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Call for Papers:

The Evolution of International Business Theories: Internalization vs. Externalization

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The *Canadian Journal of Administrative Sciences* welcomes submissions to a special issue on "The Evolution of International Business Theories: Internalization vs. Externalization.

About the Topic:

International business scholars have long been raising the question of why multinational enterprises (MNEs) choose foreign direct investment (FDI) in spite of the presence of liabilities of foreignness, and these discussions, which attempt to solve this query, are still on-going. Internalization theory (e.g., Buckley & Casson, 1976; 1999; Rugman & Verbeke, 1995) argues that under imperfect business environments in intermediate product markets, firms confine transactions within corporations by shifting assets between subsidiaries across borders rather than in open markets. In addition, because knowledge has public good characteristics, internalization is required for MNEs to prevent other firms from copying proprietary knowledge and to protect knowledge reservoirs.

In contrast, John Dunning (e.g., 1993; 2000) integrates motivations pushing firms to go abroad (i.e., ownership-specific advantages) and factors pulling firms to invest (i.e., location-specific advantages) with *internalization* (emphasis added) to illustrate the growth of MNEs and the spread of FDI. This eclectic paradigm suggests that if firms enjoy competitive advantages by possessing strong organizational assets (e.g., trademarks, production techniques, entrepreneurial skills, and returns to scale) and discover appropriate locations to undertake value adding activities without an internalization advantage, they tend to be engaged in licensing rather than FDI. According to his explanations, sufficient conditions for FDI are met only in the case where transaction costs in the free market are higher than internal costs, thus shedding light on the importance of internalization.

However, the scholarly debates described above overlook the crucial fact that no one firm possesses enough resources and competitiveness to efficiently compete with other firms. According to the resource-dependence perspective (e.g., Pfeffer, & Salancik, 1978), firms often seek complementary resources from foreign organizations and even competitors operating in overseas markets and try to obtain strategic assets that compensate for their organizational shortcomings from external environments. In other words, firms try to offset their weaknesses through co-opetition with other firms in international joint ventures and try to remedy knowledge imbalances against other firms through international mergers and acquisitions. These dialogues clearly indicate that conventional international business theories and extant literature have focused on the internalization motivation for FDI, and thus we do not yet know enough about why some MNEs externalize their activities in foreign markets.

A reason for the presence of the research gap is most likely because current academic experiments mainly focus on FDI from developed to developing and emerging countries, which is a fragmental area of international business territory. In this regard, we believe that this is the time to combine internalization motivation with an externalization concept in order to encompass various directions of foreign investments, redress the asymmetric stance observing the phenomenon, and extend our understanding on FDI. Thus, the aim of this special issue is to bring together theoretical and empirical advancements that contribute to the evolution of international business theories and that merge externalization ideas into the internalization perspective to present a precise overview of MNE activities. We seek both theoretical and empirical papers that may address, but are not limited to, the following list of research questions:

- Does the internalization theory fully explain the reality? Which additional ingredients may add extra value to the theory?
- How can we achieve an evolution of international business theories? Is there any possibility to develop internalization theory into IE paradigm (i.e., internalization + externalization perspectives)?
- What are key determinants influencing MNEs' internalization and externalization motivations, respectively?
- Do different motivations (i.e., internalization vs. externalization) influence MNEs' behaviors and responses (e.g., subsidiary control or corporate social responsibility activities) in foreign markets?
- Why is the investment into conventionally advanced economies by emerging market MNEs becoming a new trend in the global arena? What potential theory can explain this phenomenon?
- How can recent increases in externalization activities by MNEs be harmonized with internalization theory?
- Why do MNEs pursue co-opetition with competitors?
- How do subsidiaries established from developing/emerging markets MNEs in the North (i.e., developed economies) become creative miniatures and transmit own assets to parent firms in the South (i.e., developing and emerging economies)?

Journal Submission guidelines:
Consideration will be given to theoretical and empirical papers for this special issue. The format of papers should not exceed 40 pages including references, tables, and figures. All papers should conform to American Psychological Association (APA format) guidelines. Submission guidelines can be found at: http://cjas-rcsa.ca/authors/how-to-submit/

Please submit your manuscripts through the Manuscript Central online system http://mc.manuscriptcentral.com/cjas1 and specify that your submission is for the special issue on The

Evolution of International Business Theories: Internalization vs. Externalization. Please do not submit to the special issue any earlier than **March 1st, 2016.**

All submitted papers to CJAS will undergo a “double-blind” peer review. If a topic of an article does not fit with the special issue, the author(s) will be contacted to determine if the paper should be forwarded to the review process for a regular CJAS issue. Both French and English papers will be accepted for review.

The guest editors are seeking reviewers for this issue and are soliciting nominations and volunteers to participate as reviewers. Please contact the guest editors to volunteer or nominate a reviewer.

More Information:
To obtain additional information, please contact the guest editors:

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