

**CUTTING THE DOUBLE GORDIAN KNOT OF MOVING BEYOND “HISTORY
MATTERS” IN INTERNATIONAL BUSINESS:
WHAT ABOUT GIVING DE-COLONISATION A CHANCE?**

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ABSTRACT

This paper will try to attempt to incorporate history more effectively into the body of knowledge of international business, thereby moving from a simple statement of intents that “history matters”.

However, to progress, the paper will also have to “cut not one but two Gordian knots”.

The first Gordian knot is related to the almost inextricable debates between inter- and multi-disciplinarity, between re-opening old topics or opening new vistas or between proposing new methodologies or new paradigms. The paper will unilaterally focus on existing topics that matter to IB but seen through a different paradigm, de-colonisation.

The second Gordian knot is related to the complex de-colonisation agenda itself. Decolonisation in this paper is to make sure that a very specific historical event, colonisation, is fully reflected in the current debate in international business.

As an act of “epistemological disobedience” the paper will use “vignettes” a hitherto neglected approach in IB and focus more extensively on fewer, but selected, essential and relevant, references from a broad range of sources, although JIBS itself will act as a source of information.

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INTRODUCTION

The key idea for the paper is to contribute on how to incorporate history into the body of knowledge of international business, thereby moving from a simple statement that “history matters”. The task of incorporating a different perspective (in this case historical), into an established discipline (in this case international business, but we could easily talk about economics, finance or accounting, just to name a few) has always presented a number of obstacles and barriers.

One issue is whether the approach should be inter- or multi-disciplinarily, or, whether a different approach should be used to re-opening old topics or opening new vistas and/or “big questions”.

Another issue revolves about what constitute data, primary and secondary and the possible unavailability (unreliability, inappropriateness) of data.

Further barriers might arise in terms of methodologies as well paradigms or more broadly what would constitute epistemic virtues.

This paper will take some unilateral decisions and “cut the Gordian Knots” presented by the above issues and focus on existing topics by taking a more paradigmatic approach, rather than a methodological one.

The paper will propose a new approach, de-colonisation, to try and remove the barriers that have prevented history from becoming an important part in particular in terms of inter- or multi-disciplinary approaches. However, de-colonisation itself presents a number of issues that will be briefly mentioned in this paper as the topic of the paper is not about establishing (or justifying) a de-colonisation approach per se but to incorporate history into IB. Therefore, to progress, the paper will also have to “cut a further (second) Gordian knot” and focus on the impact of colonisation as an historical event onto IB. However, as a possible act of “epistemic disobedience” the paper will use vignettes.

CUTTING THE FIRST GORDIAN KNOT: INCORPORATING HISTORY INTO INTERNATIONAL BUSINESS

If the incorporation of history into the scholarly work in international business is still deemed to be incomplete or unsatisfactory, it is not, surely, due to lack of interest or attempts (see Jones and Khanna (2006), Arikan and Shenkar (2022), Buckley (2009, 2016, 2021), da Silva Lopes, Casson and Jones (2019) and Decker (2022) among others).

However, the results have not been substantial as shown by an admittedly extremely cursory and tentative analysis of the keywords of the two volumes of the 50th anniversary of JIBS that, quite “ironically”, shows that history (of IB and of FDI) and “economic geography” were cited only twice each. To put things into perspective the most frequently mentioned keywords were

“multinational corporations (MNCs) and enterprises (MNEs)” (33 entries) and Institutions (and variations like change, theory and including institutional voids) mentioned 18 times¹.

One reason for the lack of success, in the opinion of the author(s), is that the debate on the incorporation of other disciplines like history quite quickly got mired in the quick sands of the debate between inter- or multi-disciplinary (Cheng, Henisz, Roth, and Swaminathan (2009), Dunning (1989), Cantwell and Brannen (2011) and Cantwell, Piepenbrink, and Shukla (2014)).

Cantwell, Piepenbrink, and Shukla (2014) provide an extremely thorough analysis of the citation network between JIBS and 166 citing and 645 cited journals over a 12-year time period (2001–2012) spread over no less than 35 disciplines or fields. However, somehow, for some unexplained reasons the paper omits history (see table 1 on page 790 of the paper).

The analysis of (cross)-citations also brings to the fore priorities that may stand in the way of integrating history (or indeed any other subject area) into IB. For instance, Verbeke and Calma (2017) find that JIBS was initially a net knowledge “importer”, particularly from the strategy sphere, but later became a net “exporter”. The not so implicit message here, is that the latter phase was to be cherished and celebrated.

However, neither knowledge nor international trade is a zero-sum game, and one would expect that an academic subject area called International Business would not need reminding this, and this reasoning resonates of some strict early forms of mercantilism where exports were eagerly championed, but imports were being restricted in order to accumulate reserves of gold and silver bullion. What is being exported or imported here is euphemistically labelled as knowledge, but in actual fact is academic citations and the bullion is the much-coveted Journal Impact Factor (JIF).

The rush for Citations (Journal Impact Factor JIF) is akin to mercantilism when countries (publishers, journals and authors) equated wealth (prestige, quality, relevance) with the simple accumulation of reserves of gold and silver bullion (citations) and tried everything in their power to restrict imports and boost exports of goods (citations).

Why this should be a problem at all is lucidly explained by Cantwell, Piepenbrink, and Shukla (2014) who state that, for a number of different reasons such as “disciplinary boundaries” and “accepted research” paradigm(s) of a (uni-) discipline, there was a clear advantage for leading general journals in a large discipline in terms of impact factors (based on citations) as they tend to be higher in comparison to the impact factors of interdisciplinary journals. This bias against interdisciplinary journals and interdisciplinary research is often further reinforced by the strong disciplinary focus of academic departments (read Business schools in particular), with all the attendant structure of incentives and (heavy) penalties for non-compliant researchers.

The latter is well explained by Verbeke and Calma (2017 page 1038) in terms that remind more religious policies than academic squabbles when they remark that:

¹ Other entries are “Internationalisation” mentioned 12 times; Organisational learning mentioned 4 times, while research methods (especially multiple regression analysis) are mentioned 11 times. To reinforce this point a quick (unscientific) search of the SpringerLink website of JIBS confirms the above ranking with institutions appearing 1854 times and “learning” 1428 times, but also shows that history appears 847 times at par with globalisation (786). If anything, economic geography at 336 appears to be the area of concern as pointed out for instance by Arikan and Shenkar (2022).

“...Many business school Deans understand the importance of developing genuine expertise on IB-related phenomena, and the consequent, requisite **tolerance** (emphasis by the author(s) of this paper) for a more interdisciplinary focus”

because many business school Deans think that a disciplinary focus is the best way to move up in rankings (viewed as critical to competitive success).

Whether “A problem well put is half solved.” is true or not is probably beyond the scope of this paper. But surely, a reflection on the publishing process in IB leading to the above-mentioned issues is clearly warranted.

As a minor contribution to solve the above issues through example, this paper will attempt to use relevant (and essential) citations from across a spectrum of sources, although, for obvious reasons JIBS will also provide several references.

The definition of relevant and essential citations is heavily borrowed from Payson (2019), who has analysed the “citation game” in Economics. According to Payson (2019) “Relevant Citations substantively contribute to the paper, though the paper would remain roughly the same without them”, while “Essential Citations have a major influence on the paper” and the paper would lack completeness, clarity and consistency without them.

