In the last decade several studies have called for a more critical perspective to the analysis of the cluster phenomena (Lazzeretti et al., 2019), suggesting a need to bridge different approaches and avenues to advance our understanding of the location question and the role of Multinational Companies as drivers of significant changes in how places and agglomeration interact with global challenges (Hervas-Oliver et al., 2020; Cruz, et al., 2020).

Different studies have focused in large extent on developing theoretical frameworks and rationales to understand the interactions between subnational and regional dynamics and strategies of MNEs. Particularly insightful are the studies that have attempted to bridge two main research streams: the literature of economic geography dealing with national and subnational factors in the formation of competitive advantages, and the IB literature concerned with responses to dynamics of the business environment (Cui et al., 2020; Yan et al., 2020). Such integrative approach has made significant contributions to advancing our understanding of the relationship between MNEs and locations (Hervas-Oliver et al., 2020). Economic geography, which deals in a variety of units of analysis, including cities, industrial districts, regional clusters, among others, has drawn attention to the phenomenon of heterogeneity between different places (Beugelsdijk & Mudambi, 2013). On the other hand, from a IB perspective, with regard to the specific case of MNEs, studies attempting to explore economic geography together with IB have shown that subnational spatial heterogeneity can be considered as the environment closest to the foreign subsidiary in the host country. This reasoning is based on the argument that subnational institutions are operationalized in different ways in emerging markets (Hutzschenreuter et al., 2020) and have the power to pull or push MNEs’ investment projects to or from specific locations that generally do not follow the average tendencies of the host nation (Kim & Aguilera, 2016).

This integrative approach, in our understanding, has contributed to shift the general IB framework from a national perspective, with all its implications to the analysis of distance, entry mode, and performance, to adopt a sub-national perspective, where the location turned again to be a key question in advancing our understanding of MNCs in a more uncertain and de-globalizing world.

To our understanding, the subnational perspective constitutes the core of the location problem. It considers that when MNEs are taking decisions to select the markets in which to conduct their activities for creation of added value, they are seeking, through these decisions, to aggregate location-based advantages such as knowledge, market insidership, and resource utilization (Monaghan et al., 2020), but also to cope with the liabilities of all kind on the national level (Cruz, Floriani, and Amal, 2021).
On the other hand, we believe that the global economic and political context is under an ongoing process of qualitative changes, particularly in regard to the levels and intensities of the interdependencies among countries and regions. Some scholars called this ongoing process a de-globalizing trend that is shaping global value chain governance (Belussi et al., 2018), as well the nature of how MNCs cope with location in the home as well in the host countries of their value adding activities (Buckley, et al., 2020). This process seems to be accelerating due to the lasting consequences of the pandemic as an exogenous shock, and the corresponding economic policy responses adopted by individual sovereign State and regional trade arrangements.

In this session we propose to advance the debate on rethinking cluster from the International Business perspective. Particularly, we consider that due to the leading role of MNCs strategies to influence the ongoing process of global restructuring (Lorenzen, Mudambi, and Schotter, 2020), MNCs can influence in many ways the own dynamic of location/region. This may suggest a proactive commitment of MNCs to act in transforming the own regional-specific advantages, and, therefore, the own dynamic of regional clusters. Therefore, we believe, as Lorenzen et al. (2020), because the strategy of MNCs is not exogenous to local development, their effects can go beyond improving the performance and growth of the regional clusters. They are likely to shape the development cycles of regional clusters, as well the sources of their competitive advantages.

Under such context, we see important and promising research opportunities, particularly in exploring the IB literature on MNCs strategies to advance our understanding of regional clusters/industrial districts concerning the following perspectives:

First, the perspective of distance versus proximity. Are MNCs responding and managing the different distances (cultural and institutional) through a process of more in depth proximity approach?

Second, do such concerns by MNCs imply in developing different approach of how to cope with regional clusters? Are they adopting more committed strategies of local alliances and institutional embeddedness?

Third, how such process is going to shape the dynamic of regional clusters and its development path?

This special session has the aim to promote a debate on the changes and emerging trajectories of changes in clusters and industrial districts from the perspective of Multinational Companies, particularly using more integrative approach.

We welcome contributions that are related, but not limited, to the following themes:

- Asset seeking strategy of MNCs and the dynamic of regional clusters;
- Political and institutional embeddedness of MNCs and how they affect the ecosystem of regional clusters;
- Global value chain governance and the regional cluster in the knowledge intensive industries;
- Strategic alliances between MNCs and local firms in a regional cluster;
- Regional clusters advantages and national distance liabilities between home and host countries of MNCs and their effects on the development of location bound firm specific advantages;
- The effect of MNCs on the rise and decline of regional clusters in emerging economies.
Both theoretical and empirical (qualitative / quantitative) contributions are welcome, from a wide spectrum of different disciplines at micro, meso and macro level.

References:


