

Non-Business Actors in Business Networks

Special track: Comparing Views on Business Networks in Economic Sociology and Business Marketing

Within the IMP setting, research focus has primarily been on inter-firm relationships, such as relationships with customers and suppliers. Some scholars have, however, recently suggested extending the studied business network and including a broader range of relationships. Our study will contribute to this research field by focusing on various “non-business” actors’ of importance in these networks. Among non-business actors we have so far mainly focused on political actors, but will in this study also include other non-business actors (such as NGOs).

In this paper a new research project is presented, and the paper aims to develop a theoretical view and hypotheses for studying firms’ internationalization processes in emerging markets. The context of emerging markets has been selected due to the high impact of non-business actors in these markets, as stated in earlier research. We will focus on how interactivity between firms and non-business actors influence the internationalization attempts.

The theoretical frame and hypotheses are based on business network theory and internationalization process theory and the interaction view presented is composed of the three relational elements of socio-political commitment, knowledge and legitimacy. Shortcomings in theoretical discussions on interactivity between non-business and business actors will be the driving force in this paper aiming for the development of a theoretical view for deeper understanding of this phenomenon.

Keywords: Business and non-business actors, business networks, internationalization, emerging markets

Introduction

The importance of the world's developing countries in the global economy has increased significantly during the last decade. While the final years of the 20th century were dominated by the industrialized western OECD nations, the recent global financial crisis has tipped the scales and developing countries are now responsible for an increasing portion of global GNP (Lehrer and Delaunay, 2009, p. 126). This holds true particularly for the so-called BRIC countries - Brazil, Russia, India and China - which cover about 25 percent of our global surface, and contain roughly 40 percent of the global population. According to Goldman Sachs (2009; responsible for coining the term BRIC in a 2001 report) these four nations will account for 50 percent of the aggregated global GNP in 2025. This in turn indicates that they are extremely interesting markets for multinational firms.

A common element for the four BRIC countries is that from the 1990's and onwards they have all become more market-oriented and nowadays encourage private ventures and international trade. Such an environment stimulates business opportunities for both foreign and local businesses. European firms have also increased their investments in these emerging markets, either through mergers and acquisitions or through organic growth. The BRIC countries do, however, have a history dominated by a high level of influence from the state, a common phenomenon in developing countries. Local firms have traditionally often been able to utilize their strong relationships with local authorities in order to repress foreign competition. Development in these countries is furthermore heavily reliant on the socio-political influence from the civil society (Lehrer & Delaunay, 2009).

The increasing importance of the BRIC countries as well as the impact from the socio-political environment on business activities in these countries makes it an interesting research subject. Our previous research within this area has focused on the interaction between firms and political units in a European context, and the intention is now to expand the knowledge by focusing on multinational firms and their efforts to establish themselves in emerging markets. As indicated above, socio-political actors are assumed to play a significant role in these firms' chances to enter and successfully establish themselves within these particular markets. Applying an interactive approach we will study; (1) the interaction between firms and political actors, (2) the interaction between firms and social actors and finally (3) how such interaction between political and social actors affects the firms and their business

relationships. The term “political actor” is used in this study to refer primarily to politicians and government agencies on a national and supra-national level, while “social actor” is used to refer to non-governmental organizations, i.e. NGOs (or NPOs, i.e. Non-Profit Organizations). There have been calls for studies on the relationships between firms and both political and social actors (see for example Teegen *et al.*, 2004, Wijkström & Lundström, 2002, Welch and Wilkinson, 2004). Existent studies are, however, primarily focused on the effects that such relationships have on society in general while we focus on the effects the relationships have on firms’ business activities.

The research questions we propose are thus the following:

- 1) How do multinational firms interact with socio-political actors in emerging markets?
- 2) What significance does such interaction have for multinational firms’ opportunities to engage in business activities in such markets?

Previous Research

Numerous researchers have noted a lack of research concerning the mutual dependency between companies and political actors (Trim, 2001; Ring, Lenway & Govekar, 1990). There are, however, some exceptions, for instance the studies of Ring *et al.* (1990) on the interdependency between company and state and Barros & Nilssen (1999) on company heterogeneity and industrial policy. The most interesting research on such mutual dependency, within the field of business administration, has probably been performed within the framework of institutional theory (e.g. Pecorino, 2001; Potters, 1992; Andersen and Eliassen, 1996).