However, Payson (2019) has also identified a third category, Fodder Citations that effectively can artificially boost citations as they contribute “trivially to a paper”. In this category, perhaps controversially, could be included the typical “for further information about [a specific issue] see followed by long list of citations never mentioned any further and anymore”. The author(s) of this paper do accept that their attempt at the non-proliferation of “fodder citations” has not always been successful.

Other possible obstacles standing in the way of incorporating history revolve around the choice of re-opening old but important topics that “really matter” or to open new vistas and/or “big questions” and what constitute data, primary and secondary and its possible unavailability (unreliability, inappropriateness) of data.

For recent contributions on this debate in JIBS Grøgaard, Sartor & Rademaker (2022) and Arikan and Shenkar (2022) make useful contributions.

Decker (2022) is a good source for a detailed assessment of the “tensions” prompted by any attempt to integrate history due to “the intersection of different research approaches” and what constitute “data” in different disciplines, with a focus on “sources” in history, but “data” in IB.

In Decker (2022)’s words (page 7):

“This is reflected in the terminology of primary and secondary data versus sources. Primary data is generated by the researcher, whereas secondary data are the documents and other materials found at a research site. On the other hand, in historical research, primary sources are the social documents closest to the events studied, *not consciously created as historical documents (added by author(s))*, and secondary materials are mostly narrative sources created with a future reader in mind”

Cantwell and Brannen (2011) argue that IB has already settled the “big question “of the very existence of multinational enterprises (MNE) and the days of a single “big question” or a unifying paradigm are long gone, and unlikely to return.”

However, Cantwell and Brannen (2011) appear to leave a bit more open whether, in their own words, “the implications for the impact of MNEs on home and host countries, or for the relationships between MNEs and governments, or for the development of MNE strategies which balanced the economic (internalization) advantages of global integration against the requirements for national responsiveness” have actually been settled at all.

Although the short answer would probably be negative, it would be well beyond the scope of this paper to engage with the topics listed above. In an extremely cursory way, for a recent analysis of how FDI may have affected micro- and macro-economic development an interested reader may refer to Narula and Pineli (2019), while the copious literature on the two PHHs of “Pollution Haven Hypothesis” versus “Pollution Halo Hypothesis” should be the port of call for an assessment of the relationship between MNEs and the environment. For a comprehensive, alternative and more critical approach an interested reader may wish to access Whyte (2020).

What merits greater scholarly attention in international business?

Verbeke and Calma (2017 page 1038) state that

“...the IB field retains an **absolute advantage** in studying the MNE in all of its appearances, whether Chandlerian hierarchies, business groups, global production networks, family firms, state-owned companies, international new ventures, digitally enabled multi-sided platforms, etc [in the original and one would really wonder what else should be included here]”

JIBS being the most prominent journal in the IB field should carry some responsibility.

Incidentally, the above quotation is revelatory insofar as it mentions an “absolute advantage”. It should be remembered that in international trade theory any trade partner (let say country) with an “absolute **dis**-advantage in the production of everything”, can still enjoy a “comparative advantage” (i.e. it is less bad at something) and could still engage in trade [with a partner enjoying an absolute advantage in everything)] with mutual benefits.

It appears that JIBS enjoys an “absolute”, but more relevantly, a revealed comparative, advantage in the topics that have been identified in the analysis of indexed concepts and keywords mentioned earlier, namely Chandlerian hierarchies, multinationals, and institutions. And these will be the focus of the subsequent analysis in this paper.

In a broader sense (i.e. the future of IB research, not necessarily related only to history), the problem has also been seen as an issue of using the wrong research methods (Nielsen et al (2022)).

In terms of methodologies, Nielsen et al (2022), provide a very insightful analysis, but may put excessive faith in the role of triangulation (greater diversity of methodological choices) per se as methodologies themselves are subject to conventions (technical, communicative and social) as they themselves admit.

Incidentally, greater diversity of methodological choices within each paper/contribution, as shown in other discipline like economics, may lead to side-effects like journals having to publish more complex, longer but fewer papers with multiple authors, effectively raising the rejection rate and inadvertently raising the “barriers to entry” for new entrants in addition to driving the “lone researcher” to the point of near extinction.

However, Nielssen et al (2022) also clearly identify “the” paradigm as the ‘ways of seeing’ [the empirical world]. According to Nielssen et al (2022) “the” paradigm provides the structure for scientific activities in a field akin to setting the rules of the game, including the standards that scholars follow to produce what the community deems to be knowledge as well as the assumptions, values, principles, and norms (the ‘epistemic virtues’) that are acquired through the scholarly socialization process (e.g., doctoral programs and research collaborations).

The above definition should also allow the authors of this paper to state that the paradigm could also be interpreted as “the ways of not seeing” or “pretending not to see”.

This could be described as “the elephant in the room effect” that generally refers to a problem (or in our case a historical era) that is glaringly obvious but willfully ignored.

“The elephant in the room effect” was beautifully immortalised in a one-page fable, aptly titled “The Inquisitive Man“ published in 1814, by the Russian writer Ivan Andreevich Krylov. In the story, a man visits a Museum of Natural History for a long time and recalls seeing a multitude of tiny animals (butterflies, dragonflies, beetles of different colours and tiny little gnats), but when asked whether he had seen “the” elephant he queried the very existence of the elephant and then admits that, NO, he had NOT noticed it”

In practical terms, a paradigm could also be fully affected by the streetlight effect (colloquially known as the drunkard's search principle) that leads to searching for something only where the light [data??] is plentiful and conveniently reachable.

Nielssen et al (2022) quite correctly conclude that without changing the (conventions of the) existing paradigm, methodological innovations that do not conform to it are likely to either be rejected or struggle to gain legitimacy. They also correctly identify the obstacles standing in the way of changing the paradigm as the “institutionalisation effect” and the “efficiency effect”.

On the one hand, the conventions of the existing paradigm are reinforced and become more **routinised (in the original or in other words institutionalized) over time through education, socialization, and career incentives.**

On the other hand, the above may not be regarded as a problem as “science” may actually be a highly efficient system for knowledge production, most definitely for the “winners”, although this efficiency may be achieved at the risk that a scientific community may be reduced to know[ing] more about less (see Alvesson and Sandberg (2013) for examples for management studies and Delios (2017) for international business itself).

However, Nielssen et al (2022) observe that human agency matters too, and thus methodological conventions are subject to change, should not be taken for granted and should be considered as contestable.

Therefore, although paradigms, assumptions, values, principles, and norms (the ‘epistemic virtues’) as well as institutions are surely powerful in selecting out alternatives and innovations that are not compatible with the prevailing paradigm, nonetheless they are not immutable and are contestable. This contestability, however, opens up the potential for “appropriability” (by powerful, well organised and vested interests).

In other words, epistemic disobedience or epistemic rebellion is possible. But epistemic appropriability is possible too.

Given the above debate, to cut the Gordian knot, this paper will focus on existing topics, possibly the ones taken for granted and never questioned and not “new” or “big question” or a unifying paradigm as observed by Cantwell and Brannen (2011), but from a different way of seeing (i.e. De-colonisation).

