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Danny Van Den Bulcke

(February 4, 1939 – January 8, 2014)
Dear EIBAzine Readers

Philippe Gugler, EIBA Chair

EIBA, as is the case with any family, has its moments of great joy as well as of great sorrow… At the beginning of the year, EIBA was in mourning. We had to say goodbye to Danny Van Den Bulcke. Danny was one of the “Fathers” of EIBA. Danny was a patriarch of our community, taking care of the development of the institution and also of the personal achievements of each of us. Danny served on the EIBA Board since 1980. He was the EIBA Chairman from December 2003 to December 2009, and Dean of the Fellows from 2009 to 2012.

Danny dedicated his boundless energy, his invaluable time and his numerous talents to the EIBA cause. His scientific contribution to the IB community is enormous. Danny was not only a respected scholar worldwide but also a humanist, actively helping and supporting many young scholars (including myself). His attitude and friendship warmly surmounted any hierarchical distances. Danny was more than a scientific fellow – he was also an accomplished entertainer and artist. We looked forward to and enjoyed his speeches at the EIBA gala dinners, and the Academy has greatly benefited from his photographic talents. Danny was an adventurous world traveller who along the way never tired of seeking out and investigating the cultural and academic potentials of future EIBA conference locations.

Danny was not able to attend the EIBA 2013 conference in Bremen last December. However, I am convinced that he was pleased to hear the positive comments conveyed by his close EIBA friends who had enjoyed the event. I would like to thank Past EIBA President and Conference Chair, Sarianna Lundan, and her team, especially Julia Feddersen, for their tremendous work and care in ensuring the success of the conference and the high quality of the academic sessions. Some memorable plenary sessions, such as the session dedicated to Pankaj Ghemawat (which was initiated by Danny Van Den Bulcke), will remain with us for years to come. Delegates were also able to enjoy the winter atmosphere of Bremen, highlighted by the Christmas market.

We are diligently working towards and eagerly looking forward to the next EIBA conference in Uppsala, Sweden, December 11-13, 2014 – which will double as an anniversary event, as it’s also the 40th EIBA Annual Conference!

President Rian Drogendijk and her conference team are preparing a very rich academic and social programme. EIBA is keen to meet at the heart of an important school in International Business. I am sure that all participants will be inspired by the Uppsala University’s traditional warmth and far-reaching vision. We are also invited to enjoy a typical Nordic Christmas atmosphere and partake in the Santa Lucia “festival of lights” celebration. A special feature is that the timing of the conference coincides with the presentation of the 2014 Nobel Prize in Economics – so the organisers have informed us that there will be a related surprise waiting for you in Uppsala…

The wintry ambiance of EIBA 2014 in Uppsala will be in direct contrast with the summery flavour of the EIBA 2015 conference scheduled for Rio de Janeiro, Brazil (December 1-3, 2015).

EIBA is very fortunate in being able to stage its annual conferences in very attractive places from many points of view – academic, social and cultural – and more importantly, in being able to rely on motivated and efficient conference organisers who are the vital organs of its extended academic body.
Dear EIBAzine Readers,

This commemorative issue of the EIBAzine celebrates the life and the legacy of our beloved friend, Danny Van Den Bulcke.

It is impossible to do justice to Danny’s many contributions to EIBA and to the field of International Business (IB), as well as to express all the warm feelings we had – and will always have -- towards such a wonderful colleague and friend. What we chose to do was to ask Philippe Gugler (EIBA Chairman), Francesca Sanna-Randaccio (Dean of the EIBA Fellows), and Filip De Beule (a great friend to Danny and one of the many younger scholars that Danny inspired), to represent the EIBA Community by writing a few words about Danny, the man, the IB scholar, the friend... and, undoubtedly, “Mister EIBA”.

Obviously, I feel tempted to write my own tribute to Danny, but I will refrain from doing so in detail. I share the words of Philippe, Francesca and Filip. I will mention only three events that were really important in terms of my career and relation with EIBA. I met Danny in 1997 in Stuttgart, at the 23rd EIBA Annual Conference (where else?). This was the very first IB conference I attended, during the first term of my PhD. I have great memories from this first meeting – of Danny’s inspirational guidance and academic suggestions, his great dancing skills, and his great humour. He suggested that I should eventually consider applying to the EIBA Doctoral Tutorial (now known as the John H. Dunning Doctoral Tutorial) – and so I did, in 1999. A good friendship developed; in later years, Danny stimulated my participation on the EIBA Board, and then the organization of the EIBA 2010 Conference in Porto.

The great moments shared with Danny are irreplaceable. As said in one of the tributes included in this Issue, Danny personified EIBA. He was also a Renaissance man, as Philippe, Francesca and Filip explain so well. We will miss Danny forever.

This issue also includes three notable contributions by IB scholars. The first one, by Michael Gestrin from the OECD, is on a very thought-provoking theme, “The great FDI crash of 2015” – you must read on to understand what this means. Then, there is a paper by Tamar Almor from the College of Management, Israel, on the hot topic of the intersection between entrepreneurship and internationalization, focusing on Israel as a Start-Up Nation, and on how Israel has built a unique track record in creating technology based international new ventures. There is also, according to our recently-established tradition, an interesting paper by an emerging IB scholar – in this case Victor Zitian Chen, from the University of North Carolina, Charlotte & Columbia University, on “The Pre-History of Multinational Enterprise: How Looking into the Past can Prepare the Future”. We do hope you will enjoy reading these stimulating and engaging scholarly articles.

You will also find in this issue information about the upcoming 40th EIBA Annual Conference, taking place in Uppsala, Sweden, this coming December. Conference Chair and EIBA President, Rian Drogendijk, along with her team of organisers, are preparing an exciting programme for all of us to enjoy.

You may notice that the cover of this EIBAzine issue has changed slightly; the previous subtitle was replaced by the more descriptive “International Business Perspectives” to better reflect our positioning. This was done by way of acknowledging that EIBAzine is becoming more than just a simple newsletter.

I will end by warmly thanking all contributors to this issue, and encouraging your feedback and suggestions. Your comments and articles are welcome and may be submitted to my email: atavares@fep.up.pt.
Remembering Danny
Francesca Sanna-Randaccio, Dean of EIBA Fellows

Mister EIBA

I met Danny at my first EIBA Conference (Helsinki 1989). At the time I was working on a paper with John Cantwell. John, generous and supportive as usual, introduced me to several people. Danny in particular impressed me, for his creative mind, sense of humour, immense energy, and great wit. Almost immediately, a long-lasting friendship developed. This friendship was officially sealed by a handshake, as the one recorded in this photo:

I particularly like this photo as it well captures Danny’s role in welcoming new scholars to EIBA and making them feel part of the family. Many EIBA members can identify themselves in this photo. I soon discovered, and particularly valued, the enormous amount of intellectual support, energy, and time, Danny devoted to EIBA. His dedication to EIBA has persisted during the many years we have known each other. In the International Business profession, Danny, more than anybody else, personified EIBA.

The “transnational” scholar

Danny’s CV is impressive. He received his PhD in 1974 from Ghent University. In 1983, he moved to the University of Antwerp as full professor of Economics. In 1986, Danny became the Director of CIMDA – Centre of International Management and Development, and from 1996, the Director of the Institute of Development Policy and Management at Antwerp University. Thus his involvement with IB and Economic Development dates from an early start. He is, as we all know, the author of important articles and books that contributed to the progress of our field.

