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BUSINESS AND DEVELOPMENT STUDIES: ISSUES AND PERSPECTIVES

By

Peter Lund-Thomsen, Michael W. Hansen, and Adam Lindgreen

An anthology to be published by Routledge

Introduction

With the liberalization of world trade, privatization of state enterprises, and deregulation of national economies, the role of business in developing countries has become increasingly important in the last three decades (Utting, 2005). More recently, the rise of the BRICS and firms originating from these countries have challenged the traditional hegemony of Western multinational companies as market leaders and trendsetters in international business (Ramamurti, 2012; Matthews, 2006; Lund-Thomsen and Wad, 2014; Knorringa and Nadvi, 2016). In the international community's recently adopted development agenda – the Sustainable Development Goals (SDGs) – the private sector is envisioned to play a key role, partly by delivering capital, innovations, goods and services aimed at solving development problems, partly by engaging in partnerships with other development agents (GRI/UN Global Compact/WBCSD, 2015).

In academic terms, the literature on the role of business in developing countries has spanned a range of interrelated topics such as global value chain/global production network analysis (Gereffi et al., 2005; Yeung and Coe, 2015); multinational companies and spillovers on local industries (Blomström and Kokko, 1998; Narula and Pineli; 2016); base-of-the-pyramid strategies (Hart, 2005; Prahalad, 2005); the role of industrial clusters in promoting local economic development (Schmitz, 1999; Giuliani, 2016); (social) entrepreneurship (Gough et al., 2014) and microfinance (Yunus, 2007); corporate social responsibility (Jamali, 2010; Jeppesen and Lund-Thomsen, 2010); business and climate change (Newell, 2012); and business and poverty reduction (Nunnenkamp, 2004; Kolk and Tulder, 2006; Blowfield and Dolan, 2014), These literatures directly or indirectly examine how 'business' affects 'development'? While business impact on development is addressed more or less directly by numerous literatures as suggested above, there is a lack of consolidation and integration of these literatures and the knowledge they have produced. Thereby, possibilities for cross fertilization and synergies between the various literatures may be lost (Hansen and Schaumburg-Müller, 2010).

Overall objective

Hence, this book aims at consolidating the current status of academic work on business and development, identify state of the art in relation to this academic field, and explore whether and to what extent it makes sense to view 'business and development studies' as an emerging academic discipline within the social sciences.

The book will be an edited text (a 'research anthology') that will provide a comprehensive collection of cutting edge theoretical and empirical contributions to this field. Compared to more traditional business school accounts of business in developing countries which focus on the challenges and opportunities of doing business in

developing countries (see e.g. Meyer and Peng, 2011), this anthology will explore whether, how and under what conditions business' contributes to the achievement of economic, social, and environmental goals in developing countries.

Business and Development Studies as an Emerging Academic Discipline

In this book, we raise and seek to answer the question of whether business and development studies can be understood as an emerging academic discipline in itself, and if yes, what then characterizes this emerging academic discipline. We can here conceive of business and development studies as a) academic research field, b) a profession, and c) an applied, cross-disciplinary social science subject.

According to Turner (2000, 47), an academic discipline can be defined as "collectivities that include a large proportion of persons holding degrees with the same differentiating specialization name". Academic disciplines can thus be described according to their level of institutionalization according to the extent to which they are manifested in (a) degree-granting units, typically within universities; (b) persons holding these degrees; and (c) the extent to which degree-holders are employed in positions relevant to their creed. According to Turner (2000, p. 52), being a member of an academic discipline thus entails what he describes as "communicative competence: what disciplinary training serves to do is to create a community or audience of persons who can understand what is said". To the best of our knowledge there are not many research groups, centers, or departments around the world that are degree-granting in business and development studies, a limited number of students hold degrees in this subject area, and not that many are currently employed in positions with distinct reference to business and development studies. Exceptions are the University of Sussex Center for Business and Development (established 2014) which is also involved in a master program in Globalization, Business and Development, or the Copenhagen Business School Center for Business and Development Studies (established 2005) which hosts a master programmer in Business and Development Studies. Nevertheless, we do believe that it is possible to identify a number of common themes in the above-mentioned literatures which could be viewed as constituting a foundation for business and development studies as an emerging academic discipline:

In our view, an important aspect of business and development studies is that the various accounts primarily take a *problem-driven approach to understanding private sector development* in the Global South. By problem-driven approach we mean that private sector companies are seen as having the potential to contribute to the solution of pressing economic, social, and environmental challenges in the Global South. However, private sector companies may also be seen as part of the cause of these challenges arising from, for instance, the exploitation of workers or pollution of the environment.

Clearly, theorizing also has an important role to play in business and development studies. For example, it is possible to theorize the role of private sector companies in the industrialization strategies of developing countries or the interplay between the public and private sector in such industrialization strategies. Or we may seek to theorize the ways in which "local" developing firms are tied into global production networks, or how developing country firms are internationalizing their operations globally from their home base. Yet the academic discipline of business and development studies is clearly also policy-oriented. In terms of its analytical focus, much attention is thus developed to the management, organization, and leadership of private sector firms, making them more efficient, profitable, and able to serve broader stakeholder and societal concerns.

