Index

absorptive capacity 29–30, 191, 312
acquisition strategy of multinational enterprises: Finnish companies in CEE, Asia and Latin America 320–38
Asia 324, 326, 335, 336, 337
binomial logistic regression results 333
characteristics of study sample 327
communication and management styles 326, 335
corruption 328, 329, 330
cultural distance 329, 330
description statistics and Pearson correlations 332
economic growth in host-country 334, 337
economic requirements 322
financial constraints 323
formal institutional pressures 322, 323–4, 328, 333, 335, 337
full acquisition 320–21, 324, 326, 329, 334, 336, 337
greenfield sites 320–21, 326, 338
host-country risk 334, 337
informal institutional pressures 322–3, 324–6, 329, 330, 333, 335–6, 337
institutional pressures, measurement of 327–9
joint ventures 320–21, 325, 334, 338
Latin America 324, 326, 335, 336, 337
legal frameworks 323–4
networking relationships 324, 335
operationalization of variables 331
organizational skills 322
organizational structures 326, 335
ownership restrictions 323
partial acquisition 321, 324, 325–6, 329, 330, 333, 334, 335, 337
regulative frameworks 323–4, 335
social requirements 322
statistical method 330–32
strategic decisions 335–6
timing of investment 334
variables description 329–30
activity theory see under improvisation
Africa 7
role of MNEs and institutions in economic development 181, 197
social regulation of capitalism 563, 564
South–South foreign direct investment 368, 370, 374
agency approach 55
analysis of variance (ANOVA) 418–19
Andean Group 374
Anti-Corruption Practitioners Network 467
Arrow–Debreu–Mackenzie (ADM) model 49
Asia 7
acquisition entry strategy 324, 326, 335, 336, 337
Central 461
East 561, 563, 564
role of MNEs and institutions in economic development 173, 199
South–South foreign direct investment and transnational corporations 367, 368, 372, 374, 375
see also acquisition strategy of multinational enterprises;
Association of Southeast Asian Nations
Asian Development Bank (ADB) 433
assets accumulation 47
Association of Southeast Asian Nations (ASEAN) 368, 372, 373, 374
Australia:
ANZ/National Mutual proposed merger 91
Campbell Inquiry/Report 93
Council of Financial Regulators 94
Financial System Review 93

Geoffrey Wood and Mehmet Demirbag - 9781849807692
Downloaded from Elgar Online at 12/24/2018 04:17:16PM via free access
Institutional approaches to international business

‘four-pillar’ policy 91
HIH Insurance 94
institutional distances 272
Insurance and Superannuation Commission (ISC) 93
Lenders’ Mortgage Insurance (LMI) 100
Listed Property Trusts (LPTs) 100–101
Martin Inquiry (1991) 93
mortgage-backed securities market 100
Prudential Regulatory Authority (APRA) 94, 103
Reserve Bank 93
role of MNEs and institutions in economic development 182
Securities Commission (ASC) 93
Securities Exchange (ASX) 101
Securities and Investment Commission (ASIC) 94, 101
‘six-pillar’ policy 91
State Supervisory Authorities 93
Wallis Inquiry (1996) 93–4
see also liberal capitalism models and financial stability preconditions
Austria 182, 272
autocracy/authoritarianism 540

Baltic States 192, 193, 462
Bangladesh 151, 154
bank-based finance 128
Central and Eastern Europe 409–410, 413, 417, 428, 431
German–Japanese 410
growth and financial structure 45–6
information provision 49, 50–51, 52–3
investment and saving 42–3
risk sharing 47–8
banking reform in Central and Eastern Europe 418, 420, 428, 432
bankruptcy laws 535, 550
Basel II Accord 96–7
Belarus 439–40
Belgium 272
bilateral agreements 373–4
binomial logistic regression model 330
black market economy 5, 478

blat 285–6
‘Bloody Taylorism’ 560–64
boards of directors 54, 55–6
see also Russian corporate governance and boards of directors
bond finance 42–3
Bosnia & Herzegovina 464, 467
Botswana 197, 199
bounded diversity 344–5, 350
branching 90
Brazil 188
PIBAC 373
South–South foreign direct investment 375
Bretton Woods institutions/Agreement 6, 72, 206, 208, 210
bribery 35, 468, 469–70, 478
Bulgaria 5, 390, 391, 392, 398, 401–3
dysfunctionality in post-Communist transformation 462, 463
equity culture and financial system development 418, 419, 420, 428, 432
bureaucracy quality in Central and Eastern Europe 418–20, 424, 427–8, 432, 433–4
bureaucratic control 556
Burkina Faso 188
business network approach 302

Callaghan government 73
Canada:
Bank Act (1967) 92
Bank Act (1980) 92
Competition Bureau (CBC) 91
Deposit Insurance Corporation (CDIC) 92
Deregulation Bill (1987) 92
Financial Consumer Agency (FCAC) 92
‘guarantee of timely payment’ 101
human resource management 120, 125, 129, 133
Imperial Bank of Commerce/Toronto Dominion Bank proposed merger 91
institutional distances 272
MacKay Task Force 92
Mortgage Bond (CMB) 101