To re-cap, this paper will discuss the above avenues suggested in the extant literature, but will suggest a different approach, namely de-colonisation. Rather than focusing on methodologies, a de-colonisation approach is more paradigmatic. In this particular paper the debate between re-opening old topics or opening new vistas will be unilaterally decided in favour of the former, possibly leaving the latter for another contribution. In practice this will mean assessing the implications/reverberations of a very specific historical event, colonisation, on important established topics.

CUTTING THE SECOND GORDIAN KNOT: DE-COLONISATION

The definition of decolonisation in this context is to make sure that a very specific historical event, colonisation, is fully reflected in the current debate in international business. For the sake of crystal clarity, although colonisation (and indeed slavery) have very deep historical roots, the focus here is on the period that started in 1492 and inevitably will need to put particular focus on the behaviour of the eventual winner/main beneficiary/best manager of this historical period, namely the UK.

Ironically, the latter is repeatedly remarked in several publications whose authors, though, take umbrage when others make some efforts to show that not everything was really what it seemed. And to be even more clear, a very specific effort will be expended in making sure that “developments” are located in the relevant historical context (i.e. including period) and not, uncritically, to the “respectable times” of the Victorian age.

In the opinion of the authors the Georgian era (1714 to 1837) in England, is quickly brushed off from most historical accounts.

International business (and the name says it all as an all-encompassing concept) in all its forms, stretches its roots far back in history, but most importantly multinational investment (or transnational investment) owes a lot to that period and some of the preceding ones, more than to the Victorian age.

Typically, efforts at de-colonisation would focus on the composition of editorial boards and authors characteristics, ease of access to relevant resources be they datasets or bibliographic, and the actual process of writing (including the chosen language – “lingua franca”).

It will not be the objective of this contribution to establish how JIBS is faring on these criteria, also because Verbeke and Calma (2017) and Cantwell et al. (2016), have, indirectly, already carried out some work in this area, albeit not with de-colonisation as such in mind.

Verbeke and Calma (2017) show that authors from the United States contribute almost 60% (more than all European countries in the top-10 combined) of the papers published in JIBS and alongside Canada, the United Kingdom, and China contribute 90% of the papers published in JIBS, while Cantwell et al. (2016) provide a further analysis and while confirming the dominance of the USA, also notice that one third of the authors born and affiliated in another country, nonetheless have PhDs awarded by US-based universities, somehow confirming what Tung (2023) would describe the “centrality of the West”.

From a pedagogical point of view, what we teach stems from research. A point forcefully made by Verbeke and Calma (2017) who observe that the “foundational scholarly works” (i.e. the 25 most cited contributions in JIBS be they papers or books) should be the core of any required reading list for any aspiring scholars in IB (including PhD programs). As a minor point, one would be challenged to find any contributions by Chandler in this list.

In light of the above reflections about paradigmatic norms and practices becoming routinised (or “institutionalised”) through education, socialization, and career incentives, it would be important to critically reflect upon the publication process, since publications will inform reading lists and curriculum development, reinforcing the loop between research, teaching and the pipeline of scholars who produce research that will inform the reading lists and curriculum development.

However, for pure reasons of space and focus, not lack of interest or awareness, this contribution will not aim at contributing directly to the area of de-colonising the curriculum and/or to the literature focused on the research and publication processing.

De-colonisation itself as a concept will involve making some (possibly controversial) choices. It is probably worth reminding ourselves that the ultimate objective of this paper is to go beyond “history matters” rather than developing a fully decolonial research agenda.

However, it is important to briefly summarise, if at all possible, the salient features of what a decolonisation agenda is or is not. This section will draw heavily from Banerjee (2022), but the interested reader would be advised to also access the paper by Moosavi (2020) and the literature mentioned in it.

De-colonisation must be interpreted as an attempt to restore indigenous perspectives and/or challenge the current structure of dominance, to redress the exclusion and marginalization of black, Indigenous and people of colour from the production of knowledge as an act of epistemic justice as mentioned by Banerjee (2022).

And should enable exchanges of ideas and perhaps collaboration (a fusion?) between mainstream and heterodox approaches to research.

However, de-colonisation should not, in the opinion of Banerjee (2022) (and of the authors of this paper), involve rebranding conventional theories to address so-called ‘grand challenges’ or, creating some new interest groups or divisions, which could become self-serving spaces

where scholars preach to the converted, at the risk of being irrelevant to several important key audiences including “mainstream scholars” that could make a difference.

In terms of the epistemic justice, the author(s) of this paper argue that de-colonisation should also be approached from a variety of different angles and indeed, from a variety of “lived experiences” (be they personal or professional), to avoid burdening the very people who are in a minority.

Paraphrasing Solzhenitsyn (1962) who said: ‘How can you expect a man who’s warm to understand a man who’s cold (in the original)?’, one could equally argue “why should a man who’s cold, be kept standing out in the cold with the additional burden of explaining his situation to a man who’s warm”? Swing the door wide open and let the draught in!!

To cut the Gordian Knot of all these conflicting facets implied by de-colonisation, the contribution of this paper is to ensure that a very specific historical event, colonisation, is fully reflected in its complexity in the current debate in international business.

It might seem a simple, unambitious, task until one observes that for people who live, vote and work (including in universities, both as academics or learners) in countries belonging to “old Europe” that have not experienced the (negative) connotations of colonialism within their territories, its consequences appear very distant events, not visible and not part of the everyday experience of life. In this context, de-colonisation might appear a very distant priority, if not an outright nuisance or even an existential threat to resist at all costs, a problem that may affect old Europe more than the “neo-Europes” (USA, Canada, Australia, New Zealand) or indeed the former colonies themselves.

Moreover, the fundamental issue is that the legacy of colonialism is extremely more prevalent than imagined and the process of becoming aware of this, let alone to move away from it, is, in fact, quite complex and fraught with controversy. Indeed, progress will require quite a complex process of “un-learning” and “re-learning”, something that may not come naturally.

The main message of this contribution is to remind ourselves of the powerful strength of historical forces and how much the current (and future) debate would be enriched (hopefully not constrained) by a more thorough consideration of history. But we should also remind ourselves of the enduring risks entailed by a selective reading of history.

VIGNETTES

This section will draw heavily from Klotz et al (2021), who provide a history and taxonomy of vignettes, but most importantly reflect on the type that will be used in this paper: the vignette as a narrative form used for research communication. Alternative uses for vignettes could be for data collection where researchers invite participants to respond to vignettes, in the form of images, texts, animations, or audio as stimuli; and data analysis where researchers can use vignettes as an analytical device for retrospection.

For applications of vignettes in different research areas the interested reader may access Cheah, Koay, and Xiang (2023), Dutta (2018) and Wei, Cheah and Yeik, Koay, K., (2022).

Although no specific guidance exists for using vignettes as a narrative form in research papers, it mostly take textual form and in the words of Klotz et al (2021):

“Typically, a vignette as a narrative form in research communication (1) is bounded to a short time span, a location, a special situation, or one or a few key actors, (2) provides vivid, authentic, and evocative accounts of the events with a narrative flow, (3) is rather short, and (4) is rooted in empirical data, sometimes inspired by data or constructed”.

2030 and 2038 the bi-centenary of the first world railways (Liverpool-Manchester) and the abolition of slavery in the British Empire

As a way of providing examples of the current relevance (reverberations) of the colonial past, in 2030 and 2038 the bi-centenary of the first world railways (Liverpool-Manchester) and the abolition of slavery in the British Empire will be celebrated.

