

Call for Papers



European Journal of International Management

Special Issue on: "Managing International Political Risk: Arising Challenges for Multinationals in a Changing World"

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The focus for political risk seems to be shifting from developing countries to developed ones. Interestingly, for instance, there is a rise in populist and nationalist views among a number of politicians in the western world. When such people are elected they may bring trade and investment restrictions, higher government spending and lower taxes, resulting in wider fiscal deficits and restrictions on immigration. Surprisingly, some of such views have even been able to gain additional power recently.

Donald Trump was elected as the US president in 2016 by campaigning over such perspectives; and one of the first decisions of his government was abandoning the Trans Pacific Partnership Agreement. Even the future of Transatlantic Trade and Investment Partnership Agreement is not really clear under the Trump administration though the negotiations are still in progress. His policies on free trade, inward foreign direct investment, NATO, foreign policy and immigration, etc. are reflecting a significant shift from traditional approaches in US. The relations between US and EU countries have also been in a general deterioration since Trump came into power.

Another interesting event has been Britain's exit from EU, Brexit, following a referendum in June 2016. After this decision, many Eurosceptic politicians in other European countries celebrated the result, and expected other countries to follow the British example. The recent French presidential elections were a very important stage in shaping such expectations for the future as Marine Le Pen was also running for the presidency, based on an anti-EU campaign. Pro-EU Emmanuel Macron's presidency has currently calmed down such concerns. But, it seems that by the time there is a full recovery from the global financial and economic crisis, those discussions and the risks against the existing establishments will be on the scene.

European affairs were not limited only to these events. For instance, the Ukrainian territory Crimea's annexation by Russia in March 2014 with a military intervention has changed the security position on the European continent significantly. Though there were contradicting views even within EU over the conflict, it now seems that Poland for example has particular concerns due to the unpredictability of Russia, which does not avoid using even military power.

In the late 1980s after the collapse of communist regimes and the end of the cold war, however, there was initially huge optimism for peace and political stability in Europe. Yes, there was a long civil war in ex-Yugoslavia in the centre of Europe for a very long time; but with the impetus of the end of the cold war, the European Union started an ambitious enlargement process and since then many newly independent or ex-communist countries have either joined the EU or applied for full-membership. While all such developments were in progress, Russia was forced to accept all these, as she was also busy with her own restructuring process. In 1999, Vladimir Putin first became the prime minister and then the acting president in Russia. Since then, Russia's standing regarding the world's political events has resembled the Soviet period.

While the western world has been struggling with these developments, developing countries are also experiencing important problems with further implications for the industrial world. One of such major affairs is the civil war in Syria, which started in 2011 and still continues. At the moment, nobody can predict which type of resolution will be the final stage. But even this single event has caused millions of refugees to flow from the region, mainly to Europe. The Syrian refugees have particularly had an impact on neighbouring Turkey, and also on Greece and Germany, not only financially but also regarding social and political aspects.

Another interesting political risk case could be Turkey. Since the coup attempt on 15 July 2016, there have been important political developments in the country. For instance, just after the coup attempt a state of emergency was declared; and then a referendum was held on 16 April 2017 to amend the country's constitution. This was followed by a major structural change in the political structure to replace the existing parliament-based government with a presidential system. As a result, there are serious concerns as to whether Turkey is evolving into an authoritarian regime.

A latest outburst has come from the Middle East. The four Arab countries led by Saudi Arabia first cut off their diplomatic relations and then initiated a boycott against Qatar stating that the government in Doha has links to terrorist groups. The conflict arose less than a month after Donald Trump's visit to Saudi Arabia, where he called for Muslim nations to unite against extremism. This issue may become escalated as Iran and Turkey have been backing Qatar while the other countries have been increasing their pressure. There are serious worries that the dispute may be ended with military action in the regions.

It is interesting to go through all of these events which are, in fact, not the complete picture. Let us keep in mind that we have not yet even mentioned the acts of global terrorism in major cities in the world. As is known, the death count is now in the hundreds.