Geoffrey Wood and Mehmet Demirbag - 9781849807692
Downloaded from Elgar Online at 12/24/2018 04:17:16PM
via free access
Mortgage and Housing Corporation (CMHC) 101
National Housing Act Mortgage Backed Securities (NHA MBS) programme 101
National Housing Act (NHA) 101
Office of the Superintendent of Financial Institutions (OSFI) 92
Porter Commission (1964) 91–2
role of MNEs and institutions in economic development 182
Royal Bank/Bank of Montreal proposed merger 91
Royal Commission on Banking and Finance (1961) 91
Securities Administrators (CSA) 92
see also liberal capitalism models and financial stability preconditions
capital asset pricing model (CAPM) 51
capital flows 20
capital provision 19
capitalism:
apartheid 572–5
comparative 383–4, 385–6, 388, 389, 400, 402, 403
contemporary 474
‘crony’ or ‘wild’ 5, 460, 464–8, 469–70, 472, 473–4, 475, 478
enterprise 494
‘gangster’ (Russia) 539
market-based 473
see also firms, markets and social regulation of capitalism in sub-Saharan Africa; liberal capitalism models; varieties of capitalism
Caribbean Community and Common Market (CARICOM) 374–5
Caribbean countries 367, 375
Carter administration 72
categorical dimensions and distance 229
Central and Eastern Europe 8, 13
acquisition entry strategy 324, 334, 335, 336, 337
dysfunctionality in post-Communist transformation 463
financial system and equity culture 408–434
bank-based models 409–410, 413, 417, 428, 431
banking reform and interest rate liberalization 418, 420, 428, 432
bureaucracy quality 418–20, 424, 427–8, 432, 433–4
Co-Plot method 417, 420–21, 422, 425–6, 428, 430, 433
corporate governance and enterprise restructuring 412, 415, 418, 420, 428, 431, 432
corruption 417–20, 424, 427, 428, 433–4
data standardization 422
democratic accountability 417, 419–20, 424, 427
euro currency 414
financial crisis 408, 414
foreign direct investment 415, 424, 428
fragmentation of markets 414
governance, types of 417–18
government, role of 411–12
government stability 417, 419–20, 424
institutional progress 417
institutional quality 412, 418–20, 424–32
international financial institutions 415, 433
investment profile 417–20, 424, 427
legal efficiency and law and order 412, 417–20, 424, 427
measurement of distance between cases 422
multidimensional scaling (MDS) 422
pension systems 414–15
political risk components 417
presentation of variables into space of observations 422–3
privatization 418, 420, 428, 431, 432
role of institutions in financial system development 411–12
securities markets and non-bank
Institutional approaches to international business