The increased importance of emerging markets has also stimulated a growing interest among researchers. A first major overview on firms internationalization strategy appeared in 2000 (Hoskisson *et al.*). Their study utilized three differing theoretical perspectives - institutional theory, transaction cost theory and the resource-based perspective - in order to analyze company strategies when entering and expanding in emerging markets. These markets had to fulfil two basic criteria; they demonstrated rapid economic growth and were governed by a legal framework that favoured economic liberalization (see Arnold and Quelch, 1998). The study by Hoskisson *et al.* (2000) identified 51 countries in Asia, Latin America, the Middle East and Africa as well as 13 countries in the former Eastern Bloc which fulfilled the criteria

as “Emerging Market Economies”. The subsequent speed of development has varied amongst these countries, and companies that establish a presence in these markets have run into numerous obstacles as well as opportunities.

Hoskisson *et al.* analyzed the applicability of the three theoretical approaches and concluded that institutional theory is most applicable when explaining the first stage in the new market development process, while the other two approaches become relevant at a later point. In a subsequent article (Wright *et al.*, 2005) they advance their arguments to include agency theory as a fourth theoretical perspective and state that such theoretical interaction should be encouraged. In addition, they advance the significance of networks and call for further research on this subject.

Based on this reasoning, we suggest that there is a clear contribution in studying the subject from a more network-based perspective, especially in order to demonstrate how such interaction between firms and socio-political actors affects business activities. Within network theory there also appear to be a gap to be filled. Welch & Wilkinson (2004) divide network-based research as performed within the IMP tradition (e.g. Axelson & Easton, 1992; Håkansson & Snehota, 1995) into three generations of approaches. The first focused on the relationship between buying and selling companies, while the second focused on networks. The third and emerging generation of IMP studies witnesses an expansion to include relationships between firms and socio-political actors. Welch & Wilkinson (2004) emphasize that this is a central issue in an increasingly globalized and embedded business environment and that it is important to develop research on business networks to include actors located outside the strictly business-relationship sphere.

During the last few years we have observed how the influence of politicians has gained space in the media debate, and it is often insisted that companies, both large and small, are influenced by political decisions formulated at different levels and especially on an EU-level. This particular debate has not yet had any significant theoretical impact within network studies. The few studies that have been conducted have primarily focused on interaction with large multinational companies (see for example Hadjikhani, 2000). In these cases it has been demonstrated that there exists a mutual dependency between these companies and the political level, as politicians are in many cases heavily reliant on company knowledge. This in turn provides opportunities for companies to gain considerable influence. Such observations were

the basis of a project launched in 2006, in which we proposed to study the interaction between small companies and politicians acting on the EU-level. Our results indicate that many of the small firms included in our study are highly embedded in political relationships, and that they seek out and exploit business opportunities through these relationships. The next step in this research process is to add the social actor aspect. The interaction between actors in the civil society, such as between NGOs and the political sphere, has been extensively studied within the field of political sciences. We also find studies within our own field, particularly within organizational research, where the role of NGOs is for example studied in relation to change processes. These studies are often based on a (neo-) institutional perspective (see for example Engwall *et al.*, 2010).

Numerous researchers point at the increased importance of socio-political business aspects (see for example Teege *et al.*, 2004; Vachani *et al.*, 2009). This appears to be a particularly interesting phenomena in a number of emerging markets, as these often take a more active role due to the lack of stable institutions and legal framework. The increasing importance of these emerging markets has spurred a rising interest among firms, especially among European-based ones, to establish a presence and develop business activities. Such establishments are, however, associated with uncertainty and risk. These are factors that firms strive to reduce through establishing trust-based relationships with important local units in the new market. It has been argued that by evolving such relationships with key socio-political units a firm may gain strategic advantages, for example through increased legitimacy, access to specific knowledge and access to new networks (see Yaziji, 2004).

Theoretical Discussion

1) The socio-political interaction process in internationalization

Firms' internationalization processes for business activities in new markets have captured the attention of many researchers. But the process of entry and expansion in new markets encompasses not only managing the business market, but also the social and political market. Instead of observation of three separate markets, this study presumes the three as different kinds of interrelated actors somehow affecting each other in a larger network constellation. For internationalization, no matter if the firms want to or not, they have to manage several socio-political relationships. Within the frame of this study, researchers such as Crane and

Desmond (2002), Hadjikhani (2000), and Ring *et al.* (1990) have already suggested adapting a relationship and network perspective in order to study the interaction between firms and socio-political organizations. According to their arguments the view on one-way influences from political organizations to did not suffice, and their contribution was a shift towards an interactive view which yields a better understanding of how multinational firms manage their political environment. Hadjikhani *et al.* (2008) identify e.g. how an MNC became embedded in a number of political and social relationships when interacting with political organizations. Hence, similar to studies like Bengtson and Pahlberg (2009), this study goes beyond the mainstream in business network studies and assumes that firms are interwoven in a network containing both business and non-business actors. Business firms are perceived as dependent on socio-political actors and these actors as dependent on firms. As illustrated in Figure 1, interactions between these three can be studied as a set of socio-political and economical exchanges that interconnect different types of actors.

