



**European Journal of International Management**

**Special Issue on: "Blockchain in International Business – Embracing the Socio-Technical Transformation"**

*Guest Editors:*

Prof. Olli Kuivalainen, Lappeenranta-Lahti University of Technology, Finland

Asst. Prof. Khuram Shahzad and Dr. Aušrinė Šilenskyte, University of Vaasa, Finland

Prof. Rudolf R. Sinkovics, University of Glasgow, United Kingdom

**Scope and rationale for the special issue**

"Blockchain is a digitized decentralized ledger to allow record keeping of all peer-to-peer transactions without the need for a centralized authority" (Woodside et al., 2017p.65). The technology operates via the internet through peer-to-peer transmission and records transactions in a decentralized database, in which data pieces are connected by a sophisticated cryptographic tools (Kosmarski, 2020). Data on the blockchains are 'immutable', and their content cannot be changed without interfering with the other blockchain participants, what offers transparency in transactions. Transactions recorded via blockchains can be executed by established technological code and computational logic, without the need for intermediaries or human intervention (Iansiti & Lakhani, 2017). Hence, the operations performed in a blockchain are considered significantly more reliable and enhancing trustworthiness. These technological features offer potentially far-reaching implications for businesses (Iansiti & Lakhani, 2017; Morkunas et al., 2019; Mougayar, 2016). In this special issue, we examine the implications of blockchain for international business (IB) development and management, as a number of issues seem to be salient to IB theory and practice:

*Risk* is a fundamental dimension in IB, exacerbating with expanding reach of IB operations, geographically and across institutional spaces (Henisz et al., 2010; Oetzel & Miklian, 2017). Risk heightens uncertainty of transactions, knowledge transfer, and relationships between sellers and buyers, underpinned by IB concepts such as liabilities of foreignness and outsidership, and differences in institutional environments (Johanson & Vahlne, 1977, 2009). Risk has also been assessed in online and technology-spaces (Pezderka & Sinkovics, 2011), but more work will certainly help to tie this concept to possible transformations in the space of blockchain technologies.

*Trust*. In the process of blockchain adoption, we envisage changes to the dimension of trust in IB. The trust building process is costly and time-consuming (Madhok, 2006). Trust in online environments has been linked to a number of antecedents and moderators (Kim & Peterson, 2017). In contrast to online platforms and environments, where socially established or perceived rules and number of interactions define trust (Ye et al., 2020), the evolution of trust in blockchain-mediated transactions is likely to develop as a function of 'code is law' (De Filippi & Hassan, 2016). The question thus arises, whether blockchain-mediated transactions follow time-compression diseconomies or supersede virtuality traps, which have been identified in online internationalization (Sinkovics et al., 2013; Yamin & Sinkovics, 2006).

*Strategy and governance.* "Blockchains may be considered a critical turning point in organizing collaborations" and "a way to enforce agreements and achieve cooperation and coordination that is distinct from both traditional contractual and relational governance" (Lumineau et al., 2021, p.500). Legal or relational enforcement of promises between parties will be supplemented by automatic enforcement of the underlying blockchain-based network through smart contracts (e.g., Antonopoulos & Wood, 2018) instead of legal texts or informal/behavioral mechanism. When the adoption of blockchain technologies diffuses further, it will be interesting to see how complex processes of multinational enterprise (MNE) governance will be modified, in light of new technological possibilities.

*Blockchain barriers, facilitators and management practices.* There are considerable regulatory, behavioral, technical, and business barriers hindering blockchain adoption (Deloitte, 2021; Mougayar, 2016). Discussion on ethics of blockchain has already been initiated recognizing the implications of this technology that span from technological to societal changes (Tang et al., 2020). Blockchain applications and laws governing cryptocurrencies vary tremendously across countries and regions (Yano et al., 2020), ranging from bans in China, to strong regulations in the European Union to state-based regulations in the USA (Global Legal Insights). While many blockchain-based firms operate in legal grey areas, unexpected regulatory changes in the operating countries have to be anticipated and accounted for. The variability of such micro/firm-level planning and decision-making, may have ramifications at the meso- or country level. For instance it has been argued that the bitcoin and other digital currencies may challenge the hegemony of the US dollar (Fonda, 2021), and it is thus appropriate to reflect how MNEs may adopt such technologies to offset traditional exchange risk and update financial planning practices.

