

Call for Papers
ZFW – Advances in Economic Geography

Complementarity of Locations: challenges of sustainability and disruptions

Special Issue Editors:

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Dialogue between economic geography and international business over the past decade has shown how location choices and innovation strategies of multinational enterprises and knowledge creation processes in regions are deeply connected (Beugelsdijk et al., 2010; Bathelt et al., 2018; Mudambi et al., 2018). In the intellectual exchange between the two fields, two perspectives loom large. First, a location-inside perspective, spearheaded in economic geography, that emphasizes local resources, capabilities, networks, and institutions for innovation. For example, research in this stream explains why spontaneous face-to-face interaction, or local buzz, is crucial for knowledge creation in clusters and cities (Bathelt et al., 2004; Storper and Venables, 2004; Stoper, 2013), how knowledge brokers, intermediaries and gatekeepers mobilise knowledge flow in innovation communities (Cohendet et al., 2014; Buciuini and Pisano, 2018; Giuliani et al., 2019), and how agglomeration economies and regional institutions influence location choices of multinational enterprises (Alcácer and Chung; 2014; Ascani et al., 2016).

Second, a location-outside perspective, highlighted in international business and strategy, underlines complementarity of locations in terms of their assets and capabilities for knowledge generation and value creation, often orchestrated by multinational enterprises. This research stream views multinational enterprises as an organizational network that connects places and clusters with complementary knowledge pools (Saxenian, 2006; Lorenzen and Mudambi, 2013; Bathelt and Li, 2014; Cano-Kollmann et al., 2016; Turkina et al., 2016; Lorenzen et al., 2020). Physical presence in innovative clusters and cities does not guarantee engagement in local knowledge ecologies. Studies point out it requires intended actions and strategies of multinational enterprises to embed into local networks of tacit knowledge sharing and to channel knowledge circulation and combination over space (Meyer et al., 2011; Monteiro and Birkinshaw, 2017; Li and Bathelt, 2020; Decreton et al., 2021).

Though viewing knowledge creation in different geographical scales, the two perspectives all implicitly assume a context of easy flow of investments, products, and talents. In the current disrupted world, this assumption can be seriously questioned. The dialogue between economic geography and international business on multinational corporations, location complementarity and regional development faces environmental, social, and economic challenges.

Environmentally, spatial configuration of activities by multinational corporations, including emerging multinationals (Ascani et al., 2023), brings ecological consequences in host communities and regions. Much research on foreign direct investments has focused on economic benefits, while environmental consideration has received little attention. As policy-makers and management have pressed the need to act on climate change and move away from fossil fuels to renewable energy, it is tempting to think how the structural change in energy sources and the goal on sustainability will reshape economic geography and location-connecting strategies of multinationals. Socially, inequality and social segregation in societies call for reflection on place-specific policies that prioritize innovation hotspots and business strategies that maximize shareholders' interests (Iammarino et al. 2019). Political backlash and local resistance against giant platforms and high-tech firms, for example, Amazon's second headquarters in New York and Tesla's gigafactory plan near Berlin, suggest investments and regional development have social repercussions. How multinationals and policy-makers can work together for inclusive community development represents a big challenge (Bathelt and Buchholz, 2019; Lorenzen et al., 2020). Last economically, the COVID-19 pandemic, Ukraine war, and the current banking crisis all illustrates how fragile regional and global economies can be in disruptive events. When a region's access to global markets, resources, and talents may be suddenly blocked, the strategy based on location complementarity may no longer be optimal. For example, in the semiconductor industry, the previous strategy to configure activities across innovative clusters, systemic innovation in Silicon Valley, hardware engineering in Shenzhen, and software development in Bengaluru, can be dangerous given the background of chip war between US and China. How firms and regions respond to the uncertain and turbulent context is another major challenge.

These environmental, social and economic challenges call for new collaboration between economic geographers and international business scholars, which is the theme of the call for paper. We welcome papers that address these challenges, for example:

1. How could clusters, cities, and regions deal with energy transition and achieve sustainability?
2. Whether and how will environmental and social concerns affect location strategies of multinational corporations?
3. How could multinational corporations reduce inequality and facilitate inclusive development in host and home communities and regions?
4. How could clusters and cities respond to events that block their access to global markets, talents, and resources?
5. How is the previous strategy to build local connections and leverage location complementarities challenged by environmental, social, and political trends?
6. Where is the new bridge between economic geography and international business? How can different perspectives in the two fields complement to help solve grand challenges in societies?

Submission Process

Please submit manuscripts before March 31, 2024. All submissions will go through the regular double-blind review process and follow the standard norms and processes.

The editors welcome pre-submission extended abstracts and we are happy to give guidance to accelerate the review process.

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