
BOOK REVIEW

International Business

Peter J. Buckley, Peter Enderwick and Adam R. Cross
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International Business (IB) textbooks are not in short supply. Some of the IB textbooks found in university bookstores are well-established “classics” in two-digit editions. So, one may wonder why three prominent IB scholars – Peter Buckley, Peter Enderwick and Adam Cross – in collaboration with their university colleagues have ventured into this textbook project. The apparent answer is that some high ambitions, or “missions”, have inspired the editing and writing of the book. As the editors/authors point out themselves in the Preface, this is the first IB textbook “to be explicitly theory driven” and parts of the book revolve around one theory, or conceptual framework: that of the *global factory*. The editors/authors put a great deal of effort into explaining how the global factory is different from the traditional view of the multinational enterprise (MNE). As senior scholars (like me) will know, back in the 1970s one of the editors/authors, Peter Buckley, was instrumental in developing this MNE view, also referred to as Internalization theory (Buckley and Casson, 1976). Whereas the internalization (or vertical integration) of value chain activities across borders is the hallmark of the traditional view of the MNE, the global factory is characterized by non-ownership coordination mechanism which, in turn, lets the global factory stand out as a more versatile and subtle institutional form in the international business landscape. As such, the resemblance between the global factory and the global value chain (GVC) (e.g., Gereffi et al., 2005; Strange and Humphrey, 2018) or the global production network (GPN) (e.g., Henderson et al., 2002) is remarkable. Since he envisaged the global factory more than ten years ago, Peter Buckley has promoted and refined the concept (occasionally in collaboration with other IB scholars, such as Pervez Ghauri and co-editor, Peter Enderwick) and this textbook featuring of the global factory seems only to be a natural extension and highlight of Peter Buckley’s intellectual journey.

The global factory shares another feature with GVCs and GPNs, namely resilience – the ability to react smoothly and swiftly to changes in the global environment. This brings me to another ostensible ambition of the editors: the emphasis on implications to international management of an increasingly volatile global environment. A cocktail of climate change, geopolitical instability, migration pressure, disruptive technologies, risk related to cyber security, etc., increases the environmental volatility and brings resilience and flexibility in high demand among

business managers. More than any previous IB textbooks, Buckley, Enderwick and Cross's book captures this need for flexibility in international business. Recent – or rather, resurrected – anti-globalism only adds to this uncertainty and unpredictability in the conduct of business across borders. Whereas MNEs for quite some years have been subject to critical political scrutiny related to unethical behavior and (lack of) corporate social responsibility the rising concern about climate change is nowadays questioning the basic logic and sustainability of global specialization – the DNA of the global factory. Hence, the transportation of goods across countries and continents as well as businesspeople's intensive travelling activity that accompanies global specialization to this day will be subject to increasing criticism in the future. The book touches upon the implications to international business of the climate change and global warming agenda (as embodied, amongst others, in the United Nations' sustainable development goals), but presumably not to the extent it deserves.

In a fast-changing global environment, IB textbooks obsolesce at daunting speed and authors are almost doomed to start preparing the next edition as soon as they have completed the last sentence of the manuscript (which may be appreciated by the publisher but less so by the authors!). As an example, the geopolitical landscape may change dramatically over the next few years with "Brexit" and escalating trade wars on the horizon. Nevertheless, the Buckley et al. book is commendable for its theoretically updated text and the broad selection of topical cases. It also stands out positively from most other IB textbooks by its truly global perspective – nicely freed from the usual "Western" bias. The choice of cases is evidence of this "global", rather than "Western", perspective: of the 77 cases referring to individual or groups of countries, 46 involve non-Western countries and 14 of these are contextualized in emerging economies. I am pretty sure that the global perspective applied in the book was pursued deliberately and ambitiously by the editors. And yet, the global factory framework in some way is still entrenched in a Western MNE perspective. Emerging economy MNEs, in particular those that are State-owned, may be at odds with the lead firms described in the global factory. The global factory is first of all characterized by efficiency and flexibility as orchestrated by (Western) lead firms. The role of the State and the importance of close ties to the political elite in the home country is not highlighted (Alvstam et al., forthcoming). Since the editors have demonstrated expertise in internationalization of emerging economy firms (in particular Chinese ones), this expertise could be leveraged in a forthcoming edition of the book.