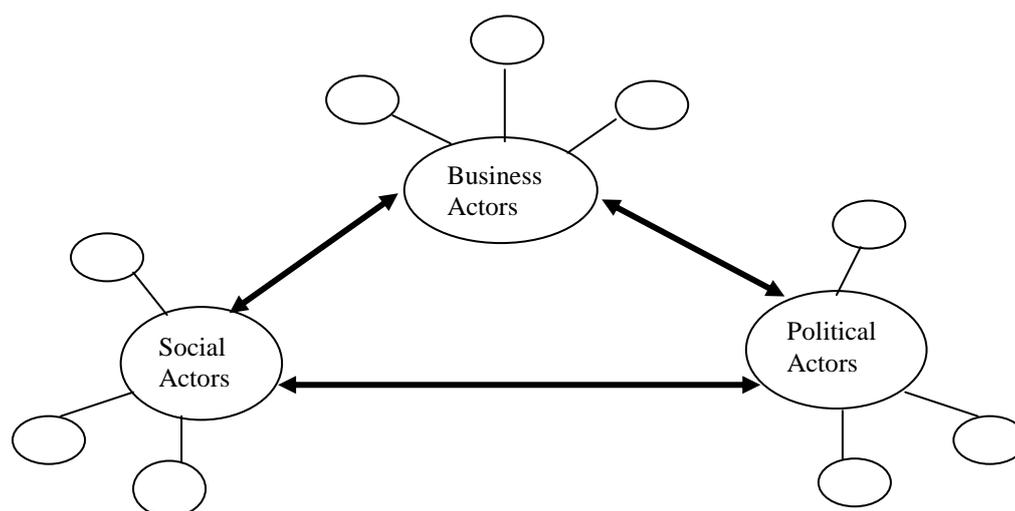


Figure 1: A Network of Business and Non-Business Actors

In this construction firms and socio-political actors are interdependent. From the firms' perspective, they are dependent on the foreign socio-political actors as they can gain support/hindrance affecting their interaction with business partners such as suppliers and customers. Accordingly, the interaction between these actors result in relationships that form nodes in a business network encompassing different types of actors.

There are a number of conceptual views which are developed to explain the content of this triadic interaction. Researchers in political science have used economic approaches to examine relationships between political organizations and companies. These studies are based

on the hierarchic power structure of the state, and the needs for national economic growth that these particular political entities require (see for example Maddison, 1991; Nowotny *et al.*, 1989). Other researchers have addressed problems associated with such an approach. According to some critics, the companies tend to ignore actual political actions (see Streeck, 1992; Fligstein, 1996). To counter the argument that political organizations are always capable of controlling firms via standardized regulations, researchers have in recent years referred to the heterogeneous nature of existing relationship between companies and political organizations and emphasized the specificity in such relationships (Chaudhri & Sampson, 2000). While some like Higgins and Morgan (2006) explain the dyadic interaction through the legitimacy concept (Boddewyn, 1988), other researchers follow the internationalization process model and use the concept of knowledge and commitment to understand the interaction patterns. This paper follows the conceptual statement of Hadjikhani *et al.* (2008) and develops the notion of resource commitment, knowledge and legitimacy. These three interaction elements that aids in explaining different kinds of interactions are discussed in Table 1 below.

	Commitment	Knowledge	Legitimacy
Business	Business actors devote and develop resources to manage their socio-political interaction. They try to influence in order to gain support for the business relationships.	Business actors interact with and commit resources towards socio-political units in order to develop knowledge that help the firms to strengthen their business relationship and market position.	The ultimate legitimacy ground is economic. The commitment and knowledge created in relationships to socio-political actors aims at enlarging business legitimacy.
Political	Political actors are dependent on society and devoted to development of social welfare. They undertake coercive and supportive actions, with economic and social consequences.	Political actors' knowledge about business actors, about their needs and capacities facilitate different types of interaction.	The ultimate strategy is political legitimacy grounded on the political actions in the society. Legitimacy problems arise when business and other parts of society demand conflicting actions.
Social	In their interactions, social actors devote resources to affect business mission and business relationship for the sake of society. This interaction is the primary function for social units, but not for the business units.	In the relationship between social actors and business actors, development of knowledge is the primary function and it is necessary for the survival of the relationship..	The legitimacy is grounded in social values. The social actors survival is dependent on how they can affect the other two actors and their relationships to them. Manifestation of impacts on business is a mean to gain and improve their legitimate position.