The important role of Danny in the development of the International Business field in Europe and outside Europe, his wide range of interests and ability to capture new trends are clearly illustrated in the speech given by Ludo Cuyvers at Danny’s memorial service. This tribute (text currently available via a link on the EIBA website’s home page), offers a most vivid image of Danny as a scholar. It is quite interesting to observe how Danny’s research interests and academic career evolved through time, from a prevalently national to a truly “transnational” dimension, to use the UNCTAD jargon. His research interests initially centred on inward FDI in Belgium, his country of origin, and gradually moved to outward FDI, particularly focusing on the involvement of China with the international market.

Some glimpses of Danny’s increasing interest in Asia, and especially China, are offered by a recent interview given by Danny on “Oral Histories of Chinese Studies”. A copy of this interview was kindly sent to me by Haiyan Zhang, former student and then Danny’s co-author of important books and articles on Chinese inward and outward FDI. In the interview, Danny recalls that as a young man he “was already interested in China, but there was very little one could find about China”. He went to teach in China for the first time in 1990 at the China-EC Management Institute (CEMI) in Beijing, a joint program sponsored by the EU and a Chinese partner. Danny also mentions that his attention refocused on China when he became the supervisor of Haiyan’s master thesis on Belgian companies that invested in China via joint ventures.
The number and geographical range of countries in which Danny taught is incredibly wide – from Belgium and the Netherlands to Indonesia, Philippines, Thailand, Vietnam, Cambodia, Laos, India, China, and Bolivia. He also carried out projects in Africa even though he never taught a whole course there.

Danny and the role of EIBA Fellows

Danny become an EIBA Fellow in 2003 and was elected Dean of EIBA Fellows for the period 2009-2012. He continued playing a very active role as EIBA Fellow till the very end of his life.

The EIBA 2013 Fellows Plenary Session in Bremen, organized by Sarianna Lundan and myself, focused on Chinese FDI in Europe. Naturally Danny was on the panel. Only on the 11th of November (a month before the event) he discovered that he was unwell and thus was unable to be there. From the mails we exchanged, it emerges that he continued thinking about EIBA till the last moment before entering hospital. We had several mail exchanges regarding both the Fellows Plenary Session and a report that Danny had written as chair of a Fellows’ Commission (C2). The task of C2 was to “Enhance engagement of the Fellows within EIBA”, an issue which Danny considered of the utmost importance. The report unfortunately was only in a preliminary form, as Danny did not have the time to revise it to take into account the comments made by the other C2 members.

In this report, Danny discussed the collaboration of the EIBA Fellows with EIBA, both in the short run and in a more strategic perspective. The role of the Fellows’ plenary session, the EIBA Distinguished Honorary Fellowship award, the presence of the Fellows on the EIBA website, the Fellows’ participation in the various doctoral tutorial events, were examined. Suggestions were also offered in order to stimulate a reflection on more strategic issues such as EIBA governance. This document will be finalized and discussed by the Fellows, and then presented by the Dean of EIBA Fellows to the EIBA Board.

The Fellows remember Danny

When it became known that Danny was very ill, there was a very emotional response from all the Fellows, shocked by the news. A large number of mails were exchanged, all showing affection and great esteem for Danny, and our deep sorrow. Some of these mails were later published on the commemorative EIBA website (http://ourmemoryof.com/Danny/). Memories of common experiences, discussions, exchanges of ideas, travelling together, were shared by the Fellows, among others. Space considerations allow me to mention only a few of these short pieces.

As to Danny’s key role in EIBA, Juan J. Durán writes: “Without any doubt each EIBA Fellow has made special contributions both in academic and personal terms. In my opinion, Danny has not only been a brilliant actor but also a charismatic leader in the organisation of EIBA and in building a specific spirit and soul of our Academy. Even though all of you (Fellows) together represent this specific spirit and soul of EIBA, to me, two persons have made the synthesis of this thought: John Dunning and Danny Van Den Bulcke.”

Danny was instrumental in involving scholars from Central and Eastern Europe (at the time referred to as Transition Countries), as recalled by Marjan Svetličič who writes: “There are few people so enthusiastic and committed about their work as Danny Van Den Bulcke was for decades in EIBA. Thanks to him the organization has spread Europe-wide. I can testify this since he was the one who invited me, I think the first Central European, to join EIBA. It was his dedication and enthusiasm, innovativeness and good spirit, which contributed decisively to the development of EIBA. He was a brilliant organizer, creative academic, and charismatic leader.”

Danny made a major effort to encourage young academics and involve them with EIBA. From 1987 to 2004, Danny was responsible for launching and running the EIBA Doctoral Tutorial (now re-named the John H. Dunning Doctoral Tutorial in IB). From 2010 to 2013, he
also organized the Doctoral Think Tank for the COST Action IS0905 Project. He supported and nurtured many IB scholars in the early stages of their careers. Marina Papanastassiou writes: “I will always be thankful for his support and trust in me.” I am sure that several other EIBA members share this feeling.

Many Fellows (including myself) have also celebrated Danny’s life when he was still with us, by contributing to the wonderful book “Itinerarium Amicorum” edited by Filip De Beule, Danny’s former student and co-author. The Fellows are particularly grateful to Filip not only for this great book but also for allowing them to keep in touch with Danny till the very end. The book’s latest version was prepared for Danny’s 70th birthday. I spent the weekend re-reading it (an electronic version is currently available on EIBA’s website). It is great fun and extremely interesting for EIBA “addicts” (like many of us) as it contains so much of EIBA’s history, challenges, and achievements. I had forgotten the meaning of “of course”, a joke made between some of us who participated in a memorable workshop in Corsica in 1991, so well described by John Cantwell and Terutomo Ozawa. In addition, the ten-page contribution by Vito Corado Simões represents a lovely voyage in the memories of EIBA Conferences along many years.

**Fellows’ initiatives to commemorate Danny**

When it became known that Danny had suddenly passed away, the EIBA Fellows decided to find ways to celebrate his impact on EIBA and on the IB profession. The hope is to preserve Danny’s legacy, by keeping alive within EIBA Danny’s enthusiasm, future-orientation, and encouragement of young scholars.

The Fellows are organizing two initiatives to be held at the Uppsala Conference in December 2014, to honour Danny’s imprint on EIBA.

**The Danny Van Den Bulcke Prize**

The Danny Van Den Bulcke Prize will be awarded to the best paper on IB presented at the EIBA conference. The prize-winner will receive a certificate and an award of €1000. In 2014, the inaugural prize will be sponsored by the EIBA Fellows. The Fellows hope that the Academy will find ways and means to finance this commemorative prize in future years, so that it may become a permanent feature of the EIBA Annual Conference.

**Commemorative Panel Session on Danny Van Den Bulcke’s contribution to International Business**

A panel will be organized by John Cantwell, to capture the different dimensions of Danny’s contribution to IB and academic life. The programme has not been finalized yet, but the panel will probably include: somebody from the Antwerp group who knew Danny in his early years; a scholar in the area of Development and IB who interacted with Danny; an EIBA Fellow (John Cantwell); an AIB Fellow, perhaps also with an EIBA connection; and a representative of the EIBA membership.

Thank you Danny, from all the Fellows, for all these years of dedication to EIBA, for your important intellectual contribution, energy, lessons, good spirit, and warm friendship.
When you look at the longstanding academic career of Daniël, or Danny, Van Den Bulcke, it is appropriate – yet funny – that it somehow reflects the different stages in the process model of internationalization. His activities started from a local or national interest in international economics and international business, and gradually moved into activities abroad, first in some neighbouring countries and later in faraway continents. And, as Danny has always been very versatile, this internationalization process is evident, not only in his research, but also in his teaching career and his active participation in academic networking with colleagues and doctoral students from all over the world. Although other aspects of his career are eminently noteworthy, this tribute will be limited to the three dimensions of research, teaching, and service.

Research

After a fellowship of six months in Canada as “Laureate of the Prize of the Belgian Minister of Foreign Trade” at the University of Toronto, Danny was asked by Professor Vlerick at Ghent University to carry out a major research project on Foreign Enterprises in the Belgian Manufacturing Industry. The project was sponsored by the Belgian Agency of Productivity, an offspring of the Marshall Plan. The study was one of the first research studies on the impact of foreign enterprises on a national economy. Later on, he used the extensive database set up for this project to analyze the newly ‘discovered’ phenomenon of the Multinational Enterprise (MNE) for his doctoral thesis.

When he moved to the University of Limburg in 1972, he continued his research activities at Ghent University, and carried out a new major empirical research project that was no longer limited to inward foreign direct investment (FDI) in the Belgian manufacturing sector, but extended to include services and outward FDI.

Danny was often one of the very first researchers to tackle new emerging issues in international business, such as outward FDI, divestment, employment impacts, restructuring, regional headquarters, and coordination centres – often at the request of international organizations and national institutions – such as the United Nations, the European Centre for the Study and Information on Multinationals, the European Commission, the International Labor Organization, and the Belgian Ministry of Economic Affairs.

When he moved full time to the University of Antwerp in 1985, Danny’s research interests spread in geographic scope. In the 1990s, he shifted towards Asia, and in 1993 and 1994 respectively, he established at the University of Antwerp, together with some colleagues from the Faculty of Applied Economics, the Centre for International Management and Development Antwerp (CIMDA), and the Centre for ASEAN Studies (CAS).

He also found another challenge – the study of the Chinese economy. Together with his collaborators he wrote extensively about European Direct Investment in China, Chinese outward FDI, state-owned enterprises, and Chinese multinationals. Throughout this period he maintained his interest in FDI in Belgium, especially American investments, and the activities of MNEs in Europe.

On the occasion of his official retirement, Ludo Cuyvers and I presented him with a special volume entitled Liber Amicorum on Transnational Corporations and Economic Development, published by Palgrave Macmillan, which contained contributions by eminent scholars in international business from all over the world. (An electronic version is still available via links on the EIBA website.)
Danny remained actively engaged with the university and the IB research community after his retirement. He had, for instance, organized several panels at the December 2013 Annual Conference of the European International Business Academy in Bremen, which he was, unfortunately, unable to attend due to his illness.

Teaching

When Danny started in his academic career, the subject matter of international business did not yet exist in Belgium and most other European countries. The first courses he was asked to teach at Ghent University dealt with European Economic Integration and International Aspects of Economic Development. It was only after he left Ghent University and was appointed to the University of Limburg that he was able to launch a special course about issues of FDI and MNE. During the second half of the 1970s and the first half of the 1980s he was one of the few professors in the Benelux who had been following up on IB matters. As a result, he was asked to kick-start such courses in other universities. At one point in time he taught at seven different institutions and universities in Belgium and the Netherlands – in three different languages. Despite the fact that he had taken on some of those courses on the condition that someone would replace him after two or three years, he actually taught most of them for more than ten years, for example, at the College of Europe in Bruges, and ICHEC in Brussels. During his long career, he taught at no less than ten Belgian institutes and universities, including the Universities of Leuven, Ghent, Limburg, Brussels, and of course, Antwerp, which at that time consisted of three separate universities.

At the University of Antwerp, he became a full time faculty member in 1985 at the Institute of Development Policy and Management – an institute at which he served as President from 1996 until 2001. He not only lectured at the Institute but also at the Faculty of Applied Economics (RUCA as well as UFSIA and served as an example of future integration at the University of Antwerp), the Institute of Transport and Maritime Management (ITMMA) and the Antwerp Management School (AMS).

In 2004, Danny was instrumental in the creation of the Master’s in Global Management at Antwerp Management School. He officially retired as professor from the University in 2004 but, as professor emeritus, remained an active teacher on a number of programs, including the Master’s in Global Management and executive programs.

Like his research, his teaching followed the gradual learning route encapsulated in the “internationalization model”, spreading from Belgium to, first the Netherlands – where during the 1980s he lectured at five Dutch universities, such as Tilburg University and Maastricht University – and Poland and Germany, where he was also very active. His first intercontinental teaching assignment took place in Indonesia in 1986 and would extend later to the Philippines, Thailand, Vietnam, Cambodia, Laos, and India. Together with his colleague Ludo Cuyvers, as a part of the development programs of the Flemish Interuniversity Council, he was responsible for giving institutional support to 5 universities in South East Asia towards the development of their business curriculum and research. Danny also ran international development projects in countries such as Burundi, Cameroon, Madagascar, Rwanda, and South Africa.

For several years at the beginning of the 1990s, Danny also taught an International Management course at the China Europe Management Institute in Beijing (which was the predecessor of the China Europe International Business School in Shanghai), and at the Institute of European Studies in Macau. In addition, he was responsible for institutional development of the Xian Institute of Finance and Economics and also lectured there. His contribution to the educational development of Chinese universities won him the Sanqin Prize of Shaanxi Province in China, and the Friendship Prize awarded by the Chinese Ministry of Foreign Experts in 2000.
for his many contributions to the educational development of Chinese universities.

Service

Even as a student, Danny was involved in AIESEC, an international student organization that provided traineeships for students in companies abroad. He was president of the local Committee of AIESEC and member of the Board of the Belgian National Committee. It was in this capacity that he participated in his first international conference in Marseille.

In 1974, together with a number of colleagues from other Belgian universities, he founded the International Trade-invest Institute (ITI) for which he served as president from 1981 to 1984. The objective of ITI was to establish greater cooperation between practitioners and academics active in international trade, both from business and government spheres, by organizing seminars and colloquia. It was at his insistence that issues about FDI and the transfer of technology were incorporated in the mission of ITI.

From the end of the 1970s, most of Danny’s energy went into the European International Business Academy (EIBA). Danny served on the EIBA Board from 1979, acting as EIBA’s national representative for Belgium from 1979 to 2004, and as EIBA President from 1985 to 1987. He was the EIBA Chairman from December 2003 to December 2009, and Dean of the Fellows from 2009 to 2012.

Danny was also actively involved in the Academy of International Business (AIB). He was chapter chair of the Western European Region from 1987 to 2000, and vice president of AIB during 2000-2002. During his term as AIB vice president, he succeeded in bringing India under the AIB umbrella. Both these academic associations recognized Danny’s contributions by electing him as a Fellow (AIB in 1992, EIBA in 2003).

The doctoral tutorials that he organized for EIBA and the European Institute for Advanced Studies in Management (EIASM) from 1987 to 2004 still stand as a lasting legacy. In fact, Danny was the founding father of the EIBA Doctoral Tutorial as he introduced this novel event for PhD students when he presided over the inaugural tutorial at the 1987 EIBA Annual Conference in Antwerp that he organized.

Danny also supervised or was otherwise involved in the guidance and the evaluation of numerous doctoral theses at home and across the globe – many by doctoral candidates from far-away countries such as China, Australia, Vietnam, Cambodia, or Madagascar. He was also member of the jury for the Gunnar Hedlund Award for the best PhD thesis in the field of International Business from its inception. In the service of his country, he was scientific director of the Intercollegiate Centre of Management Science (ICM) from 1988 to 1993 which awarded doctoral scholarships to promising Belgian students in management. He also was a member of the Faculty of the Danish Summer Research Institute, set up at the beginning of the 1990s to benefit PhD students. In 2010, Danny was instrumental in the establishment and running of a doctoral think-tank for the COST Action Project on Emerging Country Multinationals. Through all these doctoral events, Danny Van Den Bulcke influenced many future IB scholars.

Conclusions

During his long and distinguished career, Danny travelled the world many times over – his ubiquitous camera in hand – and developed deep friendships with numerous people around the globe. Danny will be remembered for his thoughtful and principled leadership, as well as for his warm personality. He was a renowned academic expert in IB and highly respected among his peers for his many contributions to the intellectual development of the field.

Danny truly embodied the belief that increased international exchange can make the world a better place, and he did make it a better one.
The Great FDI Crash of 2015
Michael V. Gestrin, OECD Investment Division

Starting next early year, articles will begin to appear in newspapers and journals describing the major global FDI crash that will start later this year and get much worse in 2015. For some countries FDI flows will fall by so much that it will take years, perhaps even a decade, for them to recover back to current levels. Furthermore, unlike the two previous FDI boom and bust cycles, the FDI crash of 2015 will be characterised by the first recorded reduction in global FDI stocks. Some articles will probably cite Alan Rugman’s “The End of Globalisation” (2000) as a title that came out well before its time.

The two previous FDI busts in 2001 and 2008 were caused by broader economic crises. In 2001, global FDI flows collapsed along with the dot.com bubble. In 2008, it was the financial crisis that triggered the current FDI recession. So, what will trigger the next big FDI crash in 2015? Is there anything we can do to avert it? And who will be to blame?

Unlike previous crashes, we already know the answers to all of these questions. Governments will be to blame. There is nothing we can do to stop it. And finally, the great FDI crash of 2015 will be the result of a methodological change.

There are currently two internationally accepted standards for the reporting of FDI data: the OECD Benchmark Definition for FDI and the IMF Balance of Payments and International Investment Position Manual, 6th Edition (BPM6, revised in 2009). Up to this year, these methodologies were closely aligned and followed the same standards such that FDI inflows or outflows reported under either methodology were similar, if not the same.

However, in 2008 OECD countries revised the Benchmark Definition for FDI (fourth edition, or BMD4) and this new methodology comes into effect starting this year. This new methodology will provide better measures of where international investment comes from, where it is going, and, most importantly, where it is creating jobs and value-added. It does this by distinguishing between ‘real FDI’ as opposed to various financial flows that are currently counted as FDI but which don’t add to the ‘real economy’. Thirty-four countries that generate 70-80% of global FDI are adopting the new methodology. The result will be a significant downward revision of FDI stocks and flows as various distortions and double counting are eliminated beginning in September of this year.

Here are some examples of how the new methodology works and how big the changes are that we might expect.

**The asset/liability principle versus the directional principle**

FDI data reported according to the asset/liability principle (e.g. like that reported to the IMF) are used to monitor flows and positions and are of particular interest for the analysis of currency or other type of financial crisis. However, the asset/liability principle is not well suited for the analysis of FDI from a ‘real economy’ perspective. FDI assets and FDI liabilities may largely consist of funds that merely pass through countries without much ‘real’ economic linkage to the host countries of these entities. Nor does the asset/liability recording provide information on the control centre of the FDI flows and positions.

For such purposes, FDI presented on a directional principle, the basis for BMD4, is better. According to this method, the data is presented according to the direction of the direct investment relationship, as opposed to

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1 The author is Senior Economist, OECD Investment Division, Directorate for Financial and Enterprise Affairs. None of the views expressed in this chapter should be reported as representing the official views of the OECD or of its member countries. The opinions expressed and arguments employed are those of the author.
its nature as an asset or a liability from the perspective of the reporting country. The directional principle addresses the problem of pass-through funds and round-tripping by netting out from overall FDI reverse investments and some investments between fellow enterprises. It also provides information on the control or influence over direct investments by arranging the data based on the direction of the direct investment relationship.

Table 1 provides data for Finland and France showing how the change from the asset/liability (A/L) principle to the directional principle can significantly change FDI positions and correct major distortions in FDI positions as currently reported. We see, for example, how the FDI position for assets (outward FDI stocks) of France, one of the most advanced reporting countries, drops by 40% once the new OECD methodology is applied.

### Table 1: FDI according to the asset / liability principle and according to directional principle

<table>
<thead>
<tr>
<th></th>
<th>FDI positions – Assets</th>
<th>FDI positions – Liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>A/L principle</td>
<td>Directional principle (BMD4)</td>
</tr>
<tr>
<td>Finland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(EUR bn)</td>
<td>at-end 2008</td>
<td>125.4</td>
</tr>
<tr>
<td>France</td>
<td></td>
<td>760.2</td>
</tr>
</tbody>
</table>

Source: Banque de France, ‘FDI statistics of France according to BD3 and BD4’ (WGIIS Presentation by France, October 2012) and Bank of Finland, ‘Effects of the statistical standards on Finland’s FDI positions’ [DAF/INV/STAT(2011)7]

### Eliminating round tripping and capital in transit

In addition to the way that the directional principle can eliminate significant double-counting associated with round tripping and pass through funds, BMD4 also addresses these directly.

Table 2, covering data for Belgium, Finland, and France shows how the elimination of practices such as round-tripping and capital in transit, often as part of corporate tax planning strategies, can very significantly change a country’s FDI position. In the case of Belgium, the inward FDI position drops by 70% once BMD4 is applied.

### Table 2: FDI positions before and after treatment for round-tripping and capital in transit through intercompany loans between fellow enterprise (comparison of BMD3 and BMD4 figures)

<table>
<thead>
<tr>
<th></th>
<th>Inward FDI positions</th>
<th>Outward FDI positions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>BMD3</td>
<td>BMD4</td>
</tr>
<tr>
<td>Finland</td>
<td>60.8</td>
<td>51.7</td>
</tr>
<tr>
<td>at-end 2008</td>
<td></td>
<td></td>
</tr>
<tr>
<td>France</td>
<td>752.1</td>
<td>463.4</td>
</tr>
<tr>
<td>at-end 2011</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Belgium</td>
<td>410.7</td>
<td>135.5</td>
</tr>
<tr>
<td>at-end 2009</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


### Accounting for special purpose entities (SPEs)

Figure 1 illustrates the magnitude of the distortions that can be caused by so-called Special Purpose Entities (SPEs). These are typically holding companies used to channel capital through countries without generating any significant real economic activity or employment (although for some countries that are home to a significant number of SPEs these can cumulatively generate quite a bit of employment in the ‘SPE sector’).
Under previous methodologies, there was no systematic or agreed way of dealing with SPEs. Under BMD4 OECD countries will begin reporting separately for SPE investments, thus factoring this investment out of ‘real FDI’ flows.

