

CALL FOR PAPERS
The Special Issue of Economic Modelling
Multinational Enterprises and Global Value Chains in the Global Pandemic:
The Rising Role of Developing Countries

Submission Deadline: 30 June 2022

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This special issue of Economic Modelling is devoted to research on multinational enterprises (MNEs) and global value chains (GVCs) in response to the current global pandemic, and to add to the scholarly conversation on the role of developing countries in international business arena, and to add novelty in empirical modelling with respect to research on MNEs and the World Economy.

It has been long proposed that the global value chain, if properly coordinated, is an effective governance tool for MNEs to manage their cross-border activities (Rugman, Verbeke & Yuan 2011; Driffield, Love & Yang 2016; Mudambi & Puck 2016; Wu, Strange & Shirodkar 2021); in other words, how to best coordinate the intertwined value adding activities is deemed as the requisite for sustaining competitiveness in the international arena (Castellani & Lavoratori 2020; Mudambi & Navarra 2004). On the other hand, however, the GVC, if coordinated improperly, is likely to have devastating impacts on MNEs, including, for example, consumer boycott due to a lack of corporate social responsibility, declined firm efficiency because of difficulty in integrating value-adding activities, or ruined brand loyalty by unreliable suppliers, to name a few. In accompanying to these negative influences, there is an escalating skepticism toward globalization arising from, for example, the rising income inequality, the losing culture identity and the upscaling institutional influence (Cuervo-Cazurra, Mudambi., Pedersen 2017; Cuervo-Cazurra, Doz, Gaur 2020). We have seen calls for rethinking about the globalization, covering the topics including de-internationalisation, divestiture and back-shoring. This skepticism toward globalization has been exaggerated by international production disruption at the early period of the current global pandemic. Some advanced countries have called for a rethinking of offshoring and outsourcing activities, in terms of where to invest and whether to re-shore. The COVID-19 triggers public health crisis, which has not only severe impacts on public health but ravaging effects on economic activities as well. Such an international production disruption at the early stage of global pandemic notwithstanding, we do not foresee a long-term change to the fundamental principle of global value chain. When the COVID-19 is under control, MNEs, for the sake of building up a more resilient and agile value chain, are inclined to make some fine adjustments toward their global value chains (Strange 2020; Verbeke 2020).

These strategic adjustments may include, for example, building up a resilient supply chain, upscaling the level of sustainable manufacturing capacity, investing more on ecosystem and complementarities, adjusting subsidiary portfolio structure, and transforming into digital businesses (Kano & Oh 2020; Contractor 2021; Nemlioglu & Mallick 2020; 2021). Some MNEs, if given a choice to choose a supplier, will opt to contract with those who are resilient and reliable other than purely in search for suppliers in low cost, as the latter supplier type may be problematic in quality. Some MNEs, when opting to restructure their geographical portfolios of investment, will reconsider their investment destinations, equity mode choices or internal corporate structures. Some MNEs, in response to the rise of digitalisation transformation, may opt to diversify their product and service ranges into digital sectors. Collectively, these MNEs in response to the current global crisis will strategically build up a more resilient value chain to mitigate the negative impact of the current global crisis, and to prevent the negative impact from the future global crisis.

Resilient global value chains would be clearly of use to multinational enterprises in developed countries, but developing countries would also benefit greatly (Shen & Zheng 2020; Yang & Driffield 2022). In the past a few decades, many developing countries being favorable investment destinations have made enormous contributions toward the GVC-associated capital flow, and this also enables them to participate, albeit often in relatively low-value adding position, in the global value chain and thus benefiting from learning greatly (Li, Cai & Li 2021). In parallel to this, developing country firms are gradually becoming global investors. Collectively, their outward foreign direct investment FDI in the world ratio increases from 26% to 52%, and the inward FDI ratio rises from 46% to 67% in the period of 2010-20 (UNCTAD 2021). A lot of scholarly conversations have been devoted to these developing country firms (Tao, Liu, Hu & Zhang 2021; Driffield, Du & Song 2021), and their roles in propelling the associated GVC capital and World Economy (Luo & Tung 2018; Bhaumik, Driffield, Gaur, Mickiewicz & Vaaler 2019), and this special issue adds to this scholarly conversation. In this regard, the aim of this special issue is to bring together papers with empirical modellings that address, but are not limited to, the following potential research questions.

- Why is it important to build a more agile global value chain? What are the implications of this for developing countries seeking to continue their roles in GVC-related capital flows?
- How has the disruption of international production impacted global value chain governance? Which industries and which firm types have been impacted most?
- How has digitalization impacted developing country MNEs, particularly considering its roles in connecting and integrating activities on the value chain?
- How has the global pandemic impacted on the governance of global value chains? How does it impact intra- and inter- firm relationships?
- How has the pandemic influenced MNEs' location decisions? What are the implications for developing country firms seeking more participation in the global value chain?
- Does building resilience in global value chains generate profits growth for developing country MNEs?
- What are the future directions of developing country MNEs' globalization strategy for upgrading their position in the global value chain?

- What are the implications of sustaining global value chains for developing countries seeking more sustainable development?
- What are the implications of developing country innovation strategies for global value chains governance?

Paper Development Workshop

To help authors to develop papers, we intend to organize a paper development workshop (in a mixed mode of onsite and online) in Shanghai Polytechnic University. The tentative dates for this workshop are 28-29 March 2022. You could either send an extended summary of approximately 2000 words or a full paper to yangyong@sspu.edu.cn by the 1st of February 2022. You will be notified after we receive your paper. We will notify you whether your paper is included in the workshop or not.

Special Issue Submission

The submission deadline to this special issue is the 30th of June 2022. We seek manuscripts including empirical modelling on multinational enterprises and global value chains, and adding to scholarly conversation on the role of developing countries. Authors should submit complete manuscripts by the submission deadline date via the *Economic Modelling* online submission system at <https://www.editorialmanager.com/ecmode/default1.aspx>

The submission site opens from 1 May to 30 June 2022. Manuscripts should be in accordance with *Economic Modelling* Guide for Authors available on the journal web page, and the submitted manuscripts will be subject to *Economic Modelling*'s blind review process. To ensure that a manuscript is correctly identified for considering at this special issue, authors should select '**SI: MNEs and GVC**' in the online submission process. Should you have questions about this special issue, you can contact the guest editors.

Guest Editors

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Nigel Driffield is Professor of International Business at Warwick Business School and also Deputy Pro Vice Chancellor for regional engagement. He is a Fellow of Academy of Social Sciences and is the Midlands Lead for the ESRC Productivity Institute. He is an advisor to the BEIS Select Committee, and the Department of International Trade, with a focus on inward investment. He has carried out research and consultancy projects for UNCTAD, World Bank, European Commission, OECD, and in the UK several Government Departments and local Regional Development bodies. He has a PhD from Reading University, and has published some 80 academic papers across a range of disciplines including international business, regional science, finance, and economics.

Davide Castellani is a Professor of International Business at Henley Business School, University of Reading (UK), and of Applied Economics at the University of Perugia (Italy). He is also an associated researcher at CIRCLE, Lund University (Sweden). His research interests include the determinants of the firms' internationalisation choices, and their effects on innovation, technology and economic performances of firms, regions and countries.

Yun Zhang is the Dean and Professor at the School of Finance, Shanghai Lixin University of Accounting and Finance. He used to be a visiting scholar at the University of California, Riverside and once completed postdoctoral research at Fudan University. He presided over 20 research projects and published more than 70 papers such as *European Journal of Finance*, *Economic Modelling*, *Environmental Science and Pollution Research*, *Finance Research Letters*, *World Economy*.

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