertrich has an important business experience, namely as director of a communication agency in Germany, Ulrike Mayrhofer has an academic background, more specifically as an author of textbooks in international business, marketing and strategy. Both of us have a teaching experience of more than fifteen years. Our case studies usually include three documents: (1) the case study for the students, (2) the solution of the case study which corresponds to the solution adopted by the company and (3) the teaching note which explains how to use the case study in class. Before publishing the case study, we test the case study with two different groups of students. This allows us to make adjustments concerning the contents, especially with regard to the knowledge of students.

WHERE TO PUBLISH CASE-STUDIES?

Most of the case studies we develop with companies are published at the French case study clearing house, the "Centrale de Cas et de Médias Pédagogiques" (CCMP), which is part of the Chamber of Commerce and Industry of Paris. We also regularly contribute to textbooks which include case studies, e.g. a case-study on the European marketing policy of Adidas, published in the text book "International Marketing", written by Pervez Ghauri and Philip Cateora (2010). We have also published a book with marketing case studies entitled "Cas en Marketing" (2008) which covers 12 case studies written by experienced scholars and marketing specialists.

CAN THE DATA COLLECTED FOR CASE STUDIES BE USED FOR RESEARCH?

If the topic chosen for the case study and the data collected for the case study are particularly relevant, it is possible to take the case study as a basis for research, especially for publications in managerial journals. For instance, when we prepared case studies with Audi and Club Méditerranée, we had the possibility to conduct several interviews with top managers. Concerning Audi, we published an interview with the General Manager of Audi France in a special issue on international marketing of the French journal "Décisions Marketing". An interview conducted with the Chief Executive Officer of Club Méditerrannée will soon be published in a special issue on tourism in the same journal. ®

Fifty Years of International Business: A (Very) Personal Perspective

by Danny Van Den Bulcke, University of Antwerp, Belgium

INTRODUCTION

I want to start my speech by expressing my gratitude to the University of Bucharest, especially the Faculty of Administration and Business for honouring me with this degree of 'Professor Cum Laude of the University of Bucharest'.

When I was told that I was expected to deliver a speech I was somewhat hesitant about the topic I should choose. My first thought was to address issues I have recently been working on namely the enormous expansion of foreign direct investment (FDI) to and from the emerging and transition economies (to which Romania definitely belongs) more in particular the so-called BRIC countries among which China is a key player. But then I realized that it might be more relevant to look back at the development of the discipline of 'International Business' (IB) and link this to different stages in my career. I hesitated to deal with this topic because it might give the impression that I was claiming a dominant role in the development of IB as a discipline. Anyway, to make sure that you do not get the impression that I am behaving like an arrogant academic (given that I just became an honorary professor at your university) I will at the same time highlight some of my missed opportunities, or failures and blunders, if you like.

THE BIRTH OF INTERNATIONAL BUSINESS

Fifty years ago, at the end of June 1961, I obtained the degree of 'licentiate in economics' at Ghent University in Belgium; today this degree would be called an M.A. During the four years of study that preceded this outcome, I had never heard of the 'Multinational Enterprise' (MNE) and in the lectures of the course 'International Economics', FDI was barely touched upon. It was explained as flows of capital based on differences in the remuneration of capital among countries. This meant that capital would flow to the regions/countries in the world where it was relatively scarce and consequently profits and interest rates were relatively high. In fact this interpretation for portfolio or indirect international investment was also applied to FDI. This view would have been correct, if equity capital would indeed have been flowing from the richer developed countries to the developing countries with relatively high labour intensity and low capital intensity. In reality most FDI took place among the developed countries and the direct investment in developing countries was mainly of a resource seeking nature.

After finishing my studies and my (then still compulsory) military service I spent six months in Canada as the winner of the 'Prize of the Minister of Foreign Trade'. I carried out a study on the significance of the Canadian economy for Belgium and what then was called the European Economic Community (EEC). By the way, the Treaty of Rome, signed in March 1958 did not mention FDI and the MNE either. It would take another 15 years until the importance of this phenomenon would be recognized by the introduction of a whole package of proposed measures by the European Commission in 1973, most of which were not approved.

