

EDITORIAL ESSAY

EUROPEAN STUDIES AND INTERNATIONAL BUSINESS

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Abstract

In this essay, I first focus on the links between European Integration (a core topic in European Studies), and multinational enterprise and foreign direct investment, two key themes in international business (IB) studies. Then I connect European Studies and IB in relation to the articles published in this issue of the *New Zealand Journal of Research on Europe*. Two of these articles are related to Russia's war in Ukraine, and one is about public funding for social sciences and humanities. Overall, I argue that IB and European Studies as fields should engage with each other more, and that research at their interface can add significant new insights into emerging topics—such as geoeconomics—in these fields of study and beyond.

Introduction

I've been the editor of the *New Zealand Journal of Research on Europe* from 2014. This editorial position has not aligned neatly with my identity as an international business (IB) scholar. While both the *New Zealand Journal of Research on Europe* and the field of IB claim to be “interdisciplinary,”¹ there are many tensions and significant differences between IB and European Studies, and I have had doubts about whether there was enough common ground between the two fields. In this editorial essay, I will reflect on these tensions and doubts.

I came to New Zealand in 2008 from Boston, U.S., and it was refreshing that as part of a team of International Business scholars at the University of Auckland, I was assigned to co-teach a course on “Business in Europe.” My master’s degree in European Integration, which I earned in 1999 from Comenius University in Bratislava, Slovakia, was suddenly not worthless, and it seemed like there was still interest in Europe in this far end of the Earth. While a lot of my research continued to relate to Europe,² I have also embraced studies of IB in Asia Pacific,³ which arguably became a dominant agenda in the IB community in Oceania. My doubts about the value of European Studies to an IB scholar have continued ever since.

Hence, I was pleased when I read that Peter A. Hall has been selected as 2025’s John Fayerweather Eminent Scholar of the Year by the Fellows of the Academy of International Business, the preeminent academic body of IB scholars. Professor Hall is one of the most

¹ For example, the top-ranked journal in the field of international business, *Journal of International Business Studies* describes itself as “multidisciplinary in scope and interdisciplinary in content and methodology.”

² Záborský, Peter. "Emergence of transnational clusters: Evidence from the Slovak automotive industry." *Journal for East European Management Studies* (2012): 464-479; Jacobs, Elena Jayne, Peter Záborský, and Erwann Sbai. "Mutual productivity spillovers in Slovakia: Absorptive capacity, the technology gap, and nonlinear effects." *Eastern European Economics* 55, no. 4 (2017): 291-323; Ingršt, Igor, and Peter Záborský. "Knowledge flows, strategic motives and innovation performance: Insights from Australian and New Zealand investment in Europe." *Journal of Management & Organization* 27, no. 5 (2021): 948-971.

³ Verbeke, Alain, Robin E. Roberts, Deborah Delaney, Peter Záborský, Peter Enderwick, and Swati Nagar. *Contemporary international business in the Asia-Pacific Region*. Cambridge University Press, 2019; Záborský, Peter, Zheng Joseph Yan, Erwann Sbai, and Matthew Larsen. "Cross-border M&A motives and home country institutions: Role of regulatory quality and dynamics in the Asia-Pacific Region." *Journal of Risk and Financial Management* 14, no. 10 (2021): 468; Záborský, Peter, Zheng Joseph Yan, Snežina Michailova, and Vincent Zhuang. "Chinese multinationals' internationalization strategies: New realities, new pathways." *California Management Review* 66, no. 1 (2023): 96-123.

influential political scientists of our day, holding the position of Krupp Foundation Professor of European Studies in the Minda de Gunzburg Center for European Studies, Faculty of Arts and Sciences, at Harvard University. Suddenly, European Studies and IB fit together nicely.

Given the politicised nature of IB, which was always evident but is now more fully recognised,⁴ it should be no surprise that a scholar that co-authored the “varieties of capitalism” approach has been honoured by the IB community. The impact of his work on the varieties of capitalism⁵ has been recognized in IB research, leading to a significant impact on the field of IB and beyond.⁶ However, Peter Hall’s association with European Studies, and the links between European Studies and IB in general deserve more attention. In this essay, I will first focus on the links between European Integration (a core topic in European Studies), and multinational corporations and foreign direct investment (two key themes in IB). Then I will connect European Studies and IB in relation to the articles published in this issue of *New Zealand Journal of Research on Europe*. Two of these articles are related to Russia’s war in Ukraine, and one is about public funding for social sciences and humanities. Overall, I will argue that IB and European Studies as fields should engage with each other more, and that research at their interface can add significant new insights into emerging topics in both fields.