It is important to stress that the Act of abolition of slavery was accompanied by a substantial compensation for the owners for loss of property (sic) equivalent to £ 20 million or 5% of GDP of the time (as documented by the excellent searchable dataset created by the Centre for the Study of the Legacies of British Slavery (<https://www.ucl.ac.uk/lbs/>)). The “off-balance sheet” £ 20 million (a genuine fiscal policy expansion) borrowed from the Rothschilds family was mostly distributed among the wealthiest people of the country, providing an incredible boost to the economy.

Apparently, this important financial transaction was neither mentioned in the otherwise authoritative and painstakingly researched book by Ferguson (1998) on the Rothschilds House nor appears to have triggered much scholarly interest, as if pouring such a substantial sum on a relatively small group of well-off citizens should be expected not to have consequences on the economy, on the legal and financial sectors (given the extent of claims and counter-claims), not to mention to the social fabric of Britain.

In this respect the book by Matthews RCO (1954) “On the business cycle of the UK economy in the period A study in trade-cycle history: economic fluctuations in Great Britain, 1833-1842” bears testimony of this, albeit in an indirect manner, as in his analysis of the British economy during that period, he managed to totally avoid mentioning the compensation. Not much attention on this aspect in the papers citing the book either.

As for the railways line between Liverpool-Manchester that has been fully funded by private money, unlike in other countries, where railways were, and still are, mostly funded by the state with a modicum of “central” planning. The line, incidentally, was a clear commercial success, although it barely catered for freight as the area was also heavily endowed with canals and roads (turnpikes). To bring perspective, in other countries, the “first line” usually involved linking the capital city to, admittedly sub-optimally, some residence of the monarch.

Casson (2009) offers both an insight and implicit warning. The insight is when he states that on most analyses the British railways system was not optimal, was more expensive than necessary and would have benefitted from more careful planning. The implicit warning, in the opinion of the author(s), lies in the inaccurate historicization of the era of the railways. Far from being the creation of the Victorian Era, the railways were very much the *creation* (emphasis on the word creation) of the Georgian Era (the last king of the Georgian era, William

IV died in 1837). It is also interesting to note that the process of building railways was far from a linear process, as it came in waves and was mostly accompanied by “railways manias” and financial crises that wiped out large fortunes, in particular in the subsequent waves of construction in the 1840s (see Kindleberger and Aliber (2005)).

Before one is led to think that this is just hair splitting on a side show of no importance to current scholarship, one should reflect on the very important role of the railways in the work of Chandler (1977). Chandler argues that there were hardly any large hierarchical organisations (i.e. a complex organisation with upper and lower middle managers between the owners/chief executive officer and the foremen [i.e. the rank and file employees]) until the arrival of railways in the USA.

Interrogating the archive of JIBS

In this vignette, past issues of JIBS, acting as the source of information, will be selectively analysed to prove the importance of history. The analysis of the archive of the early issues of JIBS (1970- UP TO 1975 N 1) shows that there are important differences in the presentation, scope, breadth and focus of published papers.

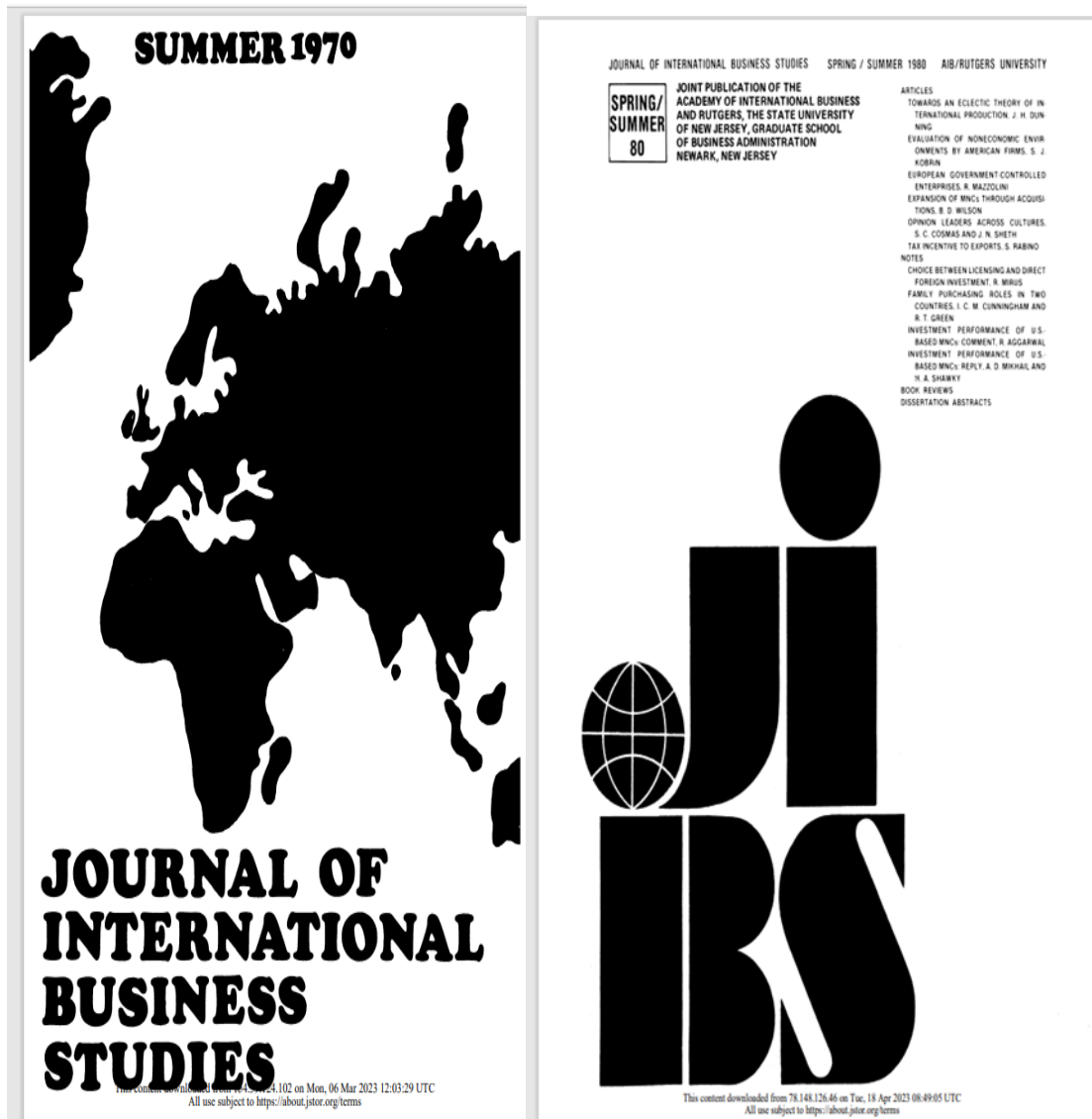


Figure 1. Cover page of JIBS from 1970 issue 1 to 1975 issue 1 (on the left) and cover page of JIBS from 1975 issue 2.

In terms of “visual” presentation, Figure 1 reproduces the cover page of JIBS from the initial issue up to 1975. It is noticeable that “old Europe” features in the middle of the page, From 1975 the cover changed to a less geographically focused theme.