**Figure 1:** FDI flows excluding resident SPEs of Austria, Hungary, Luxembourg, and the Netherlands

![Graph showing FDI flows excluding resident SPEs](source)

**Identifying the ultimate investing country (UIC)**

The new core BMD4 features mentioned above allow for a better assessment of what is ‘real FDI’, but do not yet allow for a perfect ‘cleaning’ and a perfect identification of the real origin and destination of funds. For example, inward/outward flows from/to SPEs located abroad are not segregated, simply because it is more difficult to identify non-resident SPEs. Additionally, FDI funds can transit via entities which are not SPEs. Therefore, BMD4 recommends that countries report their inward FDI positions according to the ultimate investing country. This will allow for the identification of the ‘real’ source or controller of FDI in an economy and provides a more accurate picture of bilateral investment relationships. Figure 2 illustrates how the reporting of inward FDI according to the UIC can significantly change reported bilateral FDI flows using, for example, the case of Finland.

**Figure 2:** FDI inward positions of Finland at-end 2008, by ultimate investing country and by immediate investing country (according to BMD4)

![Graph showing FDI inward positions of Finland](source)
Figure 2 suggests that foreign direct investors channel funds to Finland in particular via direct investment enterprises in Sweden, the Netherlands, Denmark and Luxembourg. According to the old methodology, EUR 1.3 billion of Finland's inward FDI position was controlled by American direct investors. Using the new methodology we realise that in reality over EUR 8.8 billion was controlled by U.S. investors. A better understanding of bilateral FDI relationships is particularly important in the context of policy formulation since much investment treaty negotiation between countries is motivated by bilateral investment positions.

Conclusions
This article started out somewhat tongue in cheek, but only partially so. There will doubtless be articles covering a sudden, sharp decline in global or country FDI positions published by hapless authors who “didn’t get the memo”. But beyond a few humorous anecdotes, these technical changes in the methodology for how countries will report FDI in their balance of payments have important implications for students of MNEs and users of FDI statistics in the IB academic community. These include creating a break in the FDI time series for countries adopting BMD4, the existence henceforth of two different numbers for FDI inflows and outflows for the 34 countries adopting BMD4 (who will also continue to report to the IMF and other agencies according to the asset/liability principle), and there will also be countries that will only report according to the asset/liability principle.

By providing a better measure of ‘real FDI’, BMD4 will provide IB researchers, governments, and other stakeholders with a powerful new tool for measuring and better understanding the economic and social effects of international investment and the activities of multinational enterprises. But it will also bring methodological complications, and probably some confusion, especially for the many who are not aware that these changes are coming.

Hopefully this article has helped EIBAzone readers not only to better understand the changes that will be affecting FDI statistics starting later this year but also to avoid being among the authors of future articles on the Great FDI Crash of 2015.

Israel Start-UP Nation: Creating Technology Based, International New Ventures
Tamar Almor, College of Management, Israel

In 2013 Google acquired the Israeli social navigation company "Waze" for a cool one billion US dollars, while Facebook, who also tried to acquire this company, lost out buying "Waze" and ended up buying the Israeli "Onavo", a company that allows one to shrink big data into small data so that you get charged less for data usage. Also in 2013, IBM acquired the Israeli security firm "Trusteer" for a reported $800 million and announced the establishment of a new IBM Cybersecurity software lab in Israel

Those examples are just a few of the many exits that Israeli start-ups have experienced the last decade.

Since the beginning of the 1990s Israel has been called "the world's most vital place for entrepreneurship" (Haour, 2005) as well as...

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2 Tamar Almor is professor of international Business strategy at the College of Management in Israel.

Start-Up Nation (Senor and Singer, 2009) and it has experienced high growth in its high tech industries as well as in the number of start-ups that are established. Moreover, Israel has a vibrant venture capital (VC) industry that accompanies these industries (Avnimelech and Schwartz, 2009; Avnimelech and Teubal, 2006). The country is well known for its entrepreneurial culture, its strong technological capabilities, and its dynamic startup intensive high tech cluster (Avnimelech and Schwartz, 2009; Bresnahan, Gambardella and Saxenian, 2001).

Figure 1: Israel export by industry (excl. diamonds) between the years 2000-2012 (in millions US dollars)

![Figure 1: Israel export by industry (excl. diamonds) between the years 2000-2012 (in millions US dollars)](image)

Israel – Start-Up Nation

The State of Israel was established in 1948 as a democratic country with an open economy. In 2012 it counted a population of around 7.8 million and had an estimated Gross Domestic Product (GDP) purchasing power parity per capita of about $32,800\(^4\). Compared to its neighbors in the Middle East, Israel is quite unique. It recently became a member of the Organisation for Economic Co-operation and Development (OECD) and it mainly exports products and services that are knowledge-based and are considered high tech products and services (Almor, 2011; Senor & Singer, 2009).

Data collected from the Statistical Abstract of Israel (various years), which are presented in Figure 1, show the continuous growth of export, which for the greater part, is driven by Israel’s high tech industries. While in 1990 about 40 percent of exports derived from the country’s low tech industries, from the year 2000 onward, about 75 percent of Israel’s industrial exports have been accounted for by high and medium-high, technological intensive industries (when excluding diamonds from total exports).

Israel’s ability to encourage entrepreneurship at the individual, business and national levels seems to be quite unique and is based, among others, upon the government’s decision in the early 1990s, not only to encourage entrepreneurship, but also to establish a venture capital industry (Avnimelech & Schwartz, 2009; Dashti et al., 2008; Pelzman & Shoham, 2006). In addition, Israel welcomed about a million immigrants from the former Soviet Union during that time. Some of them were able to become entrepreneurs in

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\(^4\) [http://www.indexmundi.com/israel/economy_profile.html](http://www.indexmundi.com/israel/economy_profile.html) Accessed 22/03/’014
different technological fields; others found employment in existing start-ups.

Since the 1990s, Israel’s government has been actively investing in the development and encouragement of entrepreneurship. It established dozens of incubators, enabling entrepreneurs to start out in a protected environment. At the same time, the government stimulated the establishment of a venture capital industry to encourage financial investments in the budding start-ups. It also set aside a significant budget for the Chief Scientist Office, which in turn allocates funds to subsidize the development of applications of new technologies. Through the Israel Export Institute, it funded countless consultants who helped entrepreneurs getting started. In parallel, throughout the past two decades, Israel has seen hundreds of entrepreneurial firms being listed on the American NASDAQ stock exchange, which specializes in high tech companies. Israeli start-ups have also been listed on other foreign stock exchanges (Avnimelech & Teubal, 2006). Intensive cooperation between the venture capital industry and the high tech sector allowed Israel to become a leading entrepreneurial country, specialized in high tech entrepreneurship (Bank & Almor, 2013; Senor & Singer, 2009).