Table 1: Interaction Types and Interaction Elements

Resource commitment can be explained in terms of the size of investment or amount of actions towards the counterpart alone or towards the partner and its connected actors (Denekamp, 1995; Scott, 1991). This can require, for example, the establishment of a political unit in the firms' organizations, investing in lobbying organizations, or devotion of resources towards social organizations to aid their mission. *Knowledge* is the driving force for or/and an outcome of this commitment. It is defined as the knowledge and experience a certain actor has about the social and political actors in a new market that the firm aims to enter and develop its

businesses in. Variations in the degree of socio-political commitment and knowledge explain differences in the firms' managerial behaviour (Keillor *et al.*, 1997; Lee, 1991). In this sense commitment and knowledge have three interrelated layers, i.e. a business layer, a political layer and a social layer. Commitments and knowledge in the latter two support the first one.

Legitimacy is defined as the position of a certain actor recognised by the other actors in a specific business network. As argued by Boddewyn (1988) and Hadjikhani *et al.* (2008), developing, securing or maintaining a legitimate position is emphasised with resource commitment and the knowledge developed in the interrelated ties. The ultimate position of a firm is thus related to the legitimacy of the firm in three interrelated dimensions - business, political and social. Firms' legitimacy is thus a recognition constructed by accumulation of legitimacies reached in both business and socio-political relationships. Hence, the legitimate position of the firm contains three types of legitimacies. One is gained from interaction with business and the other two are reached from direct and indirect relationships with socio-political actors. The investments in commitment and the developed knowledge will affect the relationship between business and socio-political actors. In this construction, the interactivities are designed to gain business, political or social legitimacies.