FOREIGN INVESTMENT IN THE SPANISH EMPIRE

by
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Abstract. An abstract of a few sentences in length, will be published with each issue. The author should supply the abstract typed on a page separate from the text.

Figure 2. An example of title and author's biographical data appears below in the issues 1974 Issue 1, 1974 Issue 2 and 1975 Issue 1 as per editorial advisory notes. It disappeared afterwards.

In Figure 2 there is a guidance for a potential paper as provided in the editorial notes in the issues 1974 Issue 1, 1974 Issue 2 and 1975 Issue 1. Although there might be no doubts about the "tongue in cheek" approach, it might be worthwhile noticing that Professor Don Q. Hotee of the "Universidad de la Mancha", in 1974 would have constituted the very first author of a paper published in JIBS whose affiliation, citizenship and country of residence was not American (the late Professor Jose R. de la Torre whose paper was published in 1971 Issue 1 was born and raised in Havana, Cuba, but was a U.S. citizen and lived and worked at various times in Europe, Asia and Latin America)². It should be noted that in that same very issue two papers were published, one by authors with the University of Bergen as the affiliation and the other one with the University of Uppsala Bergen as the affiliation.

This specimen paper whose title is "Foreign Investment in the Spanish Empire", may remind us all of the importance of history and in particular the importance of the colonial period for international business. But it could equally remind us of the lack of interest and success in this compartment in the several past issues of the journal.

From the analysis of the archive, the first thing that is clearly apparent is the link between research and "education", perhaps not surprising as JIBS was then published by the Association for Education in International Business. Quite fittingly issue 1 opened with Papers of the Annual Meeting of Association on the Round Table on Curriculum, Teaching and Research with contributions on University Education for International Business and Comparative Index of Teaching Materials for International Business. Subsequent issues had sections on "Pedagogical Issues" (sic) and in 1973, the then chief editor, Vern Terpstra, was publishing a detailed analysis "agonising" over "The Future of the International Business Professor".

Then it was clear that JIBS drew from several disciplines like marketing, financial management, and finance. In terms of the latter, it was noticeable that there was an issue focused on forecasting exchange rates and there were papers on the "The Eurobond Market and Exchange Risk".

The breadth of geographical cover was also remarkable with papers whose title included India, Argentina, Brazil, Hungary (at the time belonging to the Council of Mutual Economic

² [Deceased Fellows: José de la Torre - Academy of International Business \(AIB\)](#)

Assistance also known as COMECON that meant being more or less a command economy and the military Warsaw pact), Costa Rica, El Salvador, Dominican Republic, Mexico and the Andean pact. A number of other countries were studied in papers without mentioning them in the title (see below Truitt (1970)).

In the 1970s an important preoccupation for anyone working in IB was the hostility of several countries in terms of the increasing expropriations and nationalisations of the operations of multinational companies over the period 1945-1970.

Truitt (1970) “Expropriation of Foreign Investment: Summary of the Post World War II. Experience of American and British Investors in Less Developed Countries [or as Truitt himself put it “one small step in the direction of the de- emotionalization of the spectre of expropriation by critically examining the post World War II expropriation experience of American and British foreign corporate investors in the non-Communist less developed countries”]

Truitt (1970 introduction pp. 21-22) decries the “myth, mystery and misunderstanding” surrounding the issue of expropriation of private foreign investment and liberally use concepts like “Emotions run strong and run deep on this issue “ and “These sentiments are heady stuff and the mention of expropriation all too frequently generates more rhetoric than analysis”.

He continues by admonishing that expropriation is only one of a variety of political moves a host government can take against a foreign investor.

In his words: “One must be careful not to exaggerate a mild form of intervention which, although it may subject the foreign investor to increased regulation by the host government, does not constitute expropriation in form or in fact. Some investors cry wolf (expropriation) at the slightest provocation only to find their premature howls may actually provoke the real wolf from the woods: in other words, an overzealous or misguided response to a political action which itself falls short of expropriation may in fact induce or provoke the real thing”

Truitt (1970) also distinguishes between expropriation and nationalization. In his words, expropriation of a foreign investment happens if a particular company is expressly named in the government takeover decree. This is discriminatory.

In contrast, a nationalization decree does not expressly name a [any] particular company, but is instead aimed at bringing a whole sector of the economy located within the territory of the expropriating state into public or state ownership with a view to attempting at a fundamental modification of the existing organization of the host economy and society, for a public purpose or public utility. This is not discriminatory.

Truitt (1970) then analyses specific cases in Peru, Uganda, Chile to show that the classification may not be entirely clear cut.

Then Truitt (1970) states:

“But lest the reader leave this point with a too comfortable feeling, the author would like to add one **heretical** suggestion (in the original): “It could well be that nationalization might in some cases be an adjustment in the development process of an emerging nation necessary to **shed the last vestige of colonialism** and attain some internally defined measure of social

justice. In this case the fact that a nation has nationalized foreign investment may well indicate that it has wiped the slate clean and settled into a pattern which will permit and encourage negotiated new private foreign investment in a new and more stable social and economic context.”

The link to colonialism is then provided by Truitt (1970) when he compares the experience of British and U.S. investors in the post World War II time period. For both countries, losses happened in the petroleum (especially petroleum distribution) subsectors. However, Britain experienced significant losses in the service industries (insurance, export-import trade and commercial banking).

Geographically the British losses were concentrated in former colonies, while the American firms' experience was concentrated predominantly in Latin America.

To reinforce the above point, Truitt (1970) remarks that the experience of losses experienced by British investors in the service industries may be due to the fact that they had “followed the flag” in the service of colonial administration and British colonial investment and hence were exposed to nationalization in the post-empire period of de-colonialization.

McCosker (1973) “Accounting Valuations in Nationalization Settlements” provides quite detailed analysis of nationalisation of American assets in Zambia, Cuba, Chile and Bolivia with the argument against using “book value” instead of “fair value” for computing the compensation. .

Some further papers focused on “Restrictions on Dividend Repatriations”; and “Negotiation Strategies in International Business-Government Relations”.

Another issue that “perennially” is associated to MNEs is corruption. Waldman (1973) in his paper “Corruption and the Multinational Enterprise” analyses the issue in some detail.

Waldman (1973, page 93 introduction)

“Although there is some literature on the general phenomenon of corruption, one is hard pressed to find any references - much less elaborations of it - in articles, books and programs in the area of international business administration. This paucity of treatment is difficult to comprehend.

On the one hand, we are in an age when the public is increasingly emphasizing the need for corporations to exercise social responsibility.

On the other, we have assertions by individuals that multinational enterprises are among the foremost practitioners of corruption, particularly in the less-developed nations where they operate.”

In view of these parallel developments, it would appear that there would be much more research and, thereafter, discussion of multinational corruption in the programs and literature of international business than presently exists.

Some possible reasons for the lack of treatment given to this area may be (1) the difficulties in defining the phenomenon; (2) the delicacy of the research which characterizes the area; (3) the

problems of obtaining data; and (4) the lack of agreement on the political, social, and economic effects of corruption.

.....In the making of historical comparisons, many activities carried on in 18th century France, e.g., sale of state offices, are no doubt highly proscribed by present-day French legal norms.