Last but not least, the Israeli Defense Forces (IDF) - in which nearly all 18 year old Israeli men and women serve - formed the IDF’s central computing system unit and the School for Computer Related Professions in 1959. This is a programming, software engineering, and computer unit (Brenitz, 2002), which trains young men and women in the creation and use of technology for military purposes. As these soldiers finish their army service, many have innovative ideas and decide to try their luck and start their own companies.

All in all, Israel’s entrepreneurial accomplishments have resulted in a robust economy, which has successfully faced the global economic crisis that started in 2008 (Almor, 2011).

Israeli start-ups are mostly born globals or international new ventures (INVs), which are commonly characterized as young, knowledge-intensive organizations that sell mainly innovative, self-developed technology-based products (Coviello and Munro, 1997; Oviatt and McDougall, 1994, 1997). Research shows that INVs differ from other small and medium sized enterprises in that they enter foreign markets sooner (Knight and Cavusgil, 1996) and increase their percentage of sales generated from foreign markets at a faster rate (Jones, 1999) while in many cases the local market is negligible. Moreover, they are frequently associated with high tech industries (Coviello and Munro, 1997).

Technology-based INVs are often characterized by their proprietary technologies and innovations, which they use to differentiate themselves from other competitors (Aspelund and Moen, 2001; Hashai and Almor, 2004; Jones, 1999; Knight and Cavusgil, 2004; Oviatt and McDougall, 1994). These unique technologies and innovations often have a limited home market, especially when the firm originates in a small country; therefore, these companies are driven to international markets early in their organizational existence in order to exploit first mover advantages and monopolistic gains (Keeble et al., 1998; McNaughton, 2000). This strategy, however, creates a problem that is not easily solved. Technology-driven companies need to stay in close contact with their customers, not only to protect their proprietary know-how but also to receive feedback regarding their technology through the processes of distribution and after-sale services (Almor and Hirsch, 1995). This type of interaction can lead to further technological innovations and also create customer loyalty and a strong client base. But being young, small, and with relatively few resources, they are limited in their ability to serve a broad segment of the international markets and large numbers of customers without resorting to strategic alliances. Strategic alliances however, may place their
relationship with customers and their technological innovations at risk (Almor and Hashai, 2004). Many technology-based INVs cope with this quandary by focusing on global niches in which they typically serve a small number of organizational customers that create a high added value (Freeman and Cavusgil, 2007). In this way, the need for a substantial marketing infrastructure is reduced and a modest marketing entity may suffice.

Although global focus-differentiation allows the technology-based, INV to grow initially, it also creates dependence upon a highly specific product life cycle. Although technology products can be upgraded and updated, they still belong to a single industry, which eventually declines when it is challenged by new industries that produce technologically superior substitute products. This problem is becoming increasingly acute because product and industry life cycles are becoming compressed. Therefore, many of these INVs actually prefer to sell their business as soon as possible to a larger, international entity, thereby allowing the entrepreneurs to use their (newly acquired) wealth as well as their accumulated experience and networks to establish the next start-up and to invest in other start-ups in Israel.

In conclusion, Israel, which once was mostly known for exporting Jaffa oranges, has become one of the world’s powerhouses in high tech entrepreneurship. Wikipedia uses the term "Silicon Wady" to describe Israel and claims that it’s second only to Silicon Valley in concentration of high tech start-ups. It seems that with it’s leading position in cyber security and other areas, Israel will continue to provide a fertile ground for high-tech start-ups.

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Bibliography


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5 http://en.wikipedia.org/wiki/Silicon_Wadi


A “Prehistory” of Multinational Enterprises: Looking into the Past to Prepare the Future
Victor Zitian Chen, University of North Carolina, Charlotte & Columbia University

This essay calls for restoration of our knowledge of multinational enterprises (MNEs) before the “written record”. The major point it seeks to argue is that our current conceptualization of MNEs (and International Business [IB] in general) is theoretically over-contextualized and practically over-doctrinaire and thus constrains us from understanding the non-ergodic evolutionary patterns in MNEs activities going forward into the future. Hereby I’m by no means trying to hype any newly established knowledge on this topic (I doubt there is any!), but to present some of my immature thinking for the very purpose of opening new conversations.

The beginning of MNE history

Although most IB studies focus on the modern history of MNEs after 1870s, with such IB historians as Geoffrey Jones and Mira Wilkins being perhaps the most eminent examples at our time, some exceptions do stand. These exceptions suggest the timeline of the beginning of MNE history in terms of “written record”.

One type of exceptions is writings published before 1870s, an era when international scholarship was dominantly centered by such topics as wars and power. After a search in Ngrams, I found that among those early publications in this type was Leone Levi’s (1863) International Commercial Law. This book, as the author claimed, was among the first works to shift the angle of international laws from politics to business, and specified legal items on property rights, capital, and investment overseas, all of which are distinctive properties of MNEs from domestic firms.

The other type of exceptions was publications after 1870s that probed into pre-modern and even ancient times before 1870s to find the antecedents of MNEs. Among the notable examples were Paul Kenney’s (1987) book, The rise and fall of the great powers, and David Lewis and Karl Moore’s (1999) book, Birth of the multinational: 2000 years of ancient business history from Ashur to Augustus. The former book found evidence of the local investment and employment activities examples throughout the 15th – 19th centuries, ranging from Cheng Ho’s commercial- (and technological- and cultural-) expedition overseas during 1405-1433 to East India Companies 10 during 1600-1874. These activities exhibited characteristics such as strong home political support and business words in over 5.2 million books (4% of all books ever published) at https://books.google.com/ngrams/.

6 I thank Mira Wilkins for her incredibly helpful comments.

7 Oxford English Dictionary defines prehistory as the history before written record.

8 Both historians focus on modern MNEs and it does not mean either of them has ignored the predecessors.

9 It is a newly developed tool by some Harvard evolutionary psychologists to digitally capture all

10 Many years earlier, Alfred Chandler and Mira Wilkins had a vigorous debate on whether the East India Companies were early MNEs, later joined by Ann Carlos and Steve Nicholas. As Wilkins explained to me recently, they agreed to disagree without conclusions. Chandler believed that these companies were not MNEs since the distances were so great that the ability of the headquarters to exert any managerial direction and control was very limited. Wilkins agreed but felt that these companies were early MNEs in that they involved business abroad, international investment, and their resemblance to a modern MNE lay in the internalization within the firm of decision making. Carlos and Nicholas went further and basically agreed with Mira.
conglomeration – similar to some of today’s emerging-market MNEs. The latter book, going further back to 2000 to 1 B.C., revealed that the earliest MNE emerged in the Assyrian Kingdom shortly after 2000 B.C., and ancient MNEs, many of which were military-led, presented similar properties as the modern ones such as “hierarchical organization, foreign employees, value-adding activities in multiple regions, common stock ownership, resource and market-seeking behavior” (Moore and Lewis, 1999: 269-270).