European integration and multinational enterprise

The links between European integration and multinational enterprise have been recognised by some of the most senior IB scholars. For example, John Cantwell analysed the reorganisation of European industries after integration (the creation and enlargement of the European

⁴ Beugelsdijk, Sjoerd, and Yadong Luo. "The politicized nature of international business." *Journal of International Business Studies* 55, no. 3 (2024): 281-284.

⁵ Hall, Peter. A., and David Soskice. *Varieties of capitalism: The institutional foundations of comparative advantage* (2001). Oxford: Oxford University Press

⁶ Aguilera, Ruth V., and Birgitte Grøgaard. "The dubious role of institutions in international business: A road forward." *Journal of International Business Studies* 50 (2019): 20-35; Witt, Michael A., and Gregory Jackson. "Varieties of capitalism and institutional comparative advantage: A test and reinterpretation." *Journal of International Business Studies* 47 (2016): 778-806.

Community customs union), using evidence on the role of multinational enterprise activities. He argued that the existence of a common external tariff encourages non-Community firms to relocate their production to a site with the European Community, as the reduction of tariffs between European countries widened the market that could be served from such sites.⁷ Peter Buckley, in another study published in 1987 (the year when the Single European Act was passed), has also investigated the links between multinational enterprises and European Economic Integration, focusing on North-South Direct Investment in the European Community. Specifically, his study analysed the employment impact of foreign direct investment by British, French and German Multinationals in Greece, Portugal and Spain.⁸

Other IB research investigating the links between European Integration can be connected to some of the milestones in European Integration, such as the common European currency (1999) and EU enlargement of 2004. For example, Philip Whyman evaluated the impact of the Economic and Monetary Union (EMU) on world business, including ‘micro’ consequences such as intensified competition, completion of the single market and industrial restructuring, and tensions in labour relations between supra-national corporatism and decentralised flexibilisation.⁹ The EU enlargement to Central and Eastern Europe (CEE) has been connected to IB research on this region, with studies analysing for example technology transfer by multinationals and institutional development.¹⁰ This research considered the adoption of essential market institutions and the specific norms of regional integration with the European Union as the most important determinants of technology transfer in CEE.

⁷ Cantwell, John. "The reorganization of European industries after integration: selected evidence on the role of multinational enterprise activities." *J. Common Mkt. Stud.* 26 (1987): 127.

⁸ Buckley, Peter J., Patrick Artisien, "Introduction: Multinational Enterprises and European Economic Integration." *North-South Direct Investment in the European Communities: The Employment Impact of Direct Investment by British, French and German Multinationals in Greece, Portugal and Spain* (1987): 1-6.

⁹ Whyman, Philip. "Living with the Euro: the consequences for world business." *Journal of World Business* 37, no. 3 (2002): 208-215.

¹⁰ Tihanyi, Laszlo, and Anthony S. Roath. "Technology transfer and institutional development in Central and Eastern Europe." *Journal of World Business* 37, no. 3 (2002): 188-198.

More recent IB research linked to European Integration from perspectives of market convergence and advertising standardisation in the EU,¹¹ critically evaluated the possibility of global nonmarket strategy in a multipolar world order,¹² and analysed institutional changes within the EU by asking how regional integration affected MNE entry decisions.¹³ The contributions of this research to IB were significant, for example by improving our understanding of how institutional changes shape the governance choices of multinational enterprises. This was accomplished by analysing how the evolution of Europe as a unified business environment and how the membership of the host country in the EU determine market entry modes, suggesting that (1) as the EU integrates, the choice of an acquisition versus a strategic alliance will increase over time (as an MNE's entry mode in the EU), and (2) that the choice of an acquisition versus a strategic alliance will be more likely when the target firm is situated inside the EU than when it is situated outside of the EU.¹⁴