While I was stationed in Euskirchen, Germany, as a soldier, I received an invitation from Professor Vlerick to work at Ghent University as a scientific collaborator. At that time I did not really envisage an academic career but accepted the offer because I thought that it was a good place to look for 'a more serious job'… However, after a while I got a taste (or was it a virus?) for academic research.

After one year Professor Vlerick (his name is now the billboard or brand of the 'Vlerick Ghent Leuven Management School', which became one of the top European business schools) offered me the possibility to study for an academic year at the University of Indiana in the U.S. However, I refused, because the condition was that I had to sign a contract in which I promised to come back to the university after the scholarship and remain there for another three years.

If I would have accepted this offer I would have been at the place where in a certain way International Business as a discipline was started. Both the American Professor Stefan Robock and his Japanese colleague Norataki Kobayashi were at Bloomington, Indiana in 1965. I found that out when I was a member of a panel at a conference of the Academy of International Business about the origins of IB in the Triad economy in Stockholm in 2004. This missed 'rendezvous' with IB-history clearly was my first major blunder in my young career. To be at the right place at the right time is important, also in academia.

Instead of going to Indiana University, I applied for and obtained a scholarship from the Canada Council to study at the University of Toronto. During the academic year 1965-1966 that I spent there, FDI, more particularly American direct investment and its effects on the Canadian economy as the host country was the central issue in the elections between the Liberal Party with Lester Pearson at the helm and the Conservatives with John Diefenbaker, the incumbent prime minister. I followed the discussions during this political campaign very closely and soon realized that Belgium was confronted with the same challenges as Canada. After my return home –and after having obtained a M.A degree in international economics- I wanted to investigate these FDI issues in the Belgian context. The Belgian Productivity Office (an offspring of the Marshall Plan) agreed to sponsor this research in 1968.

Although I had missed an historic opportunity in Indiana to work with some of the founding fathers of IB, via Canada I arrived more or less at the same point of departure admittedly after a serious detour and delay. Also I went back to Professor Vlerick's research centre and continued to work there for no less than 16 years… although I also started working for the University of Hasselt.

COUNTRY-SPECIFIC STUDIES

The outcome of my first major research topic resulted in a voluminous book of about 400 pages full of tables about 'Foreign Enterprise in the Belgian Industry' that was published in 1971. Regretfully this came out in Dutch and French which meant that it had little effect outside of Belgium. Yet, later on it was recognized by John Dunning as one of the major host country studies about the significance and the impact of FDI, following his pioneering and trendsetting study of 1958 about 'American Investment in the British Manufacturing Industry'. Both studies fitted into the first major stage in IB research in which country studies were the dominant approach and the focus was on Country Specific Advantages (CSAs) as illustrated e.g. by Raymond Vernon in his product life cycle analysis from 1966.

Strangely enough until the beginning of the 1970s the term 'Multinational Enterprise' (MNE) was not really used, although these firms had been active in many countries for quite a long time. Even Servan Schreiber's bestseller 'Le défi américan' (1966) did not refer to MNEs. Although Stephen Hymer had already shown in 1960 that the application of the portfolio investment theory (also known as the classic theory) was not relevant (anymore) to explain FDI and showed that 'Firm Specific Advantages' (FSAs) were needed to understand the motives for companies to venture abroad via direct investment, it would take many years before his insights were incorporated in FDI theory and the MNE would become the central unit of analysis in the second stage of IB as a discipline. FSAs were needed to offset the disadvantages or liability of foreignness (Zaheer 1995). It was only at the beginning of the 1970s that MNEs would become a ‘household name’ because of the incidents such as ITT in Chile and AKZO in Europe which exposed certain MNEs as abusing their economic power either for political purposes or the negative social consequences of their sudden massive disinvestments. These, and a few other such events, started an international regulation process in which the United Nations, the OECD, the ILO, the EEC/EU and other international organizations attempted to influence and to restrict the activities of MNEs by guidelines and moral codes of conduct. Multinationals were negatively perceived especially by developing countries. This resulted in interventions by national governments such as screening procedures, limitations in the degree of ownership and measures to orient their activities towards, for instance, domestic research, higher exports and local sourcing.