financial institutions 418, 420, 428
socio-economic conditions 417, 419–20, 424, 427
national business systems 35
role of MNEs and institutions in economic development 192, 193
South–South foreign direct investment and transnational corporations 370
see also dysfunctionality in EU accession states; union heterogeneity in Moldova
centralization 180
certainty assumption 49–50
Chicago School 68, 69, 103
Chile 199
China:
acquisition entry strategy 334
coevolution perspective 489
corruption and multinational enterprises 290
Great Leap Forward 195
role of MNEs and institutions in economic development 191
South–South foreign direct investment and transnational corporations 368, 369, 370, 371, 372, 373
see also Chinese and Western relationships
Chinese and Western relationships 515–29
commitment 516–17, 523, 524, 525–6
affective 525–6
calculative 525–6
communication 517, 523–4, 527
Confucianism 519, 520, 525, 528
continuity 523
cooperation 517, 523–4, 526–7
coordination 517, 523–4, 526, 528
credibility 525
cross-national contexts 518
cultural factors 518, 521, 523
dyadic interactions 522, 526
environmental backgrounds 521, 523
exchange of favors 519, 523
see also rening below
ganning (affection, sentiment and emotion) 518–20, 524–7
guanxi (interpersonal relationships) 515, 516–20, 521, 523, 526
harmony and conflict-solving 526–7
investments 516, 517, 523–4, 527–8
loyalty 518
networking 516, 519, 522
organizational relationships 521, 523
personal constructs 516
reciprocity rule 525, 528
see also rening below
relational exchange 516
relationship marketing model 516
renqing
(empathy/sympathy/favors/gift giving/reciprocity) 519–20, 524–8
satisfaction 516, 517, 523, 524, 526
selectivity 523
social bonds 516, 517, 518, 521, 523–4, 527
social interactions 523
solidarity 518
structural bonds 524, 527
transactional exchange (economic attributes) 516
trust 516–17, 523, 524, 525–6, 527
see also xinren below
xinren (trust, belief and confidence) 519–20, 524–5
civil law regimes 79, 122–3
civilizations see under culture
clientelism 575–6
codetermination 54
coevolution of Turkish internationalizing firms 483–507, 511–14
austerity measures 501
business class 498
conglomerates 496, 498
Customs Agreement with EU 500–501
democratic development period (1950–60) 494, 496, 497
domestic economic crises 500–501
economic incentives 490
embeddedness 488
endogenous influences 491, 492
enterprise capitalism 494
entrepreneurial/family-owned businesses 491–2, 494, 501
see also Koc; Sabanci; Zorlu
environmental conditions 487–8
exogenous influences 491, 492
export-promoting policy 500
family succession versus public ownership 506
five-year development plans 496
foreign direct investment 492, 496, 498, 500, 501
foreign policy 501
institutional constraints 488
integration with EU 496
interdependence 487
International Monetary Fund stabilization programs 501, 504
isomorphic effects 488
Izmir National Economic Congress 491
Koc Group 491, 504–5, 511–12
macro co-evolution 487, 488–9
managerial intentionality 488
manufacturing firms 490, 491, 496
meso (sector) concerns 488
micro co-evolution 487, 488–9
military interventions 496
path-dependence 487–8
planned development period (1960–80) 496, 498, 499
political instability 496, 498, 500
pre-nationhood period 490
private enterprises 492, 496
protectionist measures 494, 496
recovery to nationhood period (1923–30) 491–2, 493
Sabanci Group 494, 501, 504, 512–13
social networks 488
state contracts 490
state-centred development period (1930–50) 492, 494, 495
state-owned enterprises 490, 491, 492, 494, 496, 500
strategic choices 488
system openness 487
terrorism 500
Wealth Tax 492
Zorlu Group 504, 513–14
Co-Plot method 417, 420–21, 422, 425–6, 428, 430, 433
coercive pressures 304–5, 310–311
cognitive biases 304–5, 310–311
cognitive institutions 372
cognitive regulation 125–7
cognitive-cultural dimension 279–80, 285–6, 289, 290
collaboration 567
collateralized debt obligation (CDO) 84, 97, 98
collective bargaining 390, 446
collective cultures 160–61
collective identity 36
colonialism 372–5
commodity chain 213
common law regimes 79, 122, 541
Commonwealth of Independent States (CIS) 365
dysfunctionality in post-Communist transformation 462–3, 464, 467
role of MNEs and institutions in economic development 192, 193
communication 326, 335
Chinese and Western relationships 517, 523–4, 527
Communism 441, 442, 444, 447, 478
comparative institutionalism 237, 246–51, 261–2, 263
competition models 20–21
concentrated holdings and monitoring 58–9
Confucianism 519, 520, 525, 528
constructionist perspective 347–8
contestation 5
contract enforcement 188, 283, 287–8, 290, 400, 403
contract theory of the state 280
cooperation:
Chinese and Western relationships 517, 523–4, 526–7
coordinated market economies (CMEs) 4, 19–20, 22–3, 36
human resource management 118–20, 122–3, 125, 128, 129, 131
role of MNEs and institutions in economic development 180
coordination 282–3
Chinese and Western relationships 517, 523–4, 526, 528

corporate control, market for 57–8
corporate governance 53–61
Australia 78–80
board of directors 54, 55–6
Canada 78–80
Central and Eastern Europe 412, 415, 418, 420, 428, 431, 432
concentrated holdings and monitoring 58–9
corporate control, market for 57–8
debt 59–60
economic growth in new EU member states 388–9, 394
executive compensation 56–7
liberal capitalism 80
managers 53–4
product market competition 60–61
supervisory board 54–5
United States 53–4, 536
see also Russian corporate governance and boards of directors
corporate raiding 78, 470
corporate social responsibility 212, 215
corporate tax rates 182
corruption 188
acquisition strategy of multinational enterprises 328, 329, 330
Central and Eastern Europe 417–20, 424, 427, 428, 433–4
European Union accession states 460, 464, 467, 469–70, 475, 478
Russia 545
sub-Saharan Africa 572
see also under multinational enterprises
costs of doing business abroad (CDBA) 277–8
coupling of institutions 11
craft production 20
crime 4, 460, 469, 475, 478, 572
see also bribery; corruption; informal and illegal working
Croatia 155, 368, 461
cronyism 376, 539
see also capitalism, ‘crony’ or ‘wild’ cultural distance 221, 224, 289, 329, 330
cultural factors 142–66, 188–9
and action 164–5
and agency 163–4
and causality 162–3
Chinese and Western relationships 518, 521, 523
civilizations 148–53
Chinese/Confucian 150, 152–3
India/Hinduism 151
Latin American Catholic 151
Western/Anglo-Saxon 149, 151–2
cohere 147–8, 149, 162–5
collective cultures 160–61
cultural turn 146–7
etnicity 158–9
as foundation 143
institutionalization 142–3
and institutions 143–5
multiculturalism 160
nation-states 153–8
neo-institutionalism 145, 146
new institutionalism 144–5, 146
non-coherence 148
old institutionalism 144–5
plural monocultures 158–61
Russia 538
subjective 161–2
transnationalization 156–7
cultural-cognitive dimension 246
Cyprus 154
Czech Republic 390, 391, 392, 398, 402
cultural values 155
dysfunctionality in post-Communist transformation 462–3
equity culture and financial system development 419, 420, 424, 427, 428, 430–31
institutional distances 272
Decent Work agenda (ILO) 204–5, 207–213, 214, 216
decentralization 180
decision-making units (DMUs) 421
Declaration on Fundamental Principles and Rights at Work (1998) 206–7, 212
Declaration on Social Justice for a Fair Globalization (2008) 207
degraded monitoring and banks 52–3
democratic accountability in Central
Index 601