*Global value chains (GVCs) and sustainability issue:* Work on labor and environmental standards has traditionally shaped sustainability discussions in GVCs (e.g., Henson & Humphrey, 2010; Nadvi, 2014). With increased focus on circularity principles (Hofstetter et al., 2021) and the massive shifts in digital technologies, there is now interest regarding how complex GVCs can be disaggregated or how sustainability breaches can be identified using blockchain technologies and transparency regarding second and third-tier suppliers can be enhanced (c.f. Nikolakis et al., 2018). Work which aims at the intersection of MNEs, small firms and their supply networks, with a view on supporting narrowing the gap in terms of the ambitions and realization of SDGs aspirations (Sinkovics et al., 2021a, 2021b) is thus particularly important. The blockchain technology promises the provision of reliable data about the origin of product inputs across multiple tiers in the supply chain network, and processing conditions (Lu & Xu, 2017; Saberi et al., 2019).

### **Conceptual and empirical topics of particular interest**

The special issue provides an opportunity for scholars from different academic disciplines and sub-disciplines around IB to submit their work. Conceptual papers, as well as qualitative and quantitative studies are welcome. Studies are expected to go beyond descriptions or case-based observations on blockchain. Work that adopts a critical lens and engages in IB theory development or enhancement, is favourably anticipated.

### **Subject Coverage**

Suitable topics include, but are not limited, to the following:

- *Theory development or theory adjustment:* Which IB theories and in what ways could support our understanding about blockchain-based collaboration mechanisms in IB? Is there a need for new or revision of theories to address this emerging technology-code based governance mechanism?
- *Key concepts of IB in times of blockchain:* Which key concepts and building blocks of IB theory are particularly salient for blockchains? Trust, distance, Liability of foreignness?
- *Business strategies and blockchain:* How to adapt business strategies and business models for blockchain-based governance? Compliance to regulatory frameworks when developing business models with blockchain.
- *Managing via blockchains:* Managing resources (human/technological assets or physical assets) via blockchain?
- *Organisational design issues:* How to organise and orchestrate organisational leadership for blockchains? Revisiting centralisation and decentralisation issues in IB
- *Applications of blockchains in IB:* Learning from blockchain-based born digitals: how similar or

different are their establishment, growth, and internationalization path comparing to other born digitals, and why?

- *Blockchain and social and economic sustainability issues*: Advancing towards fair and inclusive work, reduction of inequalities through blockchain? Advancing to the sustainable development goals (SDGs) through blockchain?
- *Global value chain governance*: What can we learn from blockchain solutions in GVCs? How it can help developing theorization about GVCs?

### Notes for Prospective Authors

Submitted papers should not have been previously published nor be currently under consideration for publication elsewhere. (N.B. Conference papers may only be submitted if the paper has been completely re-written and if appropriate written permissions have been obtained from any copyright holders of the original paper).

All papers are refereed through a peer review process.

All papers **must be submitted online**. To submit a paper, please read our [Submitting articles](#) page.

### Key dates

|                   | What to do...   |
|-------------------|---|
| 15 June, 2022     | First preliminary project proposal submission deadline. Send your two-page proposal to <a href="mailto:asilensk@uwasa.fi">asilensk@uwasa.fi</a> and via <a href="https://www.inderscience.com/jhome.php?jcode=ejim">https://www.inderscience.com/jhome.php?jcode=ejim</a> |
| early July, 2022  | Proposal development workshop online via zoom   |
| 15 February, 2023 | Paper submission deadline   |
| 1 June, 2023      | First review round feedback   |
| 15 October, 2023  | First revision submission deadline  |