For the second time, I clearly missed an opportunity to become famous (at least in Belgium) because I did not use the term MNE in the title of my 1971 book I mentioned before. Only one year later Professor Albert Coppé from the University of Leuven (who also was EEC-commissioner) published a small booklet of about 120 pages, with the title ‘The Multinational Enterprise’ in which he made very extensive use of the data I had put forward. He cited it appropriately –who reads the footnotes?-, but his book became a bestseller, while mine was only read by some diehard specialists. Three years later I published ‘The Multinational Enterprise: A Typological Approach’ which was my Ph.D. thesis. I rightly regarded it as an academic consolation, although again it was written in Dutch because that was what the university in those days expected its Ph.D. students to do.

FIRM-SPECIFIC STUDIES

During the 1970s IB research was dominated by economists who had been more interested in CSA and paid little or no attention to the internal managerial and organizational dynamics of the MNE. Afterwards management and strategy scholars took over. This resulted in a better understanding of the role of the subsidiaries in the multinational group and a recombination of home and host CSAs and FSAs. Yet it was also during the 1970s that the internalization theory was developed by Buckley and Casson (1976) based on the transaction cost analysis of Reginald Coase (1937), and that John Dunning (1977) launched the ‘eclectic paradigm’ based on three dimensions or pillars: ownership advantages, location advantages and internalization advantages, also known as the OLI-paradigm.

The eclectic paradigm attempts to integrate country and firm level interactions across international borders. Yet, although it does not fully succeed in capturing the complexity of the decisions to venture abroad via exports, or strategic alliances or direct investment, it is generally considered to be the most complete ‘theory’. While many MNEs evolved from resource seekers to market seekers and efficiency seekers, entered into non-equity strategic alliances and changed their hierarchical structure into heterarchical or network structures; in subsequent contributions Dunning tried to show that the OLI paradigm was able to incorporate the ever changing or morphing forms of the MNE. And yet, his former collaborator and successor at the University of Reading, Rajneesh Narula (2010), is not convinced that all these additions to the paradigm are useful. According to him the paradigm does not need to be a ‘big tent’ that envelops the different forms in which MNEs operate. He wants –to use Narula’s own words-, ‘to keep the eclectic paradigm simple’ and therefore favours what he teasingly calls the ‘EP-Lite’.

PROCESS STUDIES

The third stage of IB contributions is based on the network structure used by some global MNEs or transnationals, in which the subsidiaries would receive a lot of decision making authority and sometimes a ‘world product mandate’. In such organizational structures subsidiary managers got the right of initiative which was not available in the more centralized ethnocentric and global MNEs. The 1989 book by Bartlett and Ghoshal ‘Managing Abroad: The Transnational Solution’ offers the best description of the necessity for MNEs to combine the characteristics of local responsiveness, worldwide learning and global integration to achieve sustainable growth as developed earlier on by Prahalad and Doz. Yet few MNEs have succeeded in achieving such fully fledged transnationalization based on a matrix structure and the global mind-set of its managers.

An important theoretical development that also goes back to the middle of the 1970s is the so-called internationalization model, also known as the Uppsala or Scandinavian model, in which companies follow a gradual process of venturing abroad first to neighbouring countries and later on to faraway regions in the world based on the acquisition of knowledge about foreign markets to deal with ‘psychic distance’. Professors Ludo Cuyvers and Filip De Beule (2005) who edited a book in my honour at the time of my official retirement thought that my own career had also developed along the lines of the Scandinavian model as my academic studies started from a local or national perspective and gradually moved into research and teaching activities abroad. They gave the book ‘Transnational Corporations and Economic Development’ the subtitle ‘From internationalization to globalization’. As my interests shifted from Belgium to the EEC/EU countries during the 1970s and 1980s and later on to Asia, especially the ASEAN countries and China in the 1990s, I followed up on many emerging issues linked to the multinationalization of the national economies and the world economic system, such as e.g. disinvestment, regulation, employment effects, restructuring, regional headquarters, globalization, clusters, and China.

INTERNATIONAL BUSINESS STUDIES

When I became emeritus professor in 2004 and even at the time when the aforementioned ‘Festschrift’ came out, I felt disappointed because I thought that I had not really been able to finish my career the way I had hoped. I have always been very interested in the enormous economic challenges that confront the developing countries. At the same time I was also convinced that enterprise activities and entrepreneurship were crucial components –but not the only ones- for the development of countries. When I became a Professor at and later President of the Institute of Development Policy and Management of the University of Antwerp, I introduced a new degree an M.A. in Global Management and Development and concentrated my research and teaching more on the development of the Asian economies with special attention to China and India. The M.A. in Global Management was later moved to the Antwerp Management School, where it became the most successful program.