and Eastern Europe 417, 419–20, 424, 427
democratic corporatist paradigm 134–5, 136
Denmark 182, 198, 246–7, 272
institutional distance 253, 255
national business systems 21
dependency theory 561
dependent development 564
dependent market economies (DMEs) 13
deregulation 67, 390
Namibia 581–4, 586
developing economies 365–6, 367, 368–9, 370, 371, 376, 377
discount rates 50
dispossession thesis 474–5
distance 219–32
administrative 221
adverse effect on operations 220, 231
as an obstacle 221–2
categorical dimensions 229
cultural variables 221, 224
development, level of 222–3
direction of movement 222–3, 229, 231
directional/asymmetric 223, 225, 231
directionless/symmetric 220–22, 223
economic dimensions 221, 227
geographic 221, 224
infrastructure dimensions 228–9
institutional dimensions 228
legal dimensions 225, 228
and location 219–20
obligating dimensions 220, 222, 223–5, 229–31
political dimensions 225, 227
pressuring dimensions 220, 222, 226–7, 229–30, 231
psychic 219, 221–2
social dimensions 228
supporting dimensions 220, 222, 227–9, 231
see also cultural distance; institutional distance
diversification 45, 90
diversified quality production (DQP) 20
division of labour 350, 357
domestic credit 394, 401
domination 567
double movements (Polanyi) 10–11
DWP s 216
dysfunctionality in EU accession states 460–79
black market economy 478
bribery 468, 469–70, 478
Communism 478
corporate raiding 470
corruption 460, 464, 467, 469–70, 475, 478
crime 460, 469, 475
critical institutionalist approach 476
crony or wild capitalism 460, 464–8, 469–70, 472, 473–4, 475, 478
dispossession thesis 474–5
economic convergence, lack of 461–4
gradualism and social capital 470–72, 473
growth rates, low 462
informal and illegal working 460, 463–4, 475, 477–8
international financial institutions (IFIs) conditionality 462, 465, 470–72
labour exploitation model 474, 476–7
management buy-ins 470
neoliberal model 473–4, 475–7
path-dependency 473
reform blockage 469
reward systems of shares and bonus payments 470
state capture models 466, 469
state-led models 473
trade unions 471–2
tunnelling of share options 467, 470
unevenness and disparity 462–3, 475–8
Ease of Doing Business index 392
economic dimensions and distance 221, 227
Economic Freedom of the World Annual Reports 327–8
economic growth:
602 Institutional approaches to international business

and ecosystems 11–12
and financial development 44–5
and financial structure 44–6
role of MNEs and institutions in economic development 192, 193
see also institutions, multinational enterprises and economic development
economic growth in new EU member states 382–403
causal conditions 393–4, 395, 396, 397, 400, 403
collective bargaining 390
corporate governance 388–9, 394
data and variable calibration 391–4
difficulty in doing business 400
education 390–91
employment system/labour market 387, 389–90, 394, 400, 401, 402
financial system stability 387
foreign direct investment 384, 387, 389, 394, 401
fuzzy-set qualitative comparative analysis (fsQCA) 388, 391, 395, 396–7
impersonal commercial exchange 390
institutional complementarity 386–7, 388
institutional diversity 385, 400–401
‘institutional voids’ 403
inter-member competition and new regulations 387
methodology 395
necessary conditions and functional equivalents 396, 397
organizational competencies and capabilities 383, 385–6, 400
regulatory environment 394
rule of law 383–4
sectoral bargaining 389–90
stock market capitalization 394, 401–2
sufficient conditions 396–400, 401

