

Call for Papers
Journal of World Business Special Issue on

STATE CAPITALISM IN INTERNATIONAL CONTEXT

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State mediation may assume a wide range of forms, which are not always benign (Polanyi, 1944). Recent studies (Aguilera, Capapé, & Santiso, 2016; Bruton, Peng, Ahlstrom, Stan, & Xu, 2015; Cuervo-Cazurra, Inkpen, Musacchio, & Ramaswamy, 2014; Grosman, Okhmatovskiy, & Wright, 2016; Musacchio, Lazzarini, & Aguilera, 2015; Wood & Wright, 2015) have pointed out that new forms of state capitalism developed over the last 20-25 years are substantially different from state-owned enterprises (SOEs) that operated in the 1970s and the 1980s (Aharoni, 1986; Vernon, 1979). This new state capitalism is ‘a form of bureaucratically engineered capitalism particular to each government that practices it’ (Bremmer, 2010, p. 23). It encompasses a wide range of phenomena, from the state playing a developmental role to it protecting and nurturing an ecosystem of insider firms (Wood & Wright, 2015). The recent rise of populism and protectionism, in an effort to protect domestic wealth and/or elites at the expense of outsiders, further justifies the need to look at the growing influence of statist systems on world business.

State capitalism may cross national boundaries through the activities of state-affiliated MNCs - firms dependent on the protection, support, nurturing, patronage and the extension of subsidies and concessions by their country of origin government; the latter may be motivated by a wide range of reasons from the promotion of national development to outright corruption. In other words, while such firms may be profit seeking, they do not operate purely according to market mechanisms.

State-affiliated MNCs serve to promote national developmental agendas through venturing abroad; choices as to market entry may be determined by similar questions as privately owned MNCs, although there is likely to be a stronger emphasis on the acquisition of strategic assets and technologies (Bass & Chakrabarty, 2014). The interface between state and market may be complex and multifaceted: the fact that an MNC is state-owned and/or is heavily reliant on country of origin political patronage and largesse does not mean that it may not seek similar support from host governments when it ventures abroad. Such host governments may do so for a wide range of reasons ranging from diplomacy to outright corruption. Finally, state-affiliated MNCs face challenges from other firms and stakeholders in countries of domicile prompted by a wide range of concerns, such as the need for a level playing field, the potential loss of national sovereignty, a perceived lack of accountability, and/or outright xenophobia.

While traditional SOEs used to be focused mostly on domestic markets, international operations are critically important for modern state-affiliated corporations owned or supported by the state. An emerging stream of articles published recently (Cui & Jiang, 2012; Estrin, Meyer, Nielsen, & Nielsen, 2016; Finchelstein, 2017; Meyer, Ding, & Li, 2014; Pinto, Ferreira, Falaster, Fleury, & Fleury, 2017; Wang, Hong, Kafouros, & Wright, 2012) have explored how state ownership is associated with internationalization, focusing mostly on how

SOEs enter foreign markets and whether state ownership constitutes an advantage or an obstacle for international expansion. We aim to develop further this stream of research by exploring the effect of national context on operations of state-affiliated corporations. Existing studies that explore SOEs' strategies, governance, internationalization, and performance tend to make general conclusions about the implications of state control. While SOEs in different countries share some important characteristics, we believe that the current literature does not do justice to substantial cross-national differences in how state-affiliated MNCs operate and how they are governed – differences that reflect characteristics of the national context as defined by the political regime, institutional environment, history of state-business relationships, etc. With the proposed special issue, we aim to stimulate more research that explores how national context affects operations of state-affiliated corporations and thus shapes idiosyncratic models of state capitalism being developed in different countries. We intend to attract works that can fill the following gaps in the literature about international dimensions of state capitalism:

Geographical scope

Researchers developing an argument about new forms of state capitalism draw on empirical evidence from recent studies of companies with substantial state ownership (e.g. Cui & Jiang, 2012; Inoue, Lazzarini, & Musacchio, 2013; Liang, Ren, & Sun, 2015; Meyer et al., 2014; Musacchio & Lazzarini, 2014; Pan et al., 2014; Wang et al., 2012) and the overwhelming majority of these studies report findings about Chinese SOEs (Bruton et al., 2015). Yet there is heterogeneity across countries in terms of institutions and factor markets and thus experience from one country, such as China, cannot be directly transferred elsewhere (Hoskisson, Wright, Filatotchev, & Peng, 2013). We want to broaden the geographical scope of these studies and to encourage contributions that generalize what we know, theoretically and empirically, to geographies outside China. We know little about how state control is exercised over companies in Brazil, India, Russia, Singapore, Vietnam, and Norway, or about politically powerful state-sustained providers of outsourced government functions that originated in the US and the UK that have now spread their tentacles worldwide. Furthermore, we know almost nothing about state-affiliated corporations operating in several other regions of the world where state control over companies is quite common (Saudi Arabia, UAE, Egypt, Algeria, Malaysia, Indonesia, Poland, Czech Republic, Ukraine etc.).