The short time span allotted to me for this address does not allow me to go into more detail about other aspects of IB history. I may have given the impression that IB as an interdisciplinary field of research only had a short lifespan. However, going back to my student years half a century ago, subjects such as finance, accounting, marketing, business administration, etc. did not exist as separate subjects in the curriculum either. Today these topics have evolved into separate bachelor and master degrees. It is somewhat strange that the subject of IB came into existence in North America and not in Europe. Yet, in the ‘hautes écoles’ or polytechnics (which later became integrated within the universities) that existed in many European countries –also in Central and Eastern Europe– there were courses on exporting.

Exports were much more important in Europe than e.g. in the US where in the 1960s exports represented barely five per cent of GDP. This was ten times less than in many European countries. The 'birth' of IB as a separate discipline is very much related to the expansion of the American companies via direct investment in Canada and Western Europe. European universities and polytechnics were slow in integrating the courses about exporting into International Business courses. This is also why the 'Academy of International Business' came into existence much earlier than the European International Business Academy (EIBA).

EMERGING ECONOMIES

As former chairman of EIBA I am particularly happy that in December EIBA will meet here in Bucharest for its 37th annual conference. It will only be the third time that this academic organization will have its annual meeting in East and Central Europe, i.e. after Warsaw in 1994 and Ljubljana in 2004. And to add to my list of blunders I have to admit that I very much neglected your part of the world. But maybe I should not be too harsh on myself and call it an 'omission' rather than a failure or a blunder. More importantly I will try to make up for it. Actually I already did. Last year –twenty five years after I started the Doctoral Tutorial in IB as part of the EIBA events–, I launched the Doctoral Think Tank for Ph.D. students who work on emerging and transition economies as part of a program sponsored by COST and is related to the European Science Foundation.

Perhaps my excuse for having neglected East and Central Europe (with the exception of a study on East-West Joint Ventures in the Transformation process on behalf of the EU in 1997) is that very early on I got interested in another transition economy, namely China. The development of both inward and outward direct investment in and from China brought on special challenges to IB theory. While the expansion of joint ventures as an organizational form and mode of entry in the country and its institutional set-up of the government necessitated adaptations of the eclectic paradigm, the growth of Chinese direct investment in developed countries challenged even more the EP-Lite formulation which mainly deals with the motives of FDI. It has now been realized that a basic motive for Chinese outward FDI intends to acquire FSAs rather than using them as an ownership advantage to go abroad. In 1995 together with my Chinese colleague Haiyan Zhang, I wrote one of the very first papers about Chinese OFDI in which we stressed the role of the Chinese government and the State-Owned Enterprises. It was published as a chapter in a book edited by John Child, a well-known China expert. Maybe the paper is a victim of its non-digitalization as it is not accessible via the internet. John Child used our chapter extensively –with all the necessary citations– ten years later in a paper that has become very influential. I have to admit that the Child-Rodriguez paper has a lot of added value. So the intellectual satisfaction remains the same. Also together with my colleagues we have reconnected with the topic as many of our recent publications show. Maybe it was another of my blunders or mistakes to have abandoned this line of research too early because of the original lack of interest it received.

CONCLUSION

Do I regret these blunders or failures of the past? No, not really. To a certain extent I have been able to contribute to the development of IB mainly through policy oriented empirical studies and also by teaching IB oriented courses and organizing doctoral tutorials in IB in many parts of the world. I hope I have planted IB seeds in the minds of many colleagues and students and that this has allowed them to increase their insights in the strategies of the MNEs and hopefully resulted in practical business achievements and/or improved negotiating skills for the benefit of the inhabitants in home and host countries, including those at the base of the pyramid (Prahalad and Hart, 2002).

Buckley and De Beule (2005) concluded their survey of IB, the last chapter in the Festschrift mentioned before: 'The concern now is that the IB research community may be an importer of concepts, techniques and results and only a minor exporter'. To ensure its survival as an academic discipline IB as an interdisciplinary domain must engage in more policy oriented research focusing on the evolving strategies of the MNE and their social and development effects.