truth table algorithm 398, 399
economic liberalism 71, 103
Australia 71
economic liberalization 67
economic model of transformation 461
education system 130–31, 390–91, 445–6
efficiency 36
enforcement and monitoring 26–9
informational 52
seeking strategy 31–2
semi-strong form 52
strong form 52
Egypt 376
electoral systems 76–8, 80
emerging economies and South–South foreign direct investment 365, 366, 367, 368, 372, 377
employment law/relations 122–5, 127, 207, 443
employment rigidity index 392
employment system/labour market in new EU member states 387, 389–90, 394, 400, 401, 402
equity-based finance 42–3
acquisition entry strategy 320
Anglo-Saxon (UK/USA) 410
United Kingdom 410, 417, 418, 419, 423, 427, 428
United States 410, 417, 418, 419, 423, 427, 428
see also Central and Eastern Europe: financial system and equity culture
Estonia 4, 197, 199, 390, 392, 398
dysfunctionality in post-Communist transformation 464
equity culture and financial system development 418, 419, 420, 428, 430–31
ethnicity 158–9
Europe 515–17
continental 66
peripheral 11
South-East 365
Southern 7
Western 72, 193
see also Central and Eastern Europe European Bank for Reconstruction
investment and saving 42–4  
risk sharing 47–8  
see also corporate governance  
Finland 182, 198, 253, 272  
see also acquisition strategy of  
multinational enterprises  
firms, markets and social regulation of  
capitalism in sub-Saharan Africa  
555–89  
Atlantic Fordism 561  
basic contours of regulation theory  
558–60  
‘Bloody Taylorism’ and ‘Peripheral  
Fordism’ 560–64  
central Fordism 561–4  
‘circuits of capital’ 560–61  
corruption and fraud 572  
dependency theory 561  
export-substitution strategies 562–3  
global Fordism 561–2  
import substitution industrialization  
563, 569  
manufacturing 568–9  
markets and hierarchies 564–8  
money capital 561  
mutual support systems 570–71  
neopatrimonialism 571–2  
networks 567–8  
productive capital 561  
rationality 570–71  
regulation theory 562–4, 566  
social protection measures 570  
socio-economic and political context  
568–72  
Washington Consensus 569–70  
see also in particular Namibia  
flexible mass production of  
differentiated goods and services  
(FMPDG) competition model  
20–21  
flexible specialization 20  
Ford administration 72  
Fordism 20  
Atlantic 561  
central 561–4  
global 561–2  
‘Peripheral’ 560–64  
racial 574–5  
foreign direct investment (FDI) 13
acquisition entry strategy 320–21, 323, 334
Central and Eastern Europe 415, 424, 428
co-evolution perspective 486, 489
corruption and multinational enterprises 276, 278–85, 288, 289, 290
economic growth in new EU member states 384, 387, 389, 394, 401
efficiency-seeking 32
institutions, multinational enterprises and economic development 177, 180, 181, 187, 188
market-seeking 32
Moldova 441, 456
Namibia 573, 577–8
Turkey 492, 496, 498, 500, 501
see also South–South foreign direct investment
formal institutional pressures 322, 323–4, 328, 333, 335, 337
formal institutions: South–South foreign direct investment and transnational corporations 369, 370
‘formal’ sector: Namibia 573
fragmentation of markets 414
France:
boards of directors 55
comparative institutionalism 247, 248
conseil de surveillance 55
corporate governance 53
cultural values 154
financing firms 42–4, 48, 58
institutional distance 255, 272
président directeur-général (PDG) 55
role of MNEs and institutions in economic development 179, 181, 182
Fraser government 75
fraud 572
free cash flow theory 60
free-riding 57
Freedom House indices 250
functional equivalences 22
fuzzy-set qualitative comparative analysis (fsQCA) 388, 391, 395, 396–7
G20 208–210, 216
ganqing (affection, sentiment and emotion) 518–20, 524–7
General Agreement on Tariffs and Trade (GATT) 33, 204
general equilibrium 49
geographical proximity and trade 368, 372
Germany 36, 37
Co-determination Act (1976) 54
corporate institutionalism 246–7, 248
cultural values 152, 154
efficiency-seeking 32
equity culture and financial system development 410, 417, 419, 423, 427, 428
financing firms 42–6, 48, 49, 54–5, 56, 57, 58
Freiburg School 105
hausbank system 52, 59
human resource management 118–20, 130–31, 134–5, 136
institutional distances 272
knowledge acquisition 29
national business systems 21, 22, 23
role of MNEs and institutions in economic development 180, 181, 182, 183, 187, 188
standardization 25
supranational institutions and complementarity 9
Global Compact 212–13
Global Competitiveness Report 254, 271
global financial crisis (2007–09) 65, 66–8, 208–210, 408, 414
Global Jobs Pact (2009) 209, 216
global market initiatives 27
global production systems 213–15
global value chain 213
global–internal hybrid market initiatives 27
GLOBE dimension of institutional collectivism 188
governance see corporate governance; multinational enterprises
government expropriation 187–8
government policy 277
‘grabbing hand’ model 286
gradualism and EU accession states 470–72, 473
gravity models 219
Great Depression 10, 183
Greece 5, 6, 9, 182, 272
greenfield operations 22–3, 36, 320–21, 326, 338