Additionally, in making contemporary cross-national comparisons, there are some actions commonly practiced in the U.S. which would be illegal and considered corrupt in many of the developing new nations of the world (in the original!!).

An example of such action would be the political patronage associated with the automobile license branches of many states. In Indiana, for instance, the Governor has the discretion to appoint license branch managers in each county. County chairmen are a usual appointee to these jobs. Branch profits are retained by the license branch manager after an assessment is paid to the State Central Committee.

Such a situation would often be abhorrent in many of the newly independent, less-developed countries; and legal norms would have been enacted to prohibit such activity.

.....that developed country governments may be less than enthusiastic in sponsoring research that might possibly subvert the overseas power positions of their multinational firms. In addition, this inclination may also result from inhibitions arising out of the "**cold war**"- i.e., a desire to support one's allies by emphasizing their merits and not their defects.

Research, therefore, may be channelled into more innocuous areas which are less awkward to the multinationals, the various host countries, and the developed country governments. “

The early issues also focus on expatriates and their selection processes, education and managerial styles. For reasons of space, this contribution will not focus on any papers, but will still list the titles as some are quite evocative such as “Drift to Authoritarianism: The Changing Managerial Styles of the U.S. Executives Overseas”; “The Education and Mobility of European Executives in U.S. Subsidiaries: A Comparative Study”; “Expatriate Selection: Insuring Success and Avoiding Failure”; “Explaining the National Propensity to Expropriate: An Ecological Approach”; and even a more practically focused “Methodological Problems in International Comparisons of the Cost of Living”.

Multinationals and their Evolution

The very concept of multinational companies is inextricably linked with colonialism. Aharoni, and Ramamurti (2011), in a paper never cited by journals in the IB area, argue that in the first phase, mostly taking place in the 17th century, MNEs followed the flag of a colonial power. They name companies like Dutch East India Company, which was granted a monopoly in 1602 to carry out colonial activities in Asia on behalf of the Dutch state. Around the same time (1608) The British East India Company – a private enterprise backed by the crown – started operating in the East Indies.

More recently in JIBS, Arikan and Shenkar (2022) made the same point when they observed that there were several other “India Trading Companies” that gained monopoly trading rights and mercantilist privileges from the French, Swedish, and Danish states.

As a side comment, in the opinion of the authors of this paper, the relevant point is the foundation date and we find that the suggested time-window used by Arikan and Shenkar (2022) may create confusion as 1874 is the date when the British East India Company actually ceased to operate.

Again, for the sake of clarity, the above mentioned companies have in common that they started operating around the same time in the 17th century, although they ceased their activities at different points in history.

Arikan and Shenkar (2022) also add to the above list the Royal African Company and the Muscovy Trading Company. As the names imply they were focused on completely different geographical areas than India.

The Muscovy Trading Company is worth mentioning because it was the first major chartered (1555) joint stock company, a model of governance that in some quarters is deemed as one of the greatest innovations.

The history of the Royal African Company is complex. It started as the “Company of Royal Adventurers Trading into Africa” in 1660, effectively it went bankrupt and was replaced in 1672 by the Royal African Company “proper” that also expanded its mandate into military control and, crucially, trading slaves.

It is therefore unsurprisingly that former colonising countries more than monopolised the stock of FDI pre-1914 with the UK in a very prominent position. This predominant position would be further enhanced if, as noted by Winder (2006) in another paper never cited by IB journals, a broader definition of FDI was used inclusive of chartered trading companies, agencies (they would add almost 40% to the British stock of FDI), investment groups, comprador activities, expatriate enterprises and free-standing companies. It is also worthwhile reminding us that arm’s length international trade is also very much part of the family of IB. And pre-1914 it was highly affected by government policies like the Navigation acts and Corn Laws (restrictions on imports of grains into the UK) that were repealed only in 1849 and 1846 respectively.

The above list of possible forms of activity abroad. in the opinion of the authors of this paper, does reflect the evolving and adapting boundaries of [international] firms to changes in external circumstances. This appears to be very much in line with current theories of IB.

As Winder (2006) observes agents may be employees, whose activity is contractually monitored and controlled, not independent operators. Therefore, a change from agency to branch constituted a change in legal status but not the imposition of bureaucratic control onto an independent operator.

Free standing companies (a possible early incarnation of “born global companies”) were joint stock, limited liability companies, with British registration on the London Stock Exchange, sterling capital, and diverse but British-based boards of directors and stockholder, although the actual management was conducted by managers located abroad. However, they did not grow out of enterprises headquartered in the United Kingdom.

One reason for the lack of inclusion of free-standing companies in the definition of FDI is because, according to Wilkins (1988), they relied on “gentleman amateurs” or family members as managers and not on the professional managers used by their American counter-parts.

Winder (2006 page 793) instead notes that:

“What appears, on the surface, as a cluster of competing ‘free-standing’ firms was, in reality, a closely knit and highly concentrated system of operating units managed **by a few powerful organizations and individuals**”

Winder (2006) further observes that “Control over foreign enterprises was possible without direct ownership, even when thin management structures were used”

It would be well beyond the scope of this paper to re-open the above debate with sufficient depth. However, few comments, within the boundary of the ultimate objective of this paper of moving beyond “history matters” in IB, are warranted.

Without being dragged into the vicious debate about the professionalism, or lack of it, of the investors, it should be noted that the adjective “gentleman” may add confusion and ambiguity. Parenthetically, one may think at the etymology of the word “gentile” (someone who is not a Jew) to get a feeling.

To be clear, in the most basic and perhaps more “objective” definition, these “gentlemen” were people (admittedly mostly men) of (substantial) wealth who could engage in business and possibly survive even if they encountered substantial losses.

The lack of curiosity about who these people could have been, in England in the mid-19th century, is interesting in its own right as they might have been former slave owners (more in line with Winder (2006)’s opinion) freshly compensated for their “loss of property”, who were searching for different investments, at a time when there were copious investment opportunities in the newly independent states of Latin America or in the expanding United States in shipping, railroads, banking, insurance, plantations, factories, and mills.

A further minor consideration is in the repeated attempt to pass as totally new topics, forms of IB that have actually happened in the past, but have been ignored. The “born global” has already been mentioned. Or the fact that firms may exercise a modicum of control, even without owing another company through subcontracting the procurement of manufactured goods through “compradors”.

The selling of agency management services to independent enterprises, also mentioned by Winder (2006) with reference to British merchants, is possibly echoed in the build-operate-transfer (B.O.T.) concession contracts linked to infrastructural projects where the “project proponent” will finance, design, construct, own, and operate a facility for a set period of time with a view to recovering the initial investment and the expenses of operating and maintaining the project.

(B.O.T.) concession contracts are, according to the IMF, classified as FDI.

Perhaps it is time to give a chance to a proper reflection about the origins of “international business” in all its facets, but predominantly to for profit multinational corporations.

[Joint stock holding company](#)

To many the real comparative advantage of Britain was the joint stock holding company and the financial implications associated to it.

It may be worthwhile reflecting that joint stock holding companies were, **from the very outset and at every point in history**, aimed, like multinationals companies today, at earning profits and distributing dividends for their shareholders. Forms may change but this objective remains, although in the opinion of the authors, at times, the IB literature appears to be “conspicuously” and “studiously” oblivious about this profit motif.