If after this academic 'confession' you think that I want to return the award of 'Honorary Professor of the University of Bucharest' I will have to disappoint you. I am proud and grateful for the honour you have bestowed on me and I hope to be able to contribute to the outstanding academic reputation of the University of Bucharest in the coming years. ®

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The Nationality of Multinational Enterprises

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INTRODUCTION

Multinational Enterprises (MNEs) extend the economic reach of their home country over and above that attained by conventional trade and other international transactions. Their activities lower the barriers separating countries from their foreign sources of supply and their international markets, thus enabling them to increase the benefits they derive from the international division of labor, from economies of scale and from income generated by other resources associated with their comparative advantage. The MNEs, in turn, are able, as specified in Dunning's eclectic or OLI paradigm, to exploit the benefits inherent in their possession of firm specific ownership advantages, by combining them with the location advantage represented by the host countries' immobile resources, to which they gain access through engagement in foreign direct investment (Dunning, 2001).

The economic interests of the home country and of the MNEs do not necessarily coincide, however. Some of the MNEs' location decisions, their employment, procurement, financial, and environmental policies may conflict with the interests of the home country. Moreover, the home country is often unable to impose its policies on its MNEs in the same way and to the same extent that it influences the decisions and policies of purely domestic enterprises.

MNEs also constrain the freedom of host governments to act in accordance with what they regard the country's interests. The constraint is highlighted by the ability of the MNEs to move out of the country or to refrain from moving in, if they find the policies of the local government unacceptable. It is the nature of the relationship between the MNEs and their home countries, their common and conflicting interests and their public policy implications which are the focus of this paper. Much of what can be said about the relationship between the MNEs and the home countries applies to the host countries as well. We chose, however, to focus on the home country since it highlights the issue of MNE nationality, a subject comparatively neglected in the international business literature.

COMMON AND CONFLICTING INTERESTS OF MNES AND THE HOME COUNTRY

Home countries and their MNEs share an interest in the extension of the economic reach facilitated by the cross-border activities undertaken by MNEs. Extension of economic reach is of particular significance to small home countries. Two examples illustrate this point: Finland's Nokia and Israel's Teva. Headquartered in Espoo, Finland, Nokia had sales of $42 billion in 2009, 132,000 employees, 16 R&D centers, and nine manufacturing plants in Finland, Brazil, Romania, Hungary, India, Mexico, South Korea and China. With global sales of $13.9 billion in 2009, Teva owned 22 production sites worldwide, seven in Israel, 11 in North America and four in Europe. R&D was similarly distributed around the world. Of 16 R&D sites, six were in Israel, eight in the US and Canada and two in Europe.

The economic benefits which MNEs such as and Nokia and Teva bring to their home countries are self-evident. The two countries' resources are not large enough to sustain home-based operations on a scale needed to lead global industries. It is the ability of Nokia and Teva to engage in FDI, to acquire and manage affiliates in the US, Europe, Asia, Latin America etc., their ability to integrate the affiliates they acquire and to transform them into cohesive unified organizations, which makes it possible for these companies to achieve the leadership positions they have attained. Thanks to Nokia, Finland has become the home economy of the global leader of the mobile telecommunications industry. Thanks to Teva, Israel is the home country of a global leader in generic pharmaceutical products.

Extension of economic reach is an objective which the home country and its MNEs share, even though their overall objectives do not necessarily coincide. Economic theory suggests that the home country's objective is to maximize the value added accruing to its citizens. Value added includes domestic sales plus exports originating in the MNE's domestic operations, less the value of its imports. The purchases by the MNE of material supplies and services from unaffiliated suppliers in the home country (minus the value of their imports) also contributes to the value added it generates. To this should be added the portion of the global profits transferred to the home country and shared with the government in the form of taxes. These profits are likely to be augmented by the rents generated by the MNE's ability to combine its ownership advantage with the location advantage of the countries where it chooses to locate its foreign operations.