While European Integration has been linked to multinational enterprise in IB research, contributions to this line of inquiry have also been made in other fields such as economics (or at the intersection of IB and economics). This included an analysis of the process of European integration and the determinants of entry by non-EU multinationals in UK manufacturing¹⁵ and a book on multinationals and European integration focusing on trade, investment and regional development (focusing on Wales).¹⁶ In other fields on inquiry, contributions included

¹¹ Okazaki, Shintaro, Charles R. Taylor, and Jonathan P. Doh. "Market convergence and advertising standardization in the European Union." *Journal of World Business* 42, no. 4 (2007): 384-400.

¹² Kobrin, Stephen J. "Is a global nonmarket strategy possible? Economic integration in a multipolar world order." *Journal of World Business* 50, no. 2 (2015): 262-272.

¹³ Blevins, Dane P., Caterina Moschieri, Brian C. Pinkham, and Roberto Ragozzino. "Institutional changes within the European Union: How global cities and regional integration affect MNE entry decisions." *Journal of World Business* 51, no. 2 (2016): 319-330.

¹⁴ Ibid.

¹⁵ Girma, Sourafel. "The process of European integration and the determinants of entry by non-EU multinationals in UK manufacturing." *The Manchester School* 70, no. 3 (2002): 315-335.

¹⁶ Phelps, Nicholas A. *Multinationals and European integration: Trade, investment and regional development*. Routledge, 2013.

for example a critical consideration of multinationals as agents of integration.¹⁷ Furthermore, scholarship at the intersection of IB and innovation studies has also linked multinationals to European integration, for example by acknowledging how innovation-investment motives abroad and knowledge creation capability of multinationals' subsidiaries evolve with the changing knowledge ecosystems, driven by European integration in host countries in CEE.¹⁸

In addition to studies on European integration and multinationals in general, many studies have specifically focused on foreign direct investment (FDI). Many of these contributions were published in *Journal of Common Market Studies*, a go-to place for studies on European integration. A seminal study in this area was George Yannopoulos's analysis of FDI and European integration, providing the evidence on the relationship from the formative years of the European Community.¹⁹ More recent studies in this journal have analysed FDI and European integration by focusing on how the European Union gained competence over foreign direct investment,²⁰ and investigating the effect on FDI of membership in the EU.²¹ Some studies have focused on a specific period, such as in the analysis of FDI and European integration in the 1990s,²² while other focused on specific regions, such as an analysis of how EU integration and legacies mattered for FDI into Central and Eastern Europe.²³ Most recent

¹⁷ Ballor, Grace. "Agents of integration: Multinational firms and the European Union." *Enterprise & Society* 21, no. 4 (2020): 886-892.

¹⁸ Záborský, Peter, Igor Ingršt, and Krishna Raj Bhandari. "Knowledge creation capability under different innovation-investment motives abroad: The knowledge-based view of international innovation management." *Technovation* 127 (2023): 102829.

¹⁹ Yannopoulos, George N. "Foreign direct investment and European integration: the evidence from the formative years of the European Community." *J. Common Mkt. Stud.* 28 (1989): 235.

²⁰ Meunier, Sophie. "Integration by stealth: How the European Union gained competence over foreign direct investment." *JCMS: Journal of Common Market Studies* 55, no. 3 (2017): 593-610.

²¹ Bruno, Randolph Luca, Nauro Ferreira Campos, and Saul Estrin. "The effect on foreign direct investment of membership in the European Union." *JCMS: Journal of Common Market Studies* 59, no. 4 (2021): 802-821.

²² Egger, Peter, and Michael Pfaffermayr. "Foreign direct investment and European integration in the 1990s." *World Economy* 27, no. 1 (2004): 99-110.