Political, institutional, and competitive environment of home / host countries

There are important unexplored topics about the impact of home / host country environment on operations of state-affiliated MNCs. We need more research on the effect of home country environment: researchers have explored the effect of home-country institutional environment on internationalization of SOEs (Estrin et al., 2016), but it is also important to explore how home-country political regimes facilitate SOE internationalization through support and protection or impede it by undermining SOE legitimacy in foreign markets. We also need more research on how the expansion of state-affiliated corporations into foreign markets is affected by the intensity of competition in these markets, by the level of corruption, by the presence of institutional voids, etc. Researchers also need to explore how host-country environment affects the entry mode and competitive strategies used by state-affiliated corporations.

National context and cross-national differences in models of state capitalism

Although state capitalism is a global phenomenon, it works differently across countries. Existing literature often ignores these cross-national differences and their determinants. To explore such differences, we encourage research about *models of state capitalisms* that have in common a high degree of state involvement but vary substantially in the forms that this involvement takes. Country-specific models of state capitalism reflect the impact of political and institutional environment as well as state competencies in governance of SOEs. Research is needed to explore the differences in models of state capitalism that emerged in countries with developmental states versus predatory states, in countries with more developed versus less developed market institutions (Musacchio et al., 2015), and in countries where the states are more competent versus less competent in management of SOEs (Evans & Rauch, 1999; Milhaupt & Pargendler, 2017).

Potential topics for the Special Issue submissions

We encourage qualitative and large-n studies that advance knowledge about state-affiliated MNCs that heavily rely on state support for their international expansion by exploring the following topics:

- How state support helps state-affiliated MNCs to enter foreign markets
- Financial protectionism and state-affiliated MNCs
- Politics at home and abroad, and state-affiliated MNCs
- Which regions and industries do state-affiliated MNCs prefer to enter?
- Home / host country corruption and operations of state-affiliated MNCs
- Strategies of state-affiliated MNC in host countries with highly competitive environment
- Acquisitions and strategic alliances as entry modes used by state-affiliated MNCs

Potential topics about the role of national context in shaping cross-national differences in models of state capitalism include, but are not limited to the following:

- How national context affects corporate governance and management practices of state-affiliated corporations (targeting domestic markets or foreign markets)
- How social responsibility expectations are defined for state-affiliated corporations in different national contexts
- State capitalism and “institutional voids”
- Politics, power and state-affiliated corporations
- Institutional infrastructure that enables new forms of state capitalism
- Cross-national differences in how states provide support for “national champions” (loans, stock participation, subsidies, licenses, tax breaks, political support, etc.)
- Cross-national differences in how states maintain control over strategic industries (oil & gas, electric power, transport, banking, etc.)

These topics are not meant to be exhaustive but merely illustrative of topics that would be suitable for the Special Issue. We seek manuscripts offering either theoretical or empirical contributions, but prefer submissions offering both.

Submission Process

Authors should submit their manuscripts online via the *Journal of World Business* EVISE submission system between the 1st and the 31st of December 2018. The link for submitting manuscript is: <https://www.evise.com/profile/#/JWB/login>.

To ensure that all manuscripts are correctly identified for consideration for this Special Issue, it is important that authors select “**SI: State Capitalism**” when reaching the “Article Type” step in the submission process.

Manuscripts should be prepared in accordance with the *Journal of World Business* Guide for Authors available at <http://www.elsevier.com/journals/journal-of-world-business/1090-9516/guide-for-authors>. All submitted manuscripts will be subject to the *Journal of World Business*'s blind review process.

Research Data

Research data forms the backbone of research articles and provides the foundation on which knowledge is built. Researchers are increasingly encouraged, or even mandated, to make research data available, accessible, discoverable and usable. Although not mandatory, the journal encourages authors to submit their data at the same time as their manuscript. Further information can be found at: <https://www.elsevier.com/authors/author-services/research-data>

We may organize a workshop designed to facilitate the development of papers. Authors of manuscripts that have progressed through the revision process will be invited to it. Presentation at the workshop is neither a requirement for nor a promise of final acceptance of the paper in the Special Issue.

Questions about the Special Issue may be directed to the guest editors:

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