Note that the common interest of the home country does not necessarily extend to the welfare of the suppliers of financial resources. Finance required by the MNE need not come from home country investors or financial institutions. When equity capital is raised abroad there may be a conflict of interest between the home country, which, as noted above, seeks to maximize the value added accruing to domestic stakeholders, and the MNE, which seeks to maximize the market value accruing to its owners who may be domiciled abroad.

Additional conflicting interests may occur in cases involving location: location of new business lines, relocation of existing ones, their sale to foreign businesses, or their discontinuation. When an MNE considers locating a new business line abroad, its decision will normally be based on efficiency or other business considerations. When a new business line is located abroad, the home country will not benefit from the additional value added generated by the MNE's expenditures on new production facilities, and from the new employment opportunities which are thus created. The MNE will prefer foreign locations provided they are expected to yield higher profits, even in those cases where a home country operation is potentially profitable.

A more obvious case of conflicting interests occurs when the decision to locate abroad concerns an existing business line. In this case the losses are real and therefore felt more keenly. Employees lose their jobs, machines are left idle and factories are closed down. There is no basic conflict of interest between the MNE and the home country when the relocation is due to inefficiency of the home country's operation, and its inability to compete. However, when the decision to relocate is triggered by the desire to increase the rents accruing to the MNE's controlling stakeholders, the conflict of interest is more pronounced. Since it is difficult to determine the real reasons behind the decision to relocate a business line abroad, such decisions inevitably produce negative feelings towards the MNEs.

The mere ability of MNEs to move value-adding facilities between foreign and domestic locations constitutes a constraint on the home country's government's freedom of action. Fiscal, monetary, labor, environmental, anti-trust and other policies affecting the business sector are all constrained by the implicit threat posed by the business sector in general, and the MNE sub-sector in particular, to relocate abroad or refrain from locating in the home country, if the policies in question conflict with their interests. The same reasoning applies of course to the implicit threat posed by foreign MNEs and to the limitations on sovereignty represented by their presence in general.

The question to be considered next is whether home country MNEs are more likely or less likely than foreign MNEs to locate value activities in the home country and to transfer value activities to foreign locations. We contend that, ceteris paribus, home country MNEs are less likely than foreign MNEs to locate value activities abroad or more generally, that MNEs will give precedence to home-country locations. To explain this preference we introduce the concept of distance penalty.

THE DISTANCE PENALTY FRAMEWORK AND THE DETERMINATION OF THE MNE'S HOME COUNTRY

Distance penalty (DP) is incurred whenever transactions are conducted across national borders. They are costs generated by the existence of systematic differences in the characteristics of the process of engaging in domestic and foreign business interactions. Man-made trade barriers such as import duties and safety regulations constitute obvious examples of DP. They are augmented by the need of organizations seeking to engage in international transactions, to employ more than a single language, to use multiple currencies and credit mechanisms, to comply with duplicate health and safety regulations, and to conform to the prescriptions of different legal, social and institutional systems. The components of the DP variously labelled as "cost of doing business abroad" and "liability of foreignness" have been amply described and analysed in the IB literature.

DP constitutes a barrier to the establishment of cross-border affiliates, hampers, and possibly even prevents the international diffusion of the functions of corporate head office, and reinforces the role of the home country as the location where the major strategic decisions are being shaped, formulated, and eventually decided upon. The tremendous advances of recent decades in transportation, information technology, data analysis and data transfer have reduced the costs of international interactions dramatically, but have not eliminated the cultural and institutional components of international distance and their associated cost penalties altogether.

Owing to the DP the process involving the making of major strategic decisions continues to depend on effective personal communications and understanding, the development of which requires team work and consequent co-location of the decision makers. In the end, there is no substitute for face-to-face exchange of ideas and inter-personal trust built up through the experience of recurring personal interactions between members of the management team which formulates the MNE's strategic decisions. Decisions on entry into new businesses, development of new products, abandonment of existing business lines, cross-border relocation of business units, mergers and acquisitions, creation or termination of major alliances, are all examples of strategic decisions which are likely to require the co-location of the decision makers. Such decisions are not amenable to the development of codifiable routines and they cannot be pre-programmed.