In this context, understanding the *scarcity of economic and environmental resources* and the *politics of the distribution* of these resources within and between developing countries is a key concern when seeking to understand the role of the private sector in enhancing or undermining economic, social, and environmental aspects of development in the Global South. As such, business operations cannot be seen in isolation from the politics of distribution in developing countries. For instance, whether in local or export-oriented industries, the division of profit between labor and management is a subject of contention. Similarly, in resource extraction

industries such as mining or timber, a vital issue relates to the distribution of the profits and broader benefits/costs associated with the operation of these industries. For instance, if profits are gained through the extraction of minerals these may be reaped by corporate actors with a global reach beyond the immediate communities in which they are operating. However, mining operations also come with environmental costs that tend to negatively affect the health and living conditions of those living in the immediate vicinity of these mines. Hence, the potential compatibility or the trade-offs between the financial, social, and environmental impacts of business operations in the Global South are at the heart of business and development studies inquiries.

Research on business and development studies is also characterized *by extended periods of fieldwork* in developing countries with the aim of understanding the ground-level reality as perceived by local stakeholders. As such, obtaining an in-depth understanding of the *local contexts* in which multinational and local firms operate and are embedded within the Global South is a core concern in business and development studies. Business and development studies are thus concerned with how the broader institutional environment in developing countries affect firm operations. Often the assumption in business and development studies is that the institutional environment in terms of its more formal structures is characterized by greater volatility, uncertainty, and unpredictability than what might be the case in developed country contexts. However, business and development studies is also concerned with theorizing and empirically investigating how firms – whether multinational or local – influence the institutional contexts within which they operate in developing countries. This might not only be related to their attempts at influencing the formal aspects of the institutional environment – for instance, national laws governing subsidies or the inflow of foreign direct investment. It also relates to more informal aspects of the institutional environment such as the rules and norms that guide firm operations. An example could be how multinational companies sourcing from developing countries sometimes insist that no child labor should be involved in the production of goods and services for the export market.

Business and development studies sometimes also take a *historical perspective* to analyzing the role that business plays in the economic, social, and environmental development of countries in the Global South. It is recognized that even after many years of independence the development of the private sector is still influenced by the historical legacies of colonialism in some developing country contexts. For example, the involvement of colonial trading companies such as the British East India Company resulted in severe exploitation of both natural resources and inhabitants in the Global South. Such historical legacies also translate into present-day realities related to inequality in terms of wealth and access to resources. However, business and development studies is also concerned with understanding the evolutionary nature of firm activities in the Global South including the possibility of 'former' developing countries such as China developing their own enterprises to such a level that they start becoming dominant actors in foreign direct investment and world trade within particular industries.

Business and development studies is also *normative in its approach*. Writings in this field are thus often characterized by policy recommendations regarding what businesses, states, NGOs, trade unions, and other stakeholders should do to promote the development and regulation of the private sector in developing countries. An increasing concern is thus that the private sector should act as an engine of growth and employment in the Global South, and some researchers are thus concerned with establishing the conditions under which the private sector may positively contribute to universal development goals such as the SDGs of the United Nations, or whether they undermine these goals in practice.

A challenge to business and development studies is that the traditional understanding of what constitutes "developed" and "developing" countries is becoming more fluid with the World Bank giving up its distinction between these two terms in 2016 (World Bank, 2016). Hence, it is important to understand the heterogeneity of developing countries with some countries including relatively well-off and established environments for business to operate, for instance, the information technology industry in Bangalore, India, whereas other industrial areas in the same country are still using very basic forms of technology in highly poverty stricken areas. Similar concerns can be seen in China with the distinction between the relatively more affluent coastal regions and the

rural hinterland in some of the inner provinces. Moreover, between countries, we find heterogeneity, for instance between the highly industrialized South Africa, and some of the less industrialized countries in Central Africa. Hence, understanding the diversity of institutional contexts within which private sector development takes place in the Global South is a vital concern of business and development studies.

Structure of the Book

The anthology will start off with an editorial discussing whether and how business and development studies can be seen as an emerging academic discipline. The editorial will delineate the main perspectives included in business and development studies, review the relevant literature, and contain an overview of the individual chapter contributions. As such, the book will be structured according to the following main topics and themes:

- a) Introduction and overview
- b) Local firms and development
- c) International business and development
- d) Corporate social responsibility and development
- e) Entrepreneurship, innovation and development
- f) Governance, business and development
- g) Emerging and cross-cutting themes

Target Audience

The text will target various audiences including academics who teach or research in the area of business and development studies, doctoral students whose work relates to business and development studies, and practitioners who want to know more about this subject area.

Chapter Contributions

Chapter contributions to the edited volume should relate to one of the above themes mentioned under "structure of the book". Each chapter should as far as possible contain the following (although not necessarily in the order mentioned below).

- a) a state-of-the-art literature review of the topic covered;
- b) reflections on the academic research field that each topic is rooted in (e.g., business administration, economic geography, sociology, development studies, etc.);
- c) the methodological approaches typically involved in the study of each topic (e.g., large-scale surveys; ethnographic fieldwork; econometric analysis; mixed methods; etc.);
- d) considerations about the (often) implicit understanding of 'development' implied within the literature on each topic.; and
- e) reflections on how 'business' affects 'development'.

Considerable attention will be devoted by the editors to ensure that individual chapters are well-connected and follow a consistent structure in line with the above mentioned points to be covered in all chapters.

Submission

Final submissions should be between 6, 000 and 12, 000 words in length, excluding references, figures, tables, and appendices. All chapters will be double-blind fold reviewed by colleagues knowledgeable about business and development studies. Full chapters should be submitted to either Michael W. Hansen (mwh.ikl@cbs.dk) or Peter Lund-Thomsen (plt.ikl@cbs.dk) by 1 January 2018. The book is to be completed by 1 July 2018.

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