Re-conceptualizing MNEs to open “prehistory” into our knowledge radar

A legitimate argument is that a defining feature of MNEs is the possibility of managerial coordination and control within a firm across long distance over lineated political borders. Therefore, few believed that such possibility ever existed before the late 19th century before such supporting infrastructures as steam ships, long distance railroads, and cables. However, I think a more important reason why there was so few literature on ancient MNEs lies in the very definition of MNEs itself. Mira Wilkins defines modern MNE as a firm that does business over national, domestic, borders, having some kind of foreign direct investment (FDI), however small.11 The current textbook definition of MNE is consistent with it, by defining an MNE as “a company that is headquartered in one country but has operations in one or more other countries” (Rugman and Collinson, 2009: 39), where two key concepts, “company” and “country”, and the implicit concept FDI that links “headquarter” and “operations” are all modern in nature. “Company” has its implicit meanings behind of economic, rather than social, value-creation, measured and preserved by monetary currencies, whereas “country” is typically defined as a nation state with its own government, occupying a particular territory; FDI, in a similar sense, is monetary flows for equity control across “countries”. With these two first keywords in it, MNEs are a highly contextualized body in the modern setting in which economic value-creation, monetary currencies, and government territories must have already emerged; the concept of FDI is also highly contextualized in that it is pegged to monetary flows and countries as well as the underlying assumption of strong property rights supporting equity control. These concepts were not tightly integrated together in practice until the popularization of (classic) economics into the political mainstream and scholarship by Adam Smith’s (1776) Wealth of Nations. Therefore, it’s not a surprise that we never saw extensive discussion of MNEs in and before the 18th century.

To advance our knowledge, however, I argue that the above conceptualization is over-contextualized and faces the potential challenges of losing its practicality in the event of: (1) the rising shared-value activism that goes beyond economic values; (2) the declining (but not diminishing) role played by territorial boundaries due to the rise of social media, online markets, and more and more mega free-trade and/or bilateral investment agreements; and (3) more and more alternatives for international control by MNEs rather than equity and monetary flows such as information access. This ongoing pattern might lead to a future that is not an extrapolation of the modern history of MNEs, but more of a series of non-ergodic co-evolutions of MNEs and their environments. Crafting guidelines following a highly contextualized concept into a fast evolving context would risk of being over doctrinaire and bad for practice.

Too few outliers and idiosyncratic changes in our sampling

Recent IB scholarship has called for a co-evolutionary approach of understanding the changes at different levels in IB (Cantwell, Dunning, and Lundan, 2010). However, as Cantwell et al. (2010) pointed out, to do so, we need to move beyond the traditional approach of causal statement and empirical examination of representative observations, because the very elements in evolution are outliers, rather than the representative, and

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11 This is based on the author’s conversation with Mira Wilkins.
non-ergodic, non-repetitious and idiosyncratic, rather than extrapolated predications.

One problem facing today's sample of MNEs is, as discussed above, that it is too truncated to the written record pegged to the highly contextualized concepts of MNEs in their modern term. Such a truncated sampling inevitably has curtailed the observations of outliers and idiosyncrasies that are supposed to be in our observable radar. Changing the conceptualization of MNEs could push the time span back to the far past, extending the IB/MNE samples. For instance, if we focus on what MNEs essentially do, we could re-conceptualize (and generalize) MNEs to utilitarian activities that involve humanly devised transformation 12 of materials at multiple locations.

Under this conceptualization, Farok Contractor presented an interesting story in the 2013 AIB meeting that can fall into this definition: 13 A University of Michigan anthropologist, Robert Whallon, discovered in Crotta S. Angelo – a small rock shelter in Abruzzo in Italy that “Local flint resources apparently were exploited for raw material that was prepared at this site, with pre-forms and finished products being removed for use elsewhere” and all this was believed to happen in around 25,000 BC. Conceptualizing and generalizing the MNE definition at different degrees will loosen or tighten the universe of observations at different levels. In this way, we can adjust the ways in which we classify and sample outliers and changing events.

Conclusion

IB scholars can benefit from a more generalized re-conceptualization of MNEs, which will broaden our vision of seeing outliers, non-ergodic dynamics, and evolution. Again, as I said in the beginning, this essay is devoted primarily to triggering new conversations about how and how far into the history we should trace the predecessors of MNEs and whether and how these enterprises and their activities could help us understand the contemporary and ongoing dynamics in IB. I would very much welcome scholars who are interested in this avenue to write to me about their thoughts.

References


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12 This would define the difference from early “long distance trade” including, as what Mira Wilkins recently found, trading obsidian from Cappadocia, and baskets from the Red Sea in 9,000 years ago to Catalhoyuk, Turkey.

13 In the 2013 AIB Meeting in Istanbul, Turkey. I organized a panel with Farok Contractor on “Bridging history (back) to contemporary IB: Hidden answers in history to puzzles facing today’s multinationals”. We were joined by such eminent IB scholars as John Cantwell, Geoffrey Jones, Karl Moore, Oded Shenkar, and Mira Wilkins. Full information about this panel at 2013 AIB can be found at http://www.chenzitian.net/pub_files/history.pdf.
Call for Papers:
40th EIBA Annual Conference – “The Future of Global Organizing”
December 11-13, 2014
Rian Drogendijk, EIBA President

Over the past four decades, since the establishment of the European International Business Academy (EIBA), we have seen large changes with regard to the organization and structure of international firms. Partly as a consequence of the on-going globalization process, we see today a great variety of organizational and geographic structures in multinational corporations (MNCs). These structures, in turn, reflect the tensions between different organizational principles, such as, the MNC as a hierarchy or a network, internalizing or externalizing core business activities, and the relative importance of headquarters and subsidiaries in the value creation processes. Such tensions are crucial issues for further research on the future of global organizing – the underlying theme of this year’s EIBA Annual Conference.

We have also seen an increased interest in the interplay between the environment and the MNC. While earlier studies tended to concentrate on the impact of national and cross-national institutions on the organization of business, recent studies have also focused on the political role of MNCs and their possibility to shape the rules and regulations in different countries. The interplay between the institutional environment and the MNC leads to new challenges as well as a variety of opportunities for multinational corporations to ultimately affect the way in which business across national borders is organized. Taking a more critical stance towards MNCs has raised questions of organizational politics and power, not only reacting to unethical behaviours and financial crises, but more fundamentally challenging our overall understanding of the MNC; post-colonial organizational and intersectionality theories have also provided new understandings.

When we observe contemporary phenomena around us we find a number of interesting organizational forms, which potentially may characterize global organizing in the future. One example is cross-sector partnerships where firms join together with non-profit organizations, governmental agencies, and local communities to pursue unattainable goals and resources. Further, individuals outside the MNC are increasingly involved in the firm in novel ways such as in the use of ‘open innovation’, or ‘equity crowd funding’. We can raise questions as to whether these large groups of investors in the future may be interested in more than profit in return for their investments, and if so, what does that imply for firm management and organization? We have also seen how small local players who organize themselves into networks have become competitors seriously challenging large global firms, as for example, when small energy producers in Germany challenged large multinationals on the market. Will such independent local network organizations spread across the world and become a new form of global organizing in the future?

The above raises questions like:
• What new forms of global organizing can we expect in the future, and will the MNC as we know it become extinct?
• How can we understand the value creation processes in the MNC and the contributions of different units in these processes?
• How is the tension between corporate and local rationality handled in the contemporary MNC?
• Are market power and political power of the contemporary MNCs relevant issues for research among IB scholars?
• How can MNCs meet the often conflicting demands of corporate social responsibility, sustainable operations, and
responsible (ethical) leadership, and remain viable in the long run?