The decision locus is where these issues are considered, formulated and eventually decided upon. We use the term home country to denote the location where this process takes place, and distinguish it from host country or countries where operating and other facilities, controlled by the MNE, are located. The home country should not be confused with the country where the MNE's head office is registered, where the majority of its shareholders reside, or where major production facilities are located. Nationality of MNEs is an informal concept. Nationality is where major strategic decisions are made. The empirical validity of the concept is derived from the distance penalty which implies that, to be effective, major strategic decisions must be taken by a team whose members are located in a single country. As asserted by Jones and Abrahams (2006): "Today, technological advances may permit different parts of the value chain to operate in different places, companies may hold portfolios of brands with different national heritages, and leaders, shareholders, and customers may be dispersed. Still, the nationality of a firm is rarely ambiguous. It usually has a major influence on corporate strategy, and it seems to be growing in political importance."

On the basis of the DP framework outlined in the last section we offer a number of propositions regarding the way DP affects the position of home country value activities relative to their foreign-based counterparts:

1. The home country will benefit from de facto "first refusal" rights, when the company considers entry into new markets, new products or new business areas.

2. When considering closure or transfer of production lines or discontinuation of existing products, home country interests will be given added attention.

3. The claims of home country executives on top management attention, on financial and on other scarce resources will be considered before the claims of managers located abroad.

These propositions do not assume a deliberate policy of favouring home country interests by top management. They are derived from the logic of the DP framework, which asserts that the penalty associated with overcoming distance and coping with the risks associated with distance *within* countries is less onerous than the penalty of overcoming distances *between* countries. They illustrate the economic logic of the term MNE nationality which is associated with a specific country, i.e. the home country.

CHANGING MNE NATIONALITY

The implications of MNE nationality are perhaps best illustrated when considering the economic consequences for the home country of a decision, by the MNE, to change its nationality, i.e. to move the locus of strategic decision making to a new location. Decisions on transferring product lines to new locations, selling existing businesses, engaging in mergers and acquisition, are all going to be made by a senior management team based in the new home country. The relatively low level of the DP affecting interactions with the new home country will inevitably steer some location decisions, including those involving new products, away from the old home country. Over a period of 10 or 20 years these decisions will cumulatively change the balance of economic benefits in the direction of the new home country.

This expectation is illustrated by an observation made by The Economist (2011) about recent developments in Nokia, the world's leading supplier of mobile telephones, discussed earlier. Noting that Nokia has been troubled by declining growth rates and market share The Economist (2011) wrote: "There has even been talk that Mr. Elop, the Finnish firm's first American chief executive, will fire senior managers and move the firm's headquarters to Silicon Valley." The paper went on to say that: "This would be an astonishing upheaval for what was one of Europe's hottest firms."

As indicated, the home country is where major strategic decisions affecting the development of new products, location of new business lines and the relocation or discontinuation of existing ones, are made. It is where the senior management team of the MNE is located. A change of the MNE's nationality occurs when strategic decision making is moved to another country which implies that the senior management team is either re-located or replaced. Such a change is likely, over time, to affect the MNE's location strategy. One of its expected long run consequences is that MNEs will tend to move a growing proportion of the value activities, especially those involving new products and processes, to the new home country. It follows that a change in nationality of MNEs is likely to adversely affect the economic welfare of the former home country. Its economic interest is to increase the number of home-based MNEs, to encourage foreign MNEs to become, in some sense, nationals, and to dissuade local MNEs from changing their nationality.

These policy implications are not trivial, bearing in mind the inevitable conflict of interests between the home country and the MNEs in general and the limitation that their presence imposes on the home (as well as host) countries' sovereignty, that is, their freedom to pursue economic and social policies regarded as beneficial by their governments. It is hardly surprising that until recently, the idea of promoting outgoing multinational activity was generally frowned upon, especially in developing countries, where local MNEs have been looked upon as exporters of scarce capital, technologies, jobs and managerial capabilities.