These issues are not only political, for they may have significant economic or business-related consequences and ethical implications. For instance, Brexit has already proved that there will be unexpected outcomes for multinationals' operations in Britain. For example, it is claimed that many banks and financial sector companies based in London are planning to relocate their operations elsewhere in continental European cities such as Frankfurt. Or similarly, as a major direct investor in the world, Germany's political relations with Turkey may affect German multinationals' operations in Turkey.

In this environment, probably caused partly by the global financial and economic crisis, there are serious concerns among business people, politicians, academics and thought leaders that the world is becoming more insecure due to global terrorism, nationalist and authoritarian tendencies, etc. Naturally, multinational corporations' FDI activities cannot be isolated from all such developments. Therefore, political risk management will surely be a very interesting area to study these days. In other words, in the current global environment of high political risks and policy uncertainty, it will certainly be valuable to examine the evolution of political risk perceptions of multinationals, and also the tools and techniques they use to skilfully manage such risks. Analysing how investors perceive and deal with these risks will additionally contribute to a better understanding of the role of political risk insurance in the post-crisis investment landscape, and how it can help multinationals' direct investment activities in high-risk regions or countries.

In this respect, this special issue will present research outcomes analysing the current situation and potential future developments regarding political risk management within the framework of foreign direct investment and all other activities of multinational corporations. As an extension of this main theme, the availability and use of political risk insurance may be also evaluated. The special issue will explore both theoretical issues in the field and practical issues in formulating policy and strategy, and it will also pay attention to the issue of employment and growth regarding multinationals and foreign direct investment.

Political risk management and multinationals' activities as a publication area is very significant due to the fast-changing developments in various countries and regions in the world. Therefore, this special issue aims to motivate further research as well as teaching in this particular field. In addition, the special issue will also surely be useful for practitioners as the area itself is applied due to its very nature.

Subject Coverage

Suitable topics include, but are not limited, to the following:

- Why and how multinationals need to manage political risks: motivations, strategies and tools
- Political risk insurance and investment insurance
- Role of export credit agencies (ECAs)
- Role of multinational institutions (such as MIGA)
- Political risk insurance and providers' approach to the new international scene
- Insurance for terrorism: Who takes the risk?
- Major risks: Regulatory risks, confiscation, expropriation, transfer difficulties, etc.
- Sectoral case studies regarding political risk management in the energy sector, extractive industries, manufacturing, services, etc.
- Emerging paradigms of political risk management
- Political risk perceptions multinationals regarding US, Russia, China, Iran, Qatar, Turkey and other countries historically and at present
- Political risk management approaches and strategies, tools and mechanisms
- Expectations and decisions regarding further investment or divestment in some countries and reasons behind them
- The future of free trade and investment agreements under the Trump administration
- FDI by small and medium-sized multinationals and effects of their activities on value creation, employment and growth in both home and host countries
- Small multinationals' approach towards political risk management: do political risks discourage small and medium-sized firms from being involved in internationalisation and FDI?
- Political risk as an obstacle to small and medium-sized firm internationalisation
- Lessons to be learned from the German Mittelstand in terms of internationalisation and foreign direct investment activities under political risks
- Political risk management practices in the European Union and other European countries
- Political risk management practices in Asia, the Middle East, North Africa, South Africa, the Americas, etc.
- Emerging multinationals and political risk management
- Refugee flows and political risks
- Ethical questions for business strategy in a pluralistic context

Notes for Prospective Authors

Submitted papers should not have been previously published nor be currently under consideration for publication elsewhere. (N.B. Conference papers may only be submitted if the paper has been completely re-written and if appropriate written permissions have been obtained from any copyright holders of the original paper).

All papers are refereed through a peer review process.

All papers *must* be submitted online. To submit a paper, please read our [Submitting articles](#) page.

Important Dates

Manuscripts due by: *30 June, 2020*

Notification to authors: *31 July, 2020*

Final versions due by: *30 September, 2020*