‘guanxi’ (interpersonal relationships) 285–6, 515, 516–20, 521, 523, 526

harmonization programmes 373
Hawke government (Australia) 75
Heath government (United Kingdom) 71, 73
Heckscher–Ohlin–Samuelson international free trade model 461
hegemonic despotism 130
‘helping-hand’ model 286
Higgs Report 534
Honduras 197–8, 199
hostile takeovers 57–8
Human Development Index 573
human resource management 115–38, 337–8
active programs 129–30
Canada 120, 125, 129, 133
constitutive context 121–4, 137
coordinated market economies 118–20, 122–3, 125, 128, 129, 131
cross-national variations 135–7
democratic corporatist paradigm 134–5, 136
employment lawrelations 122–5, 127
liberal managerialist paradigm 133, 136
liberal market economies 118–20, 122, 125, 128, 129, 131
liberal pluralist paradigm 133–4
managerial corporatist paradigm 134
neoliberal paradigm 132, 136
new institutionalism and varieties of capitalism 117–20
passive programs 129
regulative context 124–7, 137
cognitive regulation 125–7
legal regulation 124–7
normative regulation 125–7
social democratic paradigm 135
socio-economic context 127–31, 137
financial markets and firm ownership structures 128
labour and employer organizations 131
labour market policies and programmes 129–31
product market structures and conditions 129
vocational skills qualification 130–31
Hungary 4, 272, 390, 392, 398, 401–3
corruption 281
dysfunctionality in post-Communist transformation 462, 463
equity culture and financial system development 419, 420, 427, 428, 430–31
Iceland 6, 8–9
ICFTU 446
identity 360
IMD 328–9
import substitution industrialization in sub-Saharan Africa 563, 569
improvisation: structure and creative difference 344–60
activity theory 345, 348–59
exploring objects of activity 350–53
improvising to maintain collective activity 354–7
maintaining collective objects of activity 353–4
objects of activity 349–50
bounded diversity 344–5, 350
constructionist perspective 347–8
contradictions 350
coping actions 350
division of labour 350, 357
genre rules 357–8
identity 360
idiomatic improvisation 346
innovative practice 358
minimal structures 346–8, 350, 359–60
non-idiomatic improvisation 346
Institutional approaches to international business

objects of activity 349–50, 353–4, 358, 359
position-taking 347
repertoire structure 346, 348
social structure 346, 348
technical structure 346, 348
incremental internationalization model 223–4
India 173–4, 190, 371, 373
‘Circular 1 of 2011’ 371
Indonesia 181
Industrial Revolution 44–5
inflation 69–70
informal and illegal working in EU accession states 460, 463–4, 475, 477–8
informal institutional pressures 322–3, 324–6, 329, 330, 333, 335–6, 337
informal institutions 188–9, 369, 370
‘informal’ sector: Namibia 573
information provision 48–53
delegated monitoring and banks 52–3
prices and information 49–52
innovation see knowledge and innovation in multinational enterprises
institutional change 156–7
institutional complementarity 386–7, 388
institutional development 238–9
institutional distance 228, 237–8, 250–62, 271–3
knowledge and innovation 310–311
multinational enterprises 288–9
new organizational institutionalism 246
institutional diversity 283, 385, 400–401
institutional duality 18
institutional effectiveness 253, 254, 255, 256, 257–8, 259, 260, 261–2
institutional frameworks 556
institutional heterogeneity 282
institutional indicators 239, 250, 271
institutional quality: Central and Eastern Europe 412, 418–20, 424–32
‘institutional voids’ 241, 403
Index 607

internal rate of return (IRR) 50
International Country Risk Guide (ICRG) 416, 424
International Development Associations (IDAs) 210
International Financial Institutions (IFIs) 3–4, 34, 211
Central and Eastern Europe 415, 433
EU accession states 462, 465, 470–72
International Financial Reporting Standards (IFRS) 157
International (Industrial) Marketing & Purchasing (IMP) Group 515–17
International Labour Organization 204–217
Communication on Progress (COP) 213
corporate social responsibility 212, 215
Decent Work agenda 204–5, 207–213, 214, 216
Declaration on Fundamental Principles and Rights at Work (1998) 206–7, 212
Declaration on Social Justice for a Fair Globalization (2008) 207
‘fair globalization: creating opportunities for all’ (2004) 208
Global Jobs Pact (2009) 209, 216
global production systems and labour standards: social upgrading 213–15
globalization 208
‘high road’ strategies 214, 216
historical background 205–8
internal organizational changes 207
labour standards 207, 208, 211–12
‘low road’ strategies 214
Multinational Enterprises Programme 212
Poverty Reduction Strategy Papers (PRSP) process 210–211
pull–push mechanism 214
Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (1977) 212
International Monetary Fund 4, 6–7, 73, 206, 207, 216