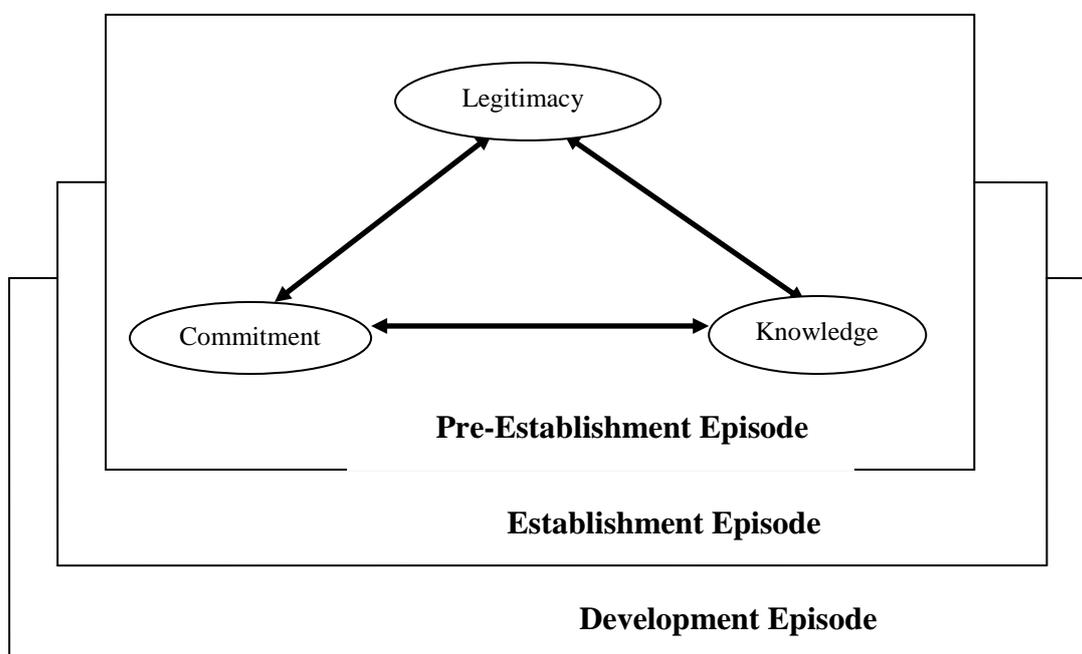


Figure 2: A Conceptual View

According to some scholars, international behavior of the firms varies depending on the level of business internationalization. It is argued in this study that there is a connection between the stage of business internationalization and the activities performed towards socio-political actors. As manifested in Figure 2, the fundamental proposition is that foreign market internationalization is composed of three episodes of pre-entry, establishment and development episodes. Following the view developed by Johanson and Vahlne (1977, 2009) the investment in a foreign market contains an incremental process in relation to resource commitment and knowledge. Their view concerns the development of business and business relationships in foreign market, but the aspect of special interest in this study concerns what happens with the commitment, knowledge and legitimacy in socio-political relationships in different phases of internationalization. A firm's general knowledge about the market can function as a driving force for the firm to initiate political resource commitment and pave the way for the business resource commitments. This indicates that the strategy for establishment and decision to commit business resources requires resources and knowledge about the political environment. In the study of Boddewyn (1988), legitimacy and resource commitment are incorporated in interactive relationships for development of business strategy. In the study of Hadjikhani *et al.* (2008), the connection between the business and political issues of commitment and knowledge were studied. Following their statement and the construction discussed above it can be hypothesized that:

H1: There is a connection between the degree of business internationalization and the degree of interaction with foreign socio-political actors.

H2: The degrees of business and of socio-political interactions are not necessarily balanced.

A number of studies proclaim that socio-political interactions are based on social or political issues that are raised randomly at different points in time. They argue that while interactions for business development specifically in new foreign markets have a continuous nature, their socio-political interactions are issue related and have a discontinuous nature. In this vein the socio-political interactions become activated in a specific period to deal with particular social or political issue. When an issue is solved interaction becomes inactive until a new issue is raised. The study of Hadjikhani *et al.* (2008) explores the view of activated and sleeping socio-political relationships. Accordingly the proposition is that:

H3: Dependency of social and political relationships are issue-related and have active and non-active phases.

The reasoning above goes against the presumption of instrumentality in the internationalization process model and presumes that socio-political interactions do not follow an active incremental process. In further development of this hypothesis, there are studies that manifest the imbalance in the development of relationships for business and socio-political relationships and that there is a disparity in development of commitment, knowledge and legitimacy. The interesting issue in this statement is that the political commitment may be developed already in the pre-internationalization episode, i.e. before the business commitment occurs. This leads to the following hypotheses:

H4: In the pre-establishment phase, political commitment precedes business and social commitments.

Hypothesis 4 is related to several interesting issues. One is related to the consideration that business commitment is initiated a period after the political commitment. This topic has been studied by several researchers emphasising issues such as sending government officials to countries where firms aim to make investments. The political delegations function as road rollers to pave the way for the firms from the respective countries. The aim of this political activity is to generate political knowledge at the firm level, which brings the business firms' knowledge and legitimacy under consideration.

H5: In the pre-establishment phase, political knowledge and legitimacy develops together with business knowledge and before business legitimacy.

Studies on firms entry into new markets manifest that the development of the relationship elements of commitment, knowledge and legitimacy do not follow the rule of accumulateness. While one of the elements develops intensively in the pre-established phase, the others develop in later phases, so that firms may gain social legitimacy in a specific foreign market through their activities in other foreign markets, but the social commitment in this specific market occurs in latter internationalization phases after the firms have gained specific business and socio-political knowledge.

Researchers studying social responsibility of international firms provide discussions on how international firms, when developing their foreign market operation, need to strengthen their position by investments towards the society. This is proclaimed as urgent strategic actions in

emerging markets due to lack of, for example, a functioning social infrastructure. Although, social and political commitment of the firms do not follow the same development path in the internationalization of new emerging markets, they have their own specific process of development. When firms have made business commitments in a foreign market with the knowledge about the need of the market, they undertake strategic actions to interact with social units to strengthen the business legitimacy.

2) Managing Socio-Political Interactions

The relationship between political organizations and multinational companies, especially in emerging markets, is a vital issue. This interest can to some extent be explained by the increased competition in these particular markets (Henisz, 2003; Keillor & Hult, 2004; Hadjikhani *et al.* 2008). It is argued that management of socio-political interactions will strengthen the position of the firm and its commercial activities. As stated by researchers like Boddewyn (1988), Heinz (2003) and Hadjikhani *et al.* (2008), socio-political actors' activities are of two kinds: to support the business firms or to force (political actors directly, social actors indirectly) them to follow specific rules and behave in a specific manner. In gaining legitimacy in new markets, business actors need to manage the socio-political relationships and gain support by overcoming changes in the behaviour of socio-political actors. The ultimate aim is to exercise influence, without which they must follow the rules designed by socio-political actors. Such rules will lead to adaptation of business activities and structural changes in the firms' internal and external relationships and thus to increasing costs. The alternative actions of political actors are either coercive or supportive. The sixth hypothesis is:

H6: In the pre-establishment phase, firms' aim is to change the coercive political rules and gain support.