²³ Bandelj, Nina. "How EU integration and legacies mattered for foreign direct investment into Central and Eastern Europe." *Europe-Asia Studies* 62, no. 3 (2010): 481-501.

work focused on specific aspects of FDI (e.g., cross-border acquisitions) and specific EU's common policies (such as screening of foreign acquisitions in times of global tensions).²⁴

European studies, international business, and the war in Ukraine

The Russia/Ukraine war is a manifestation of increasing global geopolitical tensions since mid-2010s, with implications for geopolitical and international business strategies.²⁵ While recent IB research has acknowledged the topic of Russo-Ukrainian war, such as in the analysis of inter-state war, institutions and multinationals,²⁶ and in an examination of inter-state war dynamics and investment,²⁷ the IB research did not sufficiently emphasise the role of European Integration. This is surprising, as Ukraine's ambitions to join the European Union (and NATO) are at the heart of its conflict with Russia, as Jonathan Zhang explains in this issue's article on the endgame of Russia's invasion of Ukraine.²⁸

Moreover, while IB research has recently become more interested in "international business under sanctions,"²⁹ there seemed to be an opportunity for a better understanding of how formal and informal institutions can facilitate international trade under sanctions, a topic examined in this issue's article by Anna Earl and Marina Ishakova.³⁰ Earl and Ishakova insightfully note that while the Western sanctions have certainly created barriers for Russian companies' operations abroad, these businesses have learnt how to operate under sanctions and

²⁴ Riela, Stefano, and Peter Zamborsky. "Screening of foreign acquisitions and trade in critical goods." *Asia-Pacific Journal of EU Studies* 18, no. 3 (2020): 55-83.

²⁵ Ratten, Vanessa. "The Ukraine/Russia conflict: Geopolitical and international business strategies." *Thunderbird International Business Review* 65, no. 2 (2023): 265-271.

²⁶ Owens, Martin David. "Inter-state war, institutions and multinationals: insights from the Russian-Ukraine war." *Multinational Business Review* 31, no. 4 (2023): 496-517.

²⁷ Nowinska, Agnieszka, and Thomas Roslyng Olesen. "Inter-state war dynamics and investment: Insights from the Russia-Ukraine war." *Journal of Business Research* 186 (2025): 114911.

²⁸ Zhang, Jonathan (Pang). "The endgame of Russia's invasion in Ukraine: Unraveling the war's conclusion." *New Zealand Journal of Research on Europe* 18, no. 1 (2024): 24-49.

²⁹ Meyer, Klaus E., Tony Fang, Andrei Y. Panibratov, Mike W. Peng, and Ajai Gaur. "International business under sanctions." *Journal of World Business* 58, no. 2 (2023): 101426; Aliasghar, Omid, and Elizabeth L. Rose. "Adjustment strategies for firms affected by international sanctions." *Multinational Business Review* 31, no. 4 (2023): 586-601.

³⁰ Earl, Anna, and Marina Ishakova. "Do sanctions on Russian companies really work? The use of formal and informal institutions to facilitate international trade." *New Zealand Journal of Research on Europe* 18, no. 1 (2024): 11-23.

developed a high degree of resilience. The Russian firms' operations are largely performed through long-lasting connections established with the former Soviet Union countries that are now part of Europe (some of them EU members). For example, multinationals' resource pulling strategy, as explained in Earl and Ishakova's article, relies largely on domestic informal institutions and remaining ally countries in Europe, to export Russian goods.

IB and European Studies research could be both further reinvigorated by mutual interaction, for example in the areas of institutional and international relations theories that are relevant for both fields. The varieties of capitalism approach and comparative institutional analysis could serve as a common platform, and we could build on existing work in this area, such as the investigation of European monetary integration and the incompatibility of national varieties of capitalism.³¹ The emerging research from the field of international relations, e.g., on geoeconomic power, has already been employed to explain how global power competition drives EU integration.³² The Russian-Ukrainian war can also be seen in this context of fractured globalization.³³ Several EU initiatives can be classified as geoeconomic measures, and European Commission's President von der Leyen mentioned many of them in her famous speech on 'de-risking'. These initiatives are not all directly related to the management of the single market but are also broadly related to external economic policies that seek to reduce the single market's vulnerability to external actors (e.g., Russia and China) or to leverage the size and attractiveness of the EU market to exert external influence. The 2019 EU Regulation on FDI screening is a prominent example, and links to a core topic in IB. For IB research in general, it would be beneficial to further the research stream on this "geoeconomic turn."³⁴

³¹ Johnston, Alison, and Aidan Regan. "European monetary integration and the incompatibility of national varieties of capitalism." *JCMS: Journal of Common Market Studies* 54, no. 2 (2016): 318-336.