Joint stock holding companies were initially highly regulated. In England the granting of the charter of joint stock holding company was the exclusive prerogative of the Monarch. These charters were usually awarded for infrastructural projects (but also for ventures abroad as we have already seen for the British East India Company and Royal African Company) and with a very clear time limit. Approval by Parliament, more rarely accorded, would make those charters permanent. Joint stock holding companies became significantly more unregulated only in the second half of the 19th century when simple registration was sufficient.

A further element of joint stock holding company was the fact that shares in the company could be traded freely (and they were, initially, in coffee houses in London and Amsterdam) without the approval of the other shareholders, unlike in partnerships, where all partners had to agree on enlarging the partnership to new investors or even to the transfer of shares from one partner to another investor.

Dividends would be distributed to whoever (to the anonymous bearer) owned the share at the time of the distribution of the dividend. This anonymity is deliciously captured in how Romance languages, but not English or Dutch, have interpreted the concept of joint stock holding company. In French, for instance, joint stock holding companies were labelled as “societes’ anonyme” quite literally “anonymous” companies or, as Whyte (2020) would remark, companies owned by anonymous (literally “nameless”), “faceless” or “silent” shareholders who would finance the company by acquiring shares, but would not be involved in the management and/or “would not [wish to] see or know” how the dividends were earned....

For the sake of historical relevance, and possibly to contribute to a less “Euro- or Anglo-Saxon centric perspective”, the issue of how to compensate investors had led different countries to different solutions. For instance, Florentine merchant made widespread use of the “commenda” a form of partnership where the profit depended upon the success of the venture and the “commendator” would invest, while the partner in the venture would provide expertise and labour.

Similarly, in Islamic Finance, there is widespread use of partnerships based on the principle of profits and losses sharing (PLS) that is probably an equal if not more important principle to the prohibition of earning an interest. Incidentally, the PLS principal is applied to banks as well whereby on the liability side of the balance sheet depositors do not earn an interest but a share of the income generated by the bank. On the asset side of the balance sheet, banks become partners of the different ventures.

In the process, due to the limited liability principle, also the burden of liability has shifted further away from the partners (and their patrimony) to the assets held by the “incorporated” (i.e. with a legal body) entity. For the sake of historical curiosity, the authors of this paper may suggest to the interested readers to make time and space to investigate the evolution of the

concept of “habeas corpus” that to a certain extent is an equivalent concept applied to human beings and quite literally implies having a legal body that attracts rights and protections, through time with a specific focus on England and more specifically the colonial times of the 17th, 18th and 19th centuries. In an extremely cursory way, although the concept itself was conceived in medieval times, it was codified by the Habeas Corpus Act 1679 by a Parliament known as the “Habeas Corpus Parliament”, dissolved by King Charles II. The Habeas Corpus has also been suspended or restricted, in particular in the 18th and 19th centuries.

A famous case based on the habeas corpus is the *Somerset v Stewart* case (1772). James Somerset (a black slave) had been subjected to “unlawful detention”, **in England**, with a view to sending him back to Jamaica. In this case the judge Mansfield interpreted the application of “habeas corpus” only and exclusively as to determine whether the detention was lawful (he decided it was not), but did not go any further.

The move from partnership to joint stock holding companies has also opened the issue of how managers could be accountable to distant shareholders. For a delicious description, one has only got to read what Adam Smith (1776) had to say, in 1776, about the management of the English East India Company.

Chandler

In this vignette the contribution by Chandler (1977) will be reviewed from a de-colonisation perspective. For a very insightful analysis of the role of slavery on the work of Chandler the interested reader should refer to Cooke (2003). Some of the arguments put forward by Cooke (2003) may be mentioned here, but the focus of this vignette is not on the role of slavery as such, although repeatedly Chandler (1977) emphasises the role played by cotton.

To put things into perspective, some statistical data provided by Chandler himself will be mentioned, although the data are not provided on a consistent basis as they switch from one unit of account (weight in pounds from 1793 to 1815) to another (US\$ millions from 1815 to 1840). Using US\$ millions, revenues from cotton almost quadrupled as they jumped from \$17.5 million in 1815 (to provide perspective, exports of tobacco were valued at \$8 million) to \$ 64 million in 1840 (when exports of tobacco were valued at \$10 million). Over the period 1793-1815 the annual exports of cotton grew almost 200 times (!) from 488,000 pounds in 1793 to 83.0 million pounds in 1815.

Confusingly, he states that, “the impact of cotton on American commerce did not become fully apparent until after 1815, although it had begun to make itself felt in the 1790s [despite a 200-fold increase in annual exports].

It is therefore unsurprising that Chandler (1977) should repeatedly note the importance of cotton, although he tries to suggest a counter-factual without providing much evidence when for instance on page 19 Chandler (1977) state that “Even without the boom in cotton and textiles, specialization in commercial business enterprises **certainly** would have come to the United States in the fifty years after 1790 (i.e. 1790-1840).

Then, for the next eight years [1807-1815], embargoes, trade restrictions, and wars shut down practically all trade except for a brief period in 1810 and 1811. **The wars and wartime commerce overshadowed the rise of the brand new and profoundly significant cotton trade.**

Apart from few mentions of the French Revolution and the Napoleonic Wars, history appears to take a very secondary seat in the analysis despite the fact that during this very same period the Louisiana purchase (inclusive of the much coveted New Orleans) that almost doubled the territory of the nascent USA was concluded in 1803. Incidentally, Napoleon Bonaparte had decided the sale (la vente) because he wanted to “pivot to “old Europe” after having effectively lost control of the very lucrative sugar colony of St Domingue due to a slave revolt (now Haiti that became independent in 1804). In 1807 slave trade was abolished in the British Empire. It may be worthwhile remembering that the War of 1812 (18 June 1812 – 17 February 1815) was fought between the United States of America and the United Kingdom.

In 1815 the Corn Laws (restriction to importation of grains) were introduced in the UK to be repealed only in 1846!!!

I think a stronger historical background is needed to appreciate or question in equal measure some statements made by Chandler like the assertion that “cotton moved westward in the south a generation before wheat moved west in the north”.

Presumably cotton moved westward on the back of the Louisiana purchase and the “re-shuffling” of investment of plantation owners (and slaves) from Haiti and indeed from the former 13 colonies, whereas grains exports were boosted by the repeal of the Corn Laws that happened in 1846 and moved west-ward on the trail of the territorial expansion taking place in the 1840s (the Republic of Texas was annexed in 1845, in 1846 Oregon and the Northwest, in 1848 California while the California Gold Rush of 1848–1849 and the Homestead Acts spurred migration to the Pacific coast).

An important effect of this territorial expansion was that the (enlarged) size of the (domestic) market increased, allowing a deeper division of labour. This is probably a good explanation for the most important contribution by Chandler: Americans developed a distinctive style of unitary organization, focused on economies of scale and pioneered “corporate managerialism”, within a hierarchical and bureaucratic framework.

According to Chandler, corporate managerialism gave U.S. corporations a competitive edge over both the amateur, gentlemanly managers employed by British corporations in various forms of “personal capitalism”. Please note the mention of “gentleman”.

However, Chandler did not settle the issue of competitiveness in terms of actual efficiency, profitability, and economies of scale among different styles of corporate organization an issue that is plaguing IB to this day.

