

CALL FOR PAPERS

The “Nationality” of the Company: Historical Approaches to a Possible Paradox

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The relationship between nation states and the companies based in their respective territories is often ambiguous. Companies provide employment and they pay taxes, they contribute to national income and frequently to “national identity” (*Disney, Dior, Daimler*). Companies and businessmen engage in bilateral and international diplomacy, e.g. as door-openers for new relationships of the West to the Soviet Union in the 1950s or to China in the late 1970s. At other times, companies supported national policies of war and crimes against humanity.

The histories of *Chrysler, Krupp, or Rolls-Royce* – to name just a few examples – provide abundant evidence of embeddedness and dependence on state capacity. Time and again, even companies describing themselves as multi- or trans-national seem to appreciate the security net of a nation state with its government and constituency of taxpayers, who act as lenders of last resort. In times of financial crisis there is no dearth of companies that claim to be citizens of a nation state for the sake of access to the respective state’s resources. At the same time the modern state has developed towards a ‘competition state’ acting like a company in a market of countries vying for investments. Nation states brand themselves; they try to attract customers and to service international markets.

The question of companies and their nationality opens the discussion about how companies relate to society and the nation state, and vice versa. What nationality (if it has one) does a company have and how can it be conceived? In this call for paper we present some topics and examples indicating that nationality might matter in specific ways and that discussing a company’s nationality and studying how it is produced and/or how it changed over time might be a promising enterprise. The topics are not conclusive; all proposals discussing the issue of nationality in regard to (private) companies are welcome.

Perceptions and construction of nationality

The perception of what a company is about differs. Owners, employees, customers, and other stakeholders entertain different views on the same company. Employment might be one of the crucial factors in the discussion about the “nationality” of a company, products are perhaps another. The history of products is full of national narratives and sentiments; for more than a century “nationality” has been an element in marketing strategies and in the attempt to protect domestic markets (‘Made in Germany’, ‘Buy British’ etc). When Toyota set up subsidiaries in the USA in the 1980s, it employed American workers; its products continued to be “Japanese” cars, though, an argument frequently used to denounce Detroit’s competitors. What changed in the period of “globalization”? Many companies still produce “national” identities to promote specific products or strategies. Are these instances of “glocalization” turned “national”?

It is generally assumed that *McDonalds* is an American corporation, and perhaps it is. But what about *Atomic*, the icon of Austrian skiing, owned by the Finnish corporation *Amer Sports*? Or *Braun*, whose products are perceived as the best of “German” industrial design? Since 1967 *Braun* has been owned by the “American” *Gillette* until in 2005 *Gillette*, and with it *Braun*, was sold to *Procter & Gamble*. Today, “Swiss” watches are sold with reference to national culture and values though the firm may be owned by a “Japanese” holding, the watch movement produced in Switzerland defines the nationality on the wrist. However, a *Volkswagen* car produced in Poland continues to be “German” car – how come?

Nationality as strategy

A company’s nationality is produced over time, and there are many factors to it, not least political factors. Yet, it does not seem as if a company’s nationality was a mere figment of imagination or only a matter of perception that can easily be neutralized or simply changed. When *Deutsche Bank* set out to depart from its “national identity” it turned out to be impossible; and companies that aimed at establishing themselves as part of the respective host nation’s community (be it open as in the case of Unilever or IBM Deutschland, or secret as ownership cloaking in the Interwar period) very often had a difficult time.

Internationalization strategies, the decision of whether to use branches or to set up independent subsidiaries that operate according to the regulations of the “host” country is often explained with favourable or unfavourable institutional arrangements or with the range of foreign activities. Political risk may play a role as well. Does the “nationality” of the company going abroad and does the respective host countries also matter for the respective strategy? And, moreover, what about the relation of size and strategy? Do small and medium-sized companies pursue a different approach to “nationality” in comparison to large-scale companies? Are “small-multinationals” more nationally (or regionally) embedded?

Nationality in international companies and international mergers

Very many companies go abroad with their products, their brand, or parts or even all of their production; they internationalize and some of them seem to create new supranational entities that may outdo medium sized states in terms of economic power. Yet management may use the concept of nationality as a device to instil a sense of competition between different sites of production and the respective workforces within the corporation. Scepticism and fear of alien domination may arise when firms are taken over by foreign investors. Depending on the perceived “nationality” of the investor there seem to be good and bad takeovers, but what defines a good or a bad “nationality”? In the context of unwanted take-overs, employees and their trade unions often contribute to the construction of the “nationality” of a company.

National diversities

Business historians have long debated ‘national management styles’ and management practices. And there may indeed be leadership styles more prevalent in some national contexts and institutional environments than in others. But should one distinguish between ‘American’, ‘German’, or ‘Japanese’ firms or capitalisms? This notion includes more than historically developed institutional varieties as discussed in the Varieties-of-Capitalism literature; it implies that cultural differences and “nationality” matter in a certain way. This question, among others, is dealt with in the fields of immigrant entrepreneurship and ethnic business groups. And it should not be limited to the field of management styles. Companies are fields of action of different corporate agents including managers, executive staff members, workers or employee representatives. Do, for example, German work councils feel responsible for British employees? Would it be possible to assign industrial relations within a company to a specific “nationality”?

Companies in (post)colonial settings

In the era of decolonization, many Western companies saw the newly independent nations of Asia and Africa not only as sources for raw materials but also as promising markets. In some cases older business ties were reactivated or strengthened; in other cases companies entered the new nations as newcomers. Since many former colonies opted for planned, protected economies and restricted foreign direct investment, companies interested in doing business there had to negotiate with governments and bureaucracies. How did the “nationality” of the firms in question affect these relationships? Furthermore, post-colonial multi-ethnic societies often invented new variants of the nation state. There might be a specific corporate response to new nationalism in post-colonial countries for companies having roots within or outside the respective new states. Also, behavioral patterns of “foreign” companies might be contingent on their relationship to the previous colonial power. Similar questions arise of course also regarding the colonial period.

Economic nationalism

One root of economic nationalism is the nation state and the protection of its citizens and their interests. Yet the quest for protection as well as the range of protection differs over time. The fear of foreign domination is often used as an argument to pro-

mote anti-foreign politics. Yet it is not only the political realm from which come calls for protectionism and anti-foreign measures. Companies ask for state protection as well in the shape of tariffs, subsidies, or other forms of legal, material, or moral support. When do we find economic nationalism in business? There is evidence for corporate support both to economic openness and to economic nationalism. One would expect export-oriented companies to behave different from those predominantly active in domestic markets, or companies relying on foreign finance to be in favour of open trade. But does this assumption hold? Some areas in which these relations are manifest are national and international cartels, restrictions on FDI, barriers to trade, currency issues, etc.

We invite scholars and Ph.D. students of any relevant (sub-) discipline to submit paper proposals relating to the wide range of topics that come under to the “nationality of the company”. Abstracts of 500 to 1,000 words (PDF format) presenting the subject, the conceptual framework and the analytical approach along with a brief CV (one page at the most) should be sent to Boris Gehlen [b.gehlen@uni-bonn.de], Christian Marx [marxchr@uni-trier.de], or Alfred Reckendrees [are.mpp@cbs.dk] by September 30, 2016.

At this point in time funding of travelling expenses and hotel for active participants is not guaranteed. Yet, we are optimistic that our funding application will be successful.