- What do contemporary digital and technological developments, e.g., social media, virtual worlds, and cloud services, imply for the international organization of work, communication, and management practices?
- How can MNCs’ human resource management practices become inclusive yet motivating, flexible yet representative, and how do they link to employer branding efforts on a global scale?
- How do linguistic and cultural diversity enrich global organizations and their activities?

We encourage and would welcome the IB community at large to submit their thought-provoking and adventurous papers on these and related questions to the EIBA 2014 theme track on the future of global organizing.

Conference Venue

The EIBA 2014 conference will be held in Uppsala University’s main building and in the Centre for Economic Studies. The beautiful university main building and the Auditorium (Aula), built in the 1880s, will be the venue of the opening session and welcome reception on Thursday evening, December 11, 2014. On December 12 and 13, delegates will be in the Centre for Economic Studies that will house the remaining plenary sessions – including a lecture by the 2014 Nobel prize winner in economics on December 13 – as well as the parallel competitive and representative sessions. Both venues are within walking distance (5-10 minutes) of each other and are located close to the city centre, which is also the older part of Uppsala. To complete the conference, the gala dinner on Saturday evening will take place in Uppsala Castle, located on a hill overlooking the city centre.

The international airport of Stockholm (Arlanda) is located between Stockholm and Uppsala. Several means of transportation will take participants directly to Uppsala within 30-50 minutes. Hotel accommodation has been reserved in advance, ranging from low-budget to high-quality standards.

Conference Tracks

We invite competitive papers and working papers on any of the following EIBA 2014 conference tracks. For more information and key words for each track, please visit the conference website: www.eiba2014.org.

Competitive papers, presented in competitive sessions, should be close to a publishable state, whilst working papers, presented in interactive sessions, may be in an earlier stage of development. Proposals for panel sessions can also be submitted to the most appropriate track.

1. **Theme track:**
   The Future of Global Organizing
   *Track chair: Ivo Zander, Uppsala University*

2. **Developments In IB Theory and Methods, Trends and Critical Approaches**
   *Track chair: Ana Teresa Tavares-Lehmann, University of Porto*

3. **Internationalisation Process, SMEs and Entrepreneurship**
   *Track chair: Olli Kuivalainen, Lappeenranta University of Technology*

4. **Corporate Governance, Finance, and Accounting**
   *Track chair: Niels Hermes, Groningen University*

5. **International HRM, Global Leadership, Language and Cross-Cultural Management**
   *Track chair: Dana Minbaeva, Copenhagen Business School*

6. **MNC Strategy and Organisation**
   *Track chair: Tina Ambos, University of Sussex*

7. **International Marketing and Value Chain Management**
   *Track chairs: Tomas Hult, Michigan State University, and Vicky Bamiatzi, University of Leeds*
8. Knowledge Management and Innovation
   Track chair: Kristiina Mäkelä,
   Aalto University

9. MNCs, Governments and Sustainable Development
   Track chair: Mo Yamin,
   Manchester Business School

10. Teaching International Business
    Track chair: Elizabeth Rose,
        University of Otago

Submission of Papers

All papers will be double-blind refereed. Copies of all the accepted papers for competitive and interactive sessions will be published in the EIBA 2014 Conference Proceedings. Detailed guidelines for the submission of conference papers will be available on the conference website: www.eiba2014.org.

- The submission deadline for all competitive and working papers, as well as for panel proposals, is:
  Tuesday, July 15, 2014.
- All papers should be submitted via the conference website to the Chair of one (and only one) of the conference tracks. The submission system will be live from May 15, 2014.

Pre-Conference Activities

Doctoral Tutorial & Doctoral Symposium

The 2014 EIBA Annual Conference is proud to host the 28th John H. Dunning Doctoral Tutorial in International Business. This one-day event gives selected doctoral students the opportunity to discuss their research with distinguished international faculty, and enables the students to become better acquainted with an international network of researchers in international business.

EIBA 2014 is also pleased to host the 3rd EIBA Doctoral Symposium, recently initiated to attract and increase the number of student participants to EIBA doctoral events and conferences as well as offer and provide more feedback opportunities for young scholars in the field of IB.

More information about both of the above doctoral events will be available on the EIBA 2014 conference website. The submission deadline for doctoral thesis proposals is September 1, 2014.

Note that all students participating in the Doctoral Tutorial or the Doctoral Symposium are expected to register for the EIBA 2014 conference!

IBR & JIBS Paper Development Workshops

Among the featured EIBA 2014 Uppsala pre-conference activities and events will be two Paper Development Workshops for the International Business Review (IBR) and the Journal of International Business Studies (JIBS). Authors who have not yet been published in the respective journal(s) are invited to submit their papers for the workshop(s) of their choice; deadline September 1, 2014.

Note that papers submitted to the PDW events cannot also be presented at the EIBA 2014 conference!

More Information | Conference Website

For more and regularly updated information about the 40th EIBA Annual Conference, please visit the EIBA 2014 Uppsala website at: www.eiba2014.org.
The Gunnar Hedlund Award

The **Gunnar Hedlund Award** is a coveted prize given for the best PhD thesis in the world in the field of International Business. The prize was first awarded in 1998, and is organized by the Stockholm School of Economics (SSE), in collaboration with the European International Business Academy (EIBA).

To be eligible for the 2012/2014 Gunnar Hedlund Award, the doctoral dissertation (written in English) must be completed within the time frame: July 1, 2011 to June 30, 2014. Submissions for this year’s prize must be delivered to the Hedlund Award Committee at SSE by **August 1, 2014**.

The winner will be announced at the 40th EIBA Annual Conference to be held in Uppsala, Sweden, in December 2014. The 3-4 finalists will be invited to present their work at the EIBA 2014 conference, and a stipend (towards covering travel expenses) will be awarded to each of the finalists.

For more details and information, please refer to the Gunnar Hedlund Award website: [http://www.hhs.se/CSC/GunnarHedlundAward/Pages/default.aspx](http://www.hhs.se/CSC/GunnarHedlundAward/Pages/default.aspx)

Enquiries and submissions may be directed to the e-mail address: **Marie.Tsujita@hhs.se**

Past Gunnar Hedlund Award winners:

- 2010/2011 Lisa Gärber
- 2008/2009 Jesper Edman
- 2007 Chris Changwha Chung
- 2006 Jon E. Lervik
- 2004/2005 Renata Kosova
- 2003 Simon Harris
- 2002 Joseph Kogan
- 2001 Marian Beise
- 2000 Michelle Gittelman
- 1999 Jaeyong Song
- 1998 Anthony S. Frost

Future EIBA Annual Conferences

**EIBA 2015**: 41st EIBA Annual Conference | Rio de Janeiro, Brazil | December 1-3, 2015

**EIBA 2016**: 42nd EIBA Annual Conference | Vienna, Austria | December 2-4, 2016
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 individuals involved in International Business (IB) research, teaching, and practice.
- EIBA members automatically receive six yearly issues of the *International Business Review (IBR)*, EIBA’s official journal.
- EIBA members are invited to attend the EIBA Annual Conference at a special Academy member rate.

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