### References

- Antonopoulos, A., & Wood, G. (2018). *Mastering Ethereum*. Sebastopol, CA: Safari an O'Reilly Media Company. <https://www.safaribooksonline.com/library/view/-/9781491971932/?ar>
- De Filippi, P., & Hassan, S. (2016). Blockchain technology as a regulatory technology: From code is law to law is code. *First Monday*, 21(12), fm.v21i12.7113. <https://doi.org/10.5210/FM.V21I12.7113>
- Deloitte. (2021, 2022/02/07/). *Deloitte's 2021 Global Blockchain Survey - A new age of digital assets*. Deloitte. Retrieved Feb 07 from <https://www2.deloitte.com/us/en/insights/topics/understanding-blockchain-potential/global-blockchain-survey.html>
- Fonda, D. (2021, 2021/09/20/). *Inside the Coming War Over Money and Cryptos*. Barron's. Retrieved Feb 07 from <https://www.barrons.com/articles/coming-war-money-cryptos-51631845330>
- Henisz, W. J., Mansfield, E. D., & Von Glinow, M. A. (2010). Conflict, security, and political risk: International business in challenging times. *Journal of International Business Studies*, 41(5), 759-764. <https://doi.org/10.1057/jibs.2010.11>
- Henson, S., & Humphrey, J. (2010). Understanding the Complexities of Private Standards in Global Agri-Food Chains as They Impact Developing Countries. *The Journal of Development Studies*, 46(9), 1628-1646. <https://doi.org/10.1080/00220381003706494>
- Hofstetter, J. S., De Marchi, V., Sarkis, J., Govindan, K., Klassen, R., Ometto, A. R., Spraul, K. S., Bocken, N., Ashton, W. S., Sharma, S., Jaeger-Erben, M., Jensen, C., Dewick, P., Schröder, P., Sinkovics, N., Ibrahim, S. E., Fiske, L., Goerzen, A., & Vazquez-Brust, D. (2021). From Sustainable Global Value Chains to Circular Economy—Different Silos, Different Perspectives, but Many Opportunities to Build Bridges. *Circular Economy and Sustainability*, 1(1), 21-47. <https://doi.org/10.1007/s43615-021-00015-2>
- Iansiti, M., & Lakhani, K. R. (2017). The Truth About Blockchain. *Harvard Business Review*, 95(1), 119-127. <https://go.exlibris.link/9hGFbHQx>
- Johanson, J., & Vahlne, J.-E. (1977). The Internationalization Process of the Firm - A Model of Knowledge Development and Increasing Foreign Market Commitments. *Journal of International Business Studies*, 8(1), 23-32. <https://doi.org/10.1057/palgrave.jibs.8490676>