³² Haroche, Pierre. "Geoeconomic power Europe: When global power competition drives EU integration." *JCMS: Journal of Common Market Studies* (2024).

³³ Zamborsky, Peter. "Contextualising the Russian Invasion of Ukraine: a Fractured Globalisation Perspective." *New Zealand Journal of Research on Europe* (2023) 17, no. 1 (2023): 1-7.

³⁴ Luo, Yadong, and Ari Van Assche. "The rise of techno-geopolitical uncertainty: Implications of the United States CHIPS and Science Act." *Journal of international business studies* 54, no. 8 (2023): 1423-1440; Jiang, JIANGANG, and Jianhong Zhang. "National security review and ownership participation in cross-border

Conclusion

European Studies and IB may seem like uneasy bedfellows, but this essay argued that they should not be. If Peter Hall, a Professor of European Studies at Harvard University, can be recognised as 2025's John Fayerweather Eminent Scholar of the Year by the Fellows of the Academy of International Business, then others can follow in creating bridges between the two fields. International Business and Area Studies are put together jointly in the Chartered Association of Business Schools' Academic Journal Guide category (see Table 1). Hence IB can be enriched not only by Management, but also by European, Asian, and African Studies.

Journal Name	Main Field(s)
Journal of International Business Studies	International Business
Journal of World Business	International Business
African Affairs	Area Studies
Asia Pacific Journal of Management	Management/International Business
International Business Review	International Business
Journal of Common Market Studies	Area Studies
Journal of International Business Policy	International Business
Journal of International Management	International Business/Management
Management and Organization Review	Management/International Business
Management International Review	International Business/Management
Multinational Business Review	International Business

Table 1. Top IB and Area Studies journals ranked in the CABS Academic Journal Guide 2024

The relationship between European Studies and IB is connected to a deeper question about IB's identity as a field of inquiry. While we have roots in economics and business studies, seeing ourselves as parts of the broader Arts and Sciences (Prof. Hall's home Faculty) rather than just a Business field could be beneficial to a broader societal impact IB is striving for.³⁵

acquisitions." *International Business Review* 33, no. 6 (2024): 102329; Tung, Rosalie L., Ivo Zander, and Tony Fang. "The Tech Cold War, the multipolarization of the world economy, and IB research." *International Business Review* (2023): 102195

³⁵ Doh, Jonathan P., Lorraine Eden, Anne S. Tsui, and Srilata Zaheer. "Developing international business scholarship for global societal impact." *Journal of International Business Studies* 54, no. 5 (2023): 757-767; Wiessner, Yannick T., Elisa Giuliani, Frank Wijen, and Jonathan Doh. "Towards a more comprehensive assessment of FDI's societal impact." *Journal of International Business Studies* 55, no. 1 (2024): 50-70.

This links to the debate in New Zealand and elsewhere about the value of humanities and social sciences, which has been questioned in recent New Zealand governments' decisions such as the cuts to public funding top-up for Horizon Europe grant scheme projects in the Culture, Creativity & Inclusive Society cluster from 1 February 2025. This topic is discussed in Nancy November's contribution to this issue. If we treat IB as only a branch of economics or a business subject, we may be undermining the aspirations for IB to generate truly disruptive knowledge,³⁶ and have a wider impact on the society and environment. The "international" in IB contains political, social and cultural elements that bring vibrancy to our field.³⁷ Let's build on the possible interactions between European Studies and IB to bring to fruition a full potential of our fields, and increase our business, political, societal and environmental relevance to create positive change that will benefit humans and the Earth.

³⁶ Tung, Rosalie L., Gary Knight, Pervez Ghauri, Shameen Prashantham, and Tony Fang. "Disruptive knowledge in international business research: A pipe dream or attainable target?." *Journal of International Business Studies* 54, no. 9 (2023): 1589-1598.

³⁷ Stahl, Günter K., and Rosalie L. Tung. "Towards a more balanced treatment of culture in international business studies: The need for positive cross-cultural scholarship." *Journal of International Business Studies* 46 (2015): 391-414.