Central and Eastern Europe 463–4, 469
coevolution of Turkish internationalizing firms 501, 504
equity culture and financial systems 433
Ireland 196
national business systems 34
Operational Guidelines 471
Poverty Reduction and Growth Facility (PGRF) 210
‘Second Generation Reforms’ 471
South–South foreign direct investment 370
Turkey 498, 501, 504
International Organization of Securities Commissions 157
International Trade Union Confederation (ITUC) 442, 447
interpersonal relationships see guanxi; networking
intertemporal smoothing of asset returns 47–8
Intra-American Development Bank (IADB) 433
investment 42–4
Central and Eastern Europe 417–20, 424, 427
see also foreign direct investment
Iraq 154
Ireland 9, 66, 174–5, 182, 196–7, 272
Israel 486
issue-selling by subsidiary managers 27
Italy 11, 182, 247, 272

Japan:
co-evolution perspective 489
comparative institutionalism 248
corporate governance 53
equity culture and financial system development 410, 417, 419, 423, 427, 428
financing firms 42–4, 45, 48, 54, 56, 57, 58
human resource management 123–4, 129, 134
institutional distances 272
knowledge acquisition 29
liberal capitalism 66, 72
Institutional approaches to international business

main bank system 52, 59
market-seeking 32
national business systems 22, 23, 33, 37
role of MNEs and institutions in economic development 182, 188–9
standardization 25
job creation 207
joint ventures 320–21, 325, 334, 338

Keating government (Australia) 75
Kennedy–Johnson administration (United States) 72
Keynesianism 68, 74
knowledge gaps, perceived 251, 252–3, 255–6, 261–2
business knowledge 252–3, 255, 256, 257–8, 259, 260, 261
host-country knowledge 252–3, 255, 256, 257–8, 259, 260, 261
knowledge and innovation in multinational enterprises 299–314
absorptive capacity 312
case-based approach 303–4
coercive pressures 304–5, 310–311
cognitive biases 304–5, 310–311
diminishing role of headquarters 308–310
external embeddedness 308
institutional approach 302
institutional distance 310–311
institutional duality 303, 305, 310–311, 312–13
institutional embeddedness 306–8
institutional entrepreneurship 312
internal embeddedness 308
knowledge flow 305
liability of foreignness 311
national innovation systems (NISs) 303–4
neo-institutionalism 304
normative factors 304–5, 310–311
relational embeddedness 307
sheer ignorance perspective 309
social embeddedness 304
structural embeddedness 307
subsidiary embeddedness 307–8
subsidiary-environment interaction 303
variable-based approach 303–4
knowledge voids 277
labour 31–2
and employer organizations 131
exploitation model 474, 476–7
market policies and programmes 129–31
markets in Namibia 580, 581–3, 585, 587
standards 15, 207, 208, 211–12, 213
system 19–20
see also employment
labour markets:
Namibia 580, 581–3, 585, 587
labour relations:
Australia 80–81
land 31–2
Latin America 7, 371
national business systems 35
social regulation of capitalism 563, 564
South–South foreign direct investment and transnational corporations 367, 368, 370, 374, 375
see also acquisition strategy of multinational enterprises
Latvia 392, 398
dysfunctionality in post-Communist transformation 462, 463–4, 467
equity culture and financial system development 419, 420, 428, 431–2
Lausanne Treaty (1923) 491
League of Nations 205–6
learning and knowledge acquisition 29–30, 36, 214
see also knowledge and innovation
least-developed countries (LDCs) 368–9
legal dimensions and distance 225, 228
legal regulation 124–7
Central and Eastern Europe 412, 417–20, 424, 427
Finnish companies in CEE, Asia and Latin America 323–4
Namibia 582–3
Russia 541–5
leveraged buyouts (LBOs) 60, 79
liability of foreignness (LOF) 21–2, 23, 278, 288–9, 311
liberal capitalism models and financial stability preconditions 65–109
American Savings & Loans crisis 84–5
Australia 65–6, 67–8, 69, 90–91, 92–4, 98, 103
conformity and configuration 95–6