- Johanson, J., & Vahlne, J.-E. (2009). The Uppsala internationalization process model revisited: From liability of foreignness to liability of outsidership. *Journal of International Business Studies*, 40(9), 1411–1431. <https://doi.org/10.1057/jibs.2009.24>
- Kim, Y., & Peterson, R. A. (2017). A Meta-analysis of Online Trust Relationships in E-commerce. *Journal of Interactive Marketing*, 38, 44-54. <https://doi.org/10.1016/j.intmar.2017.01.001>
- Kosmarski, A. (2020). Blockchain Adoption in Academia: Promises and Challenges. *Journal of Open Innovation: Technology, Market, and Complexity*, 6(4), 117. <https://doi.org/10.3390/joitmc6040117>
- Lu, Q., & Xu, X. (2017). Adaptable Blockchain-Based Systems: A Case Study for Product Traceability. *IEEE Software*, 34(6), 21-27. <https://doi.org/10.1109/MS.2017.4121227>
- Lumineau, F., Wang, W., & Schilke, O. (2021). Blockchain Governance—A New Way of Organizing Collaborations? *Organization Science*, 32(2), 500-521. <https://doi.org/10.1287/orsc.2020.1379>
- Madhok, A. (2006). How much does ownership really matter? Equity and trust relations in joint venture relationships. *Journal of International Business Studies*, 37(1), 4-11. <https://doi.org/10.1057/palgrave.jibs.8400182>
- Morkunas, V. J., Paschen, J., & Boon, E. (2019). How blockchain technologies impact your business model. *Business Horizons*, 62(3), 295-306. <https://doi.org/10.1016/j.bushor.2019.01.009>
- Mougayar, W. (2016). *The business blockchain: promise, practice, and application of the next Internet technology*. Hoboken, NJ: John Wiley & Sons, Inc. <https://www.wiley.com/en-us/The+Business+Blockchain:+Promise,+Practice,+and+Application+of+the+Next+Internet+Technology-p-9781119300311>
- Nadvi, K. (2014). “Rising Powers” and Labour and Environmental Standards. *Oxford Development Studies*, 42(2), 137-150. <https://doi.org/10.1080/13600818.2014.909400>
- Nikolakis, W., John, L., & Krishnan, H. (2018). How Blockchain Can Shape Sustainable Global Value Chains: An Evidence, Verifiability, and Enforceability (EVE) Framework. *Sustainability*, 10(11), 3926. <https://doi.org/10.3390/su10113926>
- Oetzel, J., & Miklian, J. (2017). Multinational enterprises, risk management, and the business and economics of peace. *Multinational Business Review*, 25(4), 270-286. <https://doi.org/10.1108/MBR-09-2017-0064>
- Pezderka, N., & Sinkovics, R. R. (2011). A conceptualization of e-risk perceptions and implications for small firm active online internationalization. *International Business Review*, 20(4), 409-422. <https://doi.org/10.1016/j.ibusrev.2010.06.004>
- Saberi, S., Kouhizadeh, M., Sarkis, J., & Shen, L. (2019). Blockchain technology and its relationships to sustainable supply chain management. *International Journal of Production Research*, 57(7), 2117-2135. <https://doi.org/10.1080/00207543.2018.1533261>
- Sinkovics, N., Sinkovics, R. R., & Archie-Acheampong, J. (2021a). The business responsibility matrix: a diagnostic tool to aid the design of better interventions for achieving the SDGs. *Multinational Business Review*, 29(1), 1-20. <https://doi.org/10.1108/MBR-07-2020-0154>
- Sinkovics, N., Sinkovics, R. R., & Archie-Acheampong, J. (2021b). Small- and medium-sized enterprises and sustainable development: In the shadows of large lead firms in global value chains. *Journal of International Business Policy*, 4(1), 80-101. <https://doi.org/10.1057/s42214-020-00089-z>
- Sinkovics, N., Sinkovics, R. R., & Jean, R.-J. B. (2013). The internet as an alternative path to internationalization? *International Marketing Review*, 30(2), 130-155. <https://doi.org/10.1108/02651331311314556>
- Tang, Y., Xiong, J., Becerril-Arreola, R., & Iyer, L. (2020). Ethics of blockchain. *Information Technology & People*, 33(2), 602-632. <https://doi.org/10.1108/ITP-10-2018-0491>
- Woodside, J. M., Augustine, F. K. J., & Giberson, W. (2017). Blockchain Technology Adoption Status and Strategies. *Journal of International Technology and Information Management*, 26(2), 65-93. <https://scholarworks.lib.csusb.edu/jitim/vol26/iss2/4>
- Yamin, M., & Sinkovics, R. R. (2006). Online internationalisation, psychic distance reduction and the virtuality trap. *International Business Review*, 15(4), 339-360. <https://doi.org/10.1016/j.ibusrev.2006.03.002>
- Yano, M., Dai, C., Masuda, K., & Kishimoto, Y. (2020). Blockchain Business and Its Regulation. In M. Yano, C. Dai, K. Masuda, & Y. Kishimoto (Eds.), *Blockchain and crypto currency: building a high quality marketplace for crypt data* (pp. 107-127). Springer. [https://doi.org/10.1007/978-981-15-3376-1\\_7](https://doi.org/10.1007/978-981-15-3376-1_7)
- Ye, C., Hofacker, C. F., Pelozo, J., & Allen, A. (2020). How online trust evolves over time: The role of social perception. *Psychology & Marketing*, 37(11), 1539-1553. <https://doi.org/10.1002/mar.21400>