The book is arranged in three parts: The first part, Context and Rationale, explains the theoretical framework laid out in the book, including the global factory approach (but also international trade theory). Part two accounts for the external environment described by the institutional, political, societal and economic dimensions.

Hence, the structure almost follows the traditional PEST (political, economic, social, technological) analysis (and the more recent PESTEL [PEST + environmental and legal] analysis) but without explicitly focusing on technology and environmental factors. In an era of digitalization and where manufacturing firms across countries are enticed by the Industry 4.0 philosophy I would have liked a chapter that in a systematic way analyzed how the new technologies (e.g., robotization, additive manufacturing, internet of things) are likely to affect the location of production, economies of scale, and proximity to users, and thus bring about a reconfiguration of the global factory. Yet, the influence of new technology, not least the internet-based social networks, is touched upon in various chapters; e.g. in the chapter on societal dimensions and in a reshoring case in the chapter on foreign operation modes.

When it comes to the analysis of internationalization of services the usefulness of the global factory framework may be challenged (and the term itself, *global factory*, has become something of a misnomer). With the spread of the internet, a myriad of multinational, platform-based businesses have emerged (Airbnb, Spotify, Hotels.com, Uber, Facebook, eBay, etc.). Network externalities have spurred unprecedented and fast internationalization of these platform firms. Again, the book includes many references to this new breed of services MNEs, but I am curious to see how the global factory framework can accommodate platform firms as a new type of lead firm. I reckon that the knowledge component (including access to, and management of, big data) already emphasized in the global factory framework will be assigned even greater importance.

The book's third part, *Managing the Global Factory*, is the most extensive and takes up more than half of the pages. The ten chapters (plus a conclusion chapter) cover strategies in relation to the different value chain activities: marketing, production & logistics, innovation, finance, human resource management, and corporate social responsibility. Two chapters are about the formulation and implementation of strategies, respectively, and two more chapters cover topics directly related to IB, namely foreign operation modes and cross-cultural management. In other words, eight chapters cover topics that are not *per se* directly related to IB. The authors of these chapters were challenged by the question of how much basic stuff they should include. Can you expect the reader to know the basics about, say, marketing and just focus on the international aspects? Or, do you have to start "from scratch" so to say and run the risk of annoying the reader with trivialities? This is a delicate balance in any IB textbook, but in general I think the authors managed to find the right balance – both avoiding trivialities and sparing the reader unnecessary IB jargon. Despite the very different topics, I also found the chapters nicely interwoven inasmuch as they, one by one, relate the topic in question to the global factory framework.

Many authors contributed to the book (not least in Part III) with their expertise; all in all, ten authors in addition to the three editors (who also contributed as authors). Nine of these are from the Centre for International Business at the University of Leeds, or from the Lancaster University Management School. Given the international orientation of these two universities and the many IB competencies residing there, I prefer to see this geographical concentration as a strength rather than a weakness; and I can imagine that the geographical proximity of the contributors helped eased the task of coordinating the many chapters.

In conclusion, the IB textbook edited by Buckley, Enderwick and Cross sets a new standard in the field. The editors' high ambitions to (i) provide an overarching theoretical and conceptual foundation (the global factory); (ii) demonstrate the importance of resilience in a turbulent global environment; and (iii) apply a truly global perspective, are basically fulfilled. Notwithstanding the many outstanding qualities of the current textbook, a next edition may step up in terms of describing the effect of the environmental sustainability agenda and digital technologies on the global factory as well as highlighting the new breed of global factory lead firms: the digital platform firms and the ambidextrous market-political emerging economy firms. Hence, in an ever-changing global environment writing topical IB textbooks is indeed a Sisyphean, arduous and unthankful task!

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