To understand the management of relationships with foreign political actors, we refer to the study of Hadjikhani *et al.* (2008) and Bengtson *et al.* (2010). Extending their reasoning, the political impact can be divided into three types; hierarchical coercive, manageable coercive or supportive. For the first type, the political actors manifest their hierarchical power and the firm does not commit resources to the interaction. For the second type, manageable coercive interaction, firms invest in a higher level of commitment towards political actors. This has been demonstrated in earlier studies. There are for example a large number of studies on lobbying or relationships with political organizations in foreign countries. These studies

perceive the interactions as means to gain influence and make the political organizations support the firms. Other studies have put emphasis on actions like employment of former politicians, manifestation of cooperation with well known firms and organizations and the capability of the firms to provide solutions needed by politicians. Hence, firms have used diversified interactive means to change the coercive actions of political units to supportive ones.

The supportive interactions with political organizations have gained increased interest. Recent studies divide the supportive interactions into specific and general. Firms, no matter of the internationalization phase, eventually require specific support for their interactions with political organizations. Studies of lobbying manifest how firms make large investments to gain specific support through which they can strengthen their competitive position. We can accordingly hypothesise that:

H7: Firms aim is to reach specific supportive interaction and for that they devote more resources than they do for general supportive interaction.

While political units are legitimated by their hierarchical power, the function of social units is based on social legitimacy. Managing interactions with these units will strengthen the legitimate position of the firms in two ways. Since the societies in foreign countries acknowledge social organizations as non-profit organisations aiming for the welfare of the society, they will recognize a firm's cooperation with such a unit as beneficial. This perception of the firm will affect its market position positively. Further, the interaction between the firms and social units will strengthen the firms when interacting with political organizations. Hence, despite social actors lack of hierarchical power, social interaction with these units can strengthen the firms' position and give them possibilities to exercise influence.

In this study, we refer to well-known NGOs as examples of social actors. During the 1990s, NGOs increasingly began to affect companies in issues pertaining to, for example, environmental issues, human rights, corruption and human rights. Greenpeace, the World Wildlife Fund, Amnesty International, Human Rights Watch and Transparency International are all well-known NGOs. These actors are characterized by non-profit rather than commercial goals. They are often spread out across the world, and are usually not tied to any specific national government.

At the outset, the interaction between business actors and NGOs tended to be based on confrontation rather than co-operation, but this has changed over time (Perez-Aleman & Sandilands, 2008). Argenti (2004) describes how power lately has been transferred from politics to companies and how NGOs subsequently shifted focus from influencing politicians to addressing companies. The terminology for such co-operation varies in the literature: it is sometimes referred to as a “green alliance” (Stafford and Hartman, 1996; Stafford *et al.*, 2000), or a “social alliance” (Berger *et al.*, 2004). One underlying reason for such co-operation is the immense complexity of some of the major problems facing companies, for example those regarding the environment, which require a large number of actors in order to be addressed (see e.g. Ritvala & Salmi, 2009.) These various actors may jointly increase the rate of transfer and accumulation of knowledge (Starik & Heuer, 2002). The interest in issues concerning Corporate Social Responsibility (CSR) during the last decennium (Pellow, 2001; Doh and Teegen, 2002; Christmann & Taylor, 2002; Yaziji, 2004; Teegen *et al.*, 2004; Crane *et al.*, 2008; Vachani *et al.*, 2009) has rapidly increased the focus on firms interaction with NGOs. The UN-initiated “Global Compact” has in this case played a significant role and led to co-operation between many of the world’s leading companies, NGOs and the UN in hopes that this will promote benefits for all participants. Accordingly, it can be hypothesized that:

H8: The more elaborated the interaction with social units in foreign markets is, the stronger is the firms’ interaction with political units and business actors.

Business actors commit resources towards social units and sometimes involve these units into their foreign subsidiaries to improve their business legitimacy. In connection to this it has also been claimed that actors have gained increased significance (see Christmann & Taylor, 2002), especially in the case of NGOs.

Conclusion

Numerous studies have demonstrated how interaction between various business actors affects development within a firm, as well as on a more aggregate level, developments in society. There has been less interest in studying interaction with other actors despite the fact that company business activities would often appear to be affected by politicians and political units on various levels, by organizations and civil movements (for example movements focused on issues concerning the environment or individual health) or by the mass media. The studies that have been made concerning “non-business actors” are primarily focused on politicians and government agencies, while what can be denominated the civilian society, as

for example represented by NGOs, have received limited attention. Socio-political actors in general and NGOs in particular would appear to play a significant role within emerging markets, as discussed in this paper.