The debate about the costs and benefits of MNEs' value activities is not new and is unlikely to be conclusively resolved in the near future. It is interesting to note though that John Maynard Keynes, who was highly critical of British exports of financial capital after World War I, had a very different view of the net benefits generated by British multinational activities: "The hazarding of capital resources in foreign parts for trading, mining and exploitation is an immemorial practice, which has generally proved of immense benefit to nations with the courage, the temperament, and the wealth to follow it. For the English and the Scots it has been, beyond doubt, the foundation of their national fortunes. The risks are recognized to be great, but the profits are proportionate. Nothing that I shall say here must be interpreted as casting a doubt upon the national advantage of investments of this kind". Keynes expressed these views in 1924, when Britain ruled supreme over a large part of the world. Their validity remains intact nearly 90 years later. ®

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Entrepreneurship in the Global Firm

This is volume 6 of the Progress in International Business Research series, edited by Alain Verbeke, Ana Teresa Tavares-Lehmann, and Rob Van Tulder.

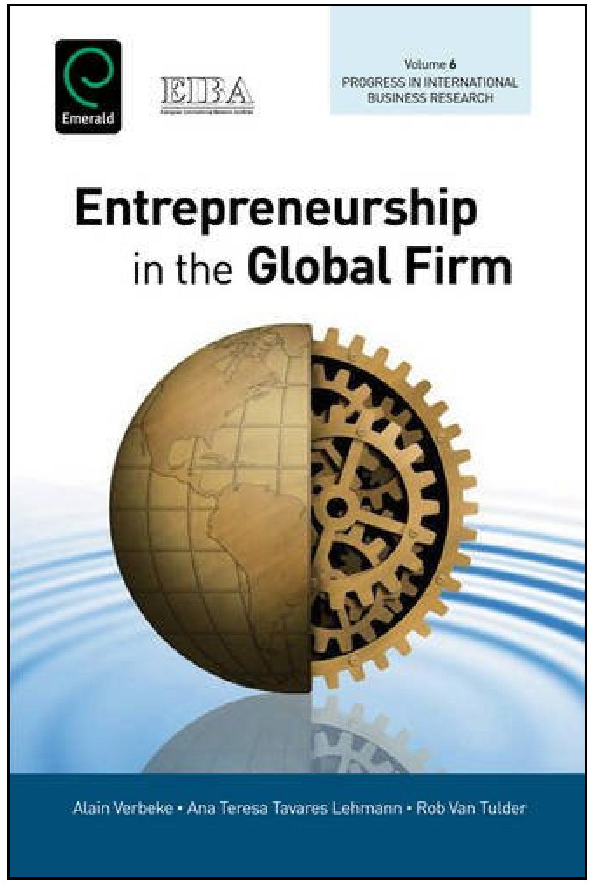
The latest book in the PIBR series focuses on entrepreneurship in international business. The scholarly attention devoted to entrepreneurship in the IB literature has been relatively modest to date. Most of the 'mainstream' literature on entrepreneurship in management studies has focused on issues such as the determinants of entrepreneurial behaviour and the characteristics of individual entrepreneurs, thereby only occasionally addressing the international context in which entrepreneurial ventures may develop, and the ways in which this international context influences entrepreneurial decision making.

This 15-chapter volume provides the latest research insights from the international business field on entrepreneurship in the global firm.

As entrepreneurship in IB represents a research area of rapidly growing importance, this book contributes to the analysis of entrepreneurship in IB studies by addressing the three critical themes, presented in separate sections of the volume.

The first section addresses entrepreneurship challenges in smaller, internationalizing companies. The second section analyses a variety of entrepreneurship problems in large, established multinational enterprises, with a focus on subsidiary entrepreneurial initiatives. The third section discusses entrepreneurial activity impacts, both within the firm and in the broader external networks and clusters within which the multinational enterprise is embedded.

This collection provides a unique, comprehensive perspective on the wide variety of conceptual and managerial issues that arise as a result of entrepreneurial action in firms operating in the global economy. It is a must-read for scholars and managers alike, who face the need for continuous change in dynamic international business environments.



The editors also express their hope that the chapters included in this research volume may contribute substantially to future research on entrepreneurship in IB studies. Many other researchers can benefit substantially from taking on board the novel ideas and creative methodological approaches found here.

What the scholarly field of international entrepreneurship needs most is academic entrepreneurship in this area, with due attention devoted to knowledge internationalization and knowledge diffusion. ®

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 a pre-conference activity, Doctoral Tutorials 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, the EIBA Fellows Research 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 the 6 yearly issues of the International Business Review (IBR), EIBA's official journal.
- EIBA members can attend the EIBA Annual Conference at a special member 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!

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ISSN 2222-4785