The next statement also needs history: “The grain trade differed from the cotton trade because it had hardly been fully established [the repeal of the Corn laws only happened in 1846] before it was radically transformed in the 1850s by the coming of the railroad and the telegraph, while the cotton trade continued to operate relatively unchanged for several decades”.

Perhaps it might be useful to remember that wheat is extremely more perishable than cotton and at the same time that its density is 769 kg/cubic metre while the density of a cotton bale is 448 kg/m³. It is not a surprise that wheat benefited [more] from the arrival of the railroads, unlike cotton that was not affected, as already observed elsewhere in this paper, by the first railways in England between Liverpool and Manchester.

This quickly created continental commercial network was coordinated almost entirely by market mechanisms. The American economy of the 1840s provides a believable illustration of the working of the untrammelled market economy so eloquently described by Adam Smith.

Chandler also compares grain trade differed with the cotton trade in terms of finance, as the former was financed by American, while the latter by British capital.

Overall, though, the most powerful financiers in the American economy after 1815 were, the people who had been involved in the trade of exporting cotton to Britain and, to a lesser extent, bring goods into the United States. These financiers that had, meanwhile adopted the form of incorporated joint-stock companies to pool large amounts of capital to improve financial and transportation services, were British rather than American.

Institutions

As previously mentioned the concept of institutions, including variations such institutional voids, were mentioned almost ten times more often and more than twice than history in the index and in the SpringerLink website of JIBS respectively. Although it is absolutely appropriate to recognise that it is better to be approximately right than precisely wrong, the message about the importance of institutions for JIBS is loud and clear. However, it is equally clear, as previously mentioned, that humans have agency and institutions (and paradigms) are contestable, potentially “appropriable” and surely not “a-historical. In fact, it could be argued that peeling off history from institutions could be an arduous task. And a way of providing an example, one could think about a quintessential institution like the Monarchy. Contestable, potentially “appropriable” and surely not “a-historical. And not embraced by the newly independent United States.

This vignette will focus on institutions (and institutional voids) two very popular concepts in IB that, however, could benefit both from stronger historical and de-colonisation perspectives.

In academic literature, “empirical evidence” in support of the role and importance of institutions upon economic development, is obtained by comparing the performance of colonial powers in the territories they controlled. Arian and Shenkar (2022) on page 1492 for instance, state that:

“In the *natural experiment setting of Western Samoa (from 1997 officially known as Samoa) versus American Samoa* (emphasis by the authors), the unique setting presents an invaluable context where one can control for anthropological foundations of a culture that is split into two countries but has developed different institutions, subcultures, and economic and organizational systems. Since Western Samoa is an independent nation and Eastern Samoa is a U.S. territory, the context presents IB scholars a controlled environment to test several IB dilemmas and theories”

This type of exercise was started by Acemoglu et al (2001) in a paper exploring the “colonial origins of comparative development” cited 15,000 times in Google Scholar and more than 4,000 in Scopus. For reasons of space only a very cursory description of the main arguments of the paper will be given. In the word of Acemoglu et al (2001) “where colonial settlers found a favourable environment measured by low mortality the colony would inherit the

institutions of the settlers, while in areas where colonial settlers encountered a hostile environment leading to high mortality, institutions would lean towards extractive practices”. For the sake of completeness, mortality rates were used only as an instrumental variable to avoid the likely issue of endogeneity between the contemporaneous level of economic and institutional development. However, the variable being “instrumented” was the “Protection against risk of expropriation index” from Political Risk Services. One cannot but savour the delicious irony that institutions are being measured by an index measuring the degree of protection of foreign inward investment and that these very “institutions” are expected to be positively linked to the “right” of settlers to effectively disregard the rights of the people living in the occupied area, weather permitting. A veritable catch-22!!

Whether institutions are really immutable is also debatable. A quick statistical analysis shows that the correlation of the “raw” GDP per capita at PPP in 1995 (as used by the paper) is only 0.50 with the same indicator 20 years later, although it does increase to 0.88 if the variable is logarithmically transformed as done in the paper.

Incidentally, the example provided by Arikan, I., Shenkar, O. (2022) does not appear to be so conclusive as difference in income per capita between the two Samoas (US \$ 5,000 and US \$ 8,000) does not really justify such a hyperbole. Among other important differences like morphology, perhaps micro-climates, one has got to bear in mind that American Samoa is also, among other things, the area where the various space missions “splash down”. It is not too difficult to imagine that the area is of extreme strategic interest to the USA.

At the risk of sounding a bit “lame”, colonialism should not offer an opportunity to “host an Olympics” of “natural experiments” to effectively decide who was the “most competent coloniser”. If only because countries actually **bid** to host the Olympics....

Institutional voids

From the previous vignette, it follows almost “naturally” (and logically once one accepts the premises of the argument) that the “absence of institutions” **fully comparable** to those of the former colonisers will amount to a void, an “institutional void, rather than, as Bothello et al (2019) would observe, as a failure to recognise the appropriateness, efficacy and dignity of pre-existing, alternative, “non-Western” order(s).

In this vignette, it will be attempted to provide some historical background to the concept.

It is quite clear that although the role of institutions had been highlighted in several contributions before the 1990s, the fall of the USSR in 1991 (and the fall of the Berlin Wall in 1989) opened an opportunity both for boasting about the superiority of a specific political-economic system and agenda, but also, surreptitiously, for some soul searching about the exact reasons for this superiority. Therefore, it is not surprising, as Bothello et al (2019) observe, that use of the term has grown from a handful of articles a year in the late 1990s to 38 articles in the year 2017 alone.

The historical resonance of the events taking place in 1989-1991 cannot (and should not) be understated. With the fall of the USSR not only the cold war came to an end and the iron curtain was breached, but also an economic system based on widespread state ownership and intervention in the economy and different degrees of disengagements with international trade,

came to a screeching halt, leaving effectively one country, the USA, as the undisputed leader, economically, financially militarily, and politically (in strict alphabetical order).

This development has not been without consequences for IB as the original missions of explaining and “protecting” MNEs had effectively disappeared, while the effective superiority of the western system also silenced any possible critical assessment of MNE as previously noticed.

Considering that institutions are effectively reduced to regulative, market-enabling ‘rules of the game’ of exchange, something that is particularly important in finance, in the opinion of the authors of the paper, the role played by finance in this literature should not be underestimated as important contributions in this area like Khanna and Palepu (2000), and the seminal paper on the liability of foreignness by Zaheer (1995), were strongly based on finance, the latter focusing on trading rooms involved in exchange rates, while the former emphasised the importance of financial analysts. absence of specific regulatory institutions or market intermediaries (e.g. information intermediaries, regulation and contract enforcement) that resulted in inefficient capital, labour and product markets. Even the absence of fully independent trade unions was remarked showing that the boundaries of what constitutes an “institution” and by default what constitute an “institutional void” are, indeed, contestable.

CONCLUSIONS

Hopefully this paper has managed to persuade the reader about the importance of fully utilising an historical approach in IB. To do so, the paper had to make several choices and cut two distinctive Gordian knots (not to be confused with cutting the same knot twice!!).

Unilaterally the paper opted to focus on established topics where IB alleges to have an absolute advantage (Chandlerian hierarchies, MNEs, Institutions), rather than opening new vistas and championed a new paradigm (de-colonisation), rather new methodologies.

The use of vignettes will hopefully provide a useful basis for further discussion.

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