References

- Andersen, S. & Eliassen, K.A., 1996, *The European Union: How democratic is it?*, London: Sage.
- Argenti, P., 2004, "Collaborating with activists: How Starbucks works with NGOs", *California Management Review*, Vol. 47, No.1, pp. 91-116.
- Arnold, D.J. & Quelch, J.A., 1998, "New Strategies in Emerging Economies", *Sloan Management Review*, Vol. 40, No. 1, pp. 7-20.
- Axelsson; B. & Easton, G., (Eds), 1992, *Industrial networks: a new view of reality*, London: Routledge.
- Barros, P. & Nilssen, T., 1999; "Industrial policy and firm heterogeneity", *Scandinavian Journal of Economics*, Vol. 101, No. 4, pp.597-616.
- Bengtson, A. & Pahlberg, C., 2009, "Political embeddedness of technological development – the IgY case", *International Journal of Business Environment*, Vol. 2, No. 4, pp. 418-434.
- Bengtson, A., Pahlberg, C. & Pourmand, F., (2009), "Small firms' interaction with political organizations in the European Union", *Industrial Marketing Management*, Vol. 38, No. 6, pp. 687-697.
- Berger, I., Cunningham, P. & Drumwright, M., 2004, "Social alliances: Company/nonprofit collaboration", *California Management Review*, Vol. 47, No. 1 pp. 58-90.
- Boddewyn, J., 1988, "Political aspects of MNE theory", *Journal of International Business Studies*, Vol. 19, No. 3, pp. 341-363.
- Chaudhri, V. & Samson, D., 2000, "Business.government relations in Australia: Cooperating through task forces", *Academy of Management Executive*, Vol. 14, No. 3, pp. 19-27.
- Christmann, P. & Taylor, G., 2002, "Globalization and the environment: Strategies for international voluntary environmental initiatives", *The Academy of Management Executive*, Vol.16, No. 3, pp. 121-136.
- Crane, A. & Desmond, J., 2002, "Societal marketing and morality", *European Journal of Marketing*, Vol. 36, No 5/6, pp. 548-569.
- Crane, A., McWilliams, A., Matten, D., Moon, J. & Siegel, DS, 2008, *The Oxford handbook of corporate social responsibility*, Oxford: Oxford University Press.
- Denekamp, J., 1995, "Intangible assets, internationalization and foreign direct investment in manufacturing", *Journal of International Business Studies*, Vol. 26, No. 3, pp. 493-504.
- Doh, J. & Teegen, H., 2002, "Nongovernmental organizations as institutional actors in international business: Theory and implications", *International Business Review*, Vol. 11, No. 6, pp. 665-684.
- Engwall, L., Grünberg, J., Pallas, J., Sahlin, K., Strannegård, L., Wedlin, L., Hägg, I., Buhr, H., Jonsson, S., Frostenson, M., Romani, L. Windell, K. & Buhr, K., *Corporate governance in action: A field approach*, Forthcoming 2010
- Fligstein, N., 1996, "Markets as politics: A political-cultural approach to market institutions", *American Sociological Review*, Vol. 61, No. 4, pp. 656-673.

- Goldman Sachs, 2009, "The BRICs Nifty 50: The EM & DM Winners", *Global Portfolio Strategy, Goldman Sachs Global Economics, Commodities and Strategy Research*, November 4, pp. 1-36.
- Hadjikhani, A., 2000, "The political behaviour of business actors", *International Studies of Management and Organisation*, Vol. 30, No. 1, pp. 95-119.
- Hadjikhani, A. & Ghauri, P., 2006, "Multinational enterprises and their lobbying activities in the European Union", in L. Oxelheim (Ed.), *Corporate and Institutional Transparency for Economic Growth in Europe*, Oxford: Elsevier, pp. 371-397.
- Hadjikhani, A., Lee, J-W. & Ghauri, P., 2008, "Network view of Firms' socio-political behaviour", *Journal of Business Research*, Vol. 61, No. 9, pp. 912-924.
- Henisz, W., 2003, "The power of the Buckley and Casson thesis: The ability to manage institutional idiosyncrasies", *Journal of International Business Studies*, Vol. 34, No. 2, pp. 173-184.
- Higgins, E & Morgan, J., 2006, "Stakeholder salience and engagement in political organizations", *Society and Business Review*, Vol. 1., No. 1, pp. 62-76.
- Hoskisson, R., Eden, L., Lau, C. M. & Wright, M., 2000, "Strategy in emerging economies", *Academy of Management Journal*, Vol. 43, No. 3, pp. 249-267.
- Håkansson, H. & Snehota, I., 1995, *Developing relationships in business networks*, London: Routledge.
- 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*, Vol. 8, No. 1, pp. 23-32.
- 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*, Vol. 40, No. 9, pp. 1411-1431.
- Keillor, B., Boller, G., & Ferrell, O.C., 1997, "Firm-level political behavior in the global marketplace", *Journal of Business Research*, Vol. 40, No. 2, pp. 113-126.
- Keillor, B & Hult, T., 2004, "Predictors of firm-level political behavior in the global business environment: an investigation of specific activities employed by US firms", *International Business Review*, Vol. 13, No. 3, pp. 309-329.
- Lee, Joong-Woo, 1991, *Swedish firms entering the Korean market. Position development in distant industrial networks*. Uppsala: Department of Business Studies.
- Lehrer, M. & Delaunay, C., 2009, "Multinational enterprises and the promotion of civil society: The challenge for 21st century capitalism", *California Management Review*, Vol. 51, No. 4, pp. 126-147.
- Maddison, A., 1991, *Dynamic forces in capitalist development: A long-run comparative view*, Oxford University, Oxford.
- Nowotny, K., Smith, D.B. & Trebin g, H.M. (Eds.), 1989, *Public Utility Regulation*, Kluwer: Boston.
- Pecorino, P., 2001, "Can by-product lobbying firms compete?", *Journal of Public Economics*, Vol. 82, No. 3, pp. 377-397.
- Pellow, D., 2001, "Environmental justice and the political process: Movements, corporations, and the state", *The Sociological Quarterly*, Vol. 42, No. 1, pp.47-67.

- Perez-Aleman, P. & Sandilands, M., 2008, "Building value at the top and the bottom of the global supply chain: MNC-NGO partnerships", *California Management Review*, Vol. 51, No. 1, pp. 24-49.
- Potters, J., 1992, *Lobbying and Pressure*, Tinbergen Institute, Amsterdam.
- Ring, P.S., Lenway, S.A. & Govekar, M., 1990, "Management of the political imperative in international business", *Strategic Management Journal*, Vol. 11, No. 2, pp. 141-51.
- Ritvala, T. & Salmi, A., 2009, "Mobilisation of issue networks: the case of fighting heart disease in Finland", *International Journal of Business Environment*, Vol. 2, No. 4, pp. 400-417.
- Scott, W.R., 1991, "Unpacking institutional arguments", in W.W Powell and P.J. DiMaggio (Eds.) *The New Institutionalism in Organizational Analysis*, Chicago: University of Chicago press, pp. 164-182.
- Stafford, E. & Hartman, C., 1996, "Green alliances: strategic relations between businesses and environmental groups", *Business Horizons*, Vol. 39, No. 2, pp. 50-59.
- Stafford, E., Polonsky, M.J. & Hartman, C., 2000, "Environmental NGO-business collaboration and strategic bridging: A case analysis of the Greenpeace-Foron alliance", *Business Strategy and the Environment*, Vol.9, No. 2, pp. 122-135.
- Starik, M. & Heuer, M., 2002, "Strategic inter-organizational environmentalism in the US: A multi-sectoral perspective of alternating eco-policy roles", *Business Strategy Environment*, Vol. 11, pp. 221-235.
- Streeck, W., 1992, *Social institutions and economic performance: Studies of industrial relations in advanced capitalist economies*, London: Sage.
- Teegen, H, Doh, J.P. & Vachani, S., 2004, "The importance of nongovernmental organizations (NGOs) in global governance and value creation: An international business research agenda", *Journal of International Business Studies*, Vol. 35, No. 6, pp. 463-483.
- Trim, P., 2001, "Public-private partnerships in the defence industry and the extended corporate intelligence and national security model", *Strategic Change*, Vol.10, No. 1, pp. 49-58.
- Vachani, S., Doh, J.P. & Teegen, H., 2009, "NGOs influence on MNEs social development strategies in varying institutional contexts: A transaction cost perspective", *International Business Review*, Vol. 18, No. 5, pp. 446-456.
- Welch, C. & Wilkinson, I., 2004, The political embeddedness of international business networks, *International Marketing Review*, Vol. 21, No. 2, pp. 216-231.
- Wijkström, F & Lundström, T (2002) *Den ideella sektorn – Organisationerna i det civila samhället*, Stockholm: Sober Förlag.
- Wright, M., Filatotchev, I., Hoskisson, R. & Peng, M., 2005, "Strategy Research in Emerging Economies: Challenging the Conventional Wisdom", *Journal of Management Studies*, Vol. 42, No. 1, pp. 1-33.
- Yaziji, M., 2004, "Turning Gadflies into Allies", *Harvard Business Review*, Vol. 82, No. 2, pp. 110-115.