corporate governance and corporate control 78–80
economic liberalism 71
electoral systems 76–8
labour relations 80–81
neoclassical liberalism and ordoliberalism 104–5
neoclassical liberalization 103
residential financing 98, 100–101
Canada 65–6, 67–8, 69, 90–92, 94, 98, 103
conformity and configuration 95–6
corporate governance and corporate control 78–80
economic liberalism 71
electoral systems 76–8
labour relations 80–82
neoclassical liberalism and ordoliberalism 104–5
residential financing 98, 100–101
conformity and configuration 95–7
corporate governance and ‘market for corporate control’ 78–80
economic liberalism 69–71
economic liberalization in Canada and Australia 74–5
economic liberalization in United States and United Kingdom 71–4
electoral systems 76–8
financial market liberalization and regulation 82
global financial crisis 65, 66–8
labour relations 80–82
liberal market economies (LMEs) 65, 66
neoclassical liberalism and ordoliberalism 104–5
neoclassical liberalization 101–3
ordoliberalism 105–7
regulatory fragmentation in United States 83
regulatory informality in United Kingdom 85–6
residential financing 98–101
stock market liberalization in United States and United Kingdom 87
United Kingdom 65–6, 67–8, 69, 82, 88–9, 90, 97–8, 103
conformity and configuration 95–6
corporate governance and corporate control 78–9
economic liberalism 71
electoral systems 76–8
financial market liberalization and regulation 82
labour relations 80–81
neoclassical liberalism and ordoliberalism 104–5
ordoliberalism 105
residential financing 98–100
United States 65–6, 67–8, 69, 82, 89–90, 97–8, 103
conformity and configuration 95–6
corporate governance and corporate control 78–9
economic liberalism 71
electoral systems 76–8
financial market liberalization and regulation 82
labour relations 80–81
neoclassical liberalism and ordoliberalism 104–5
neoclassical liberalization 101–3
neoliberalism 107
ordoliberalism 105
regulation relaxation 87–8
residential financing 98–100
liberal managerialist paradigm 133, 136
liberal market economies: multinational enterprises 19–20, 23
liberal market economies (LMEs) 19–20, 23, 36
comparative institutionalism 248
human resource management 118–20, 122, 125, 128, 129, 131
knowledge acquisition 29–30
role of MNEs and institutions in economic development 180

Geoffrey Wood and Mehmet Demirbag - 9781849807692
Downloaded from Elgar Online at 12/24/2018 04:17:16PM via free access
610  Institutional approaches to international business

liberal markets 4
model 8, 12
liberal pluralist paradigm 133–4
liberalization 5, 80, 192–3
  Moldova 441
  Turkey 498, 500–501, 502–3
Lisbon process 4
Lithuania 392, 398
dysfunctionality in post-Communist transformation 463, 464
equity culture and financial system development 419, 420, 428, 431–2
living standards 175–6, 179, 192
local market initiatives 27
loyalty 518
Lukoil 375–6
Luxembourg 182
macro-politics 18, 37
Malaysia:
  Senai Airport Terminal Services 371
  South–South Corporation Berhad (MASSCORP) 373
  South–South foreign direct investment 376
management 25–6, 28, 36–7, 53–4, 55
  board 54
  styles 326, 335
managerial corporatist paradigm 134
managerial slack 60–61
market liberalization programmes 370–71, 373
market optic 565
market regulation 460
market-based financial systems 30, 43, 45–6, 47–8, 49, 50–51, 539
market-seeking strategy 32–4
Marshall Plan 494
Mediterranean European economies 8
Mercosur 368, 374, 375
Mexico 182, 272
  Cemex 376
South–South foreign direct investment 375
micro-politics 18, 31–2, 37
Millennium Development Goals (MDGs) 212, 216
Moldova 461  
see also union heterogeneity in Moldova
Monopoly Commission 59
Morocco 368
Mulroney government (Canada) 75
multiculturalism 160
multidimensional scaling (MDS) 422
multinational enterprises xiv–xv, 12–14, 18–37, 274–91
  cognitive-cultural dimension 279–80, 285–6, 289, 290
  competition models 20–21
  contract enforcement 283, 287–8, 290
  coordinated market economies 19–20, 22–3
  corruption 283–9
    anti-corruption legislation 286
    arbitrary 284, 286–8, 290
    pervasive 284–6, 287, 290
  efficiency enforcement and monitoring 26–9
  efficiency-seeking strategy 31–2
  functional equivalents 22
  governance 279–89
    state 280–81
    varieties of capitalism 281–4
  institutional distance 288–9
  institutional theory 274–9, 280
  learning/knowledge acquisition 29–30
  liability of foreignness (LOF) 21–2, 23, 278, 288–9
  liberal market economies 19–20, 23
  market-seeking strategy 32–4
  normative dimension 279–80, 285–6, 289, 290
  property rights 280–81, 283, 287–8, 290
  regulative dimension 279–80, 285–6, 287, 290
  rule of law 287–8
  ‘rules of the game’ 274, 280, 287, 288–9, 291
  standardization pressures 25–6
  strategic asset seeking 34–5
see also acquisition strategy; institutions, multinational enterprises and economic development; knowledge and

Geoffrey Wood and Mehmet Demirbag - 9781849807692
Downloaded from Elgar Online at 12/24/2018 04:17:16PM
via free access
innovation in multinational enterprises
Multinational Enterprises Programme (ILO) 212
mutual funds 128
mutuality 130
Namibia: production, regulation and segmentation 572–86
clientelism 575–6
colonialism and apartheid capitalism 572–5
deregulation 581–4, 586
employment relationship 580–81
Export Incentives (1994) 578
Export Processing Zones Act (1995) 578
family system and kinship obligations 576
flexibility 582–4
foreign direct investment 573, 577–8
Foreign Investment Act (1990) 578
‘formal’ sector 573
‘informal’ sector 573
labour markets 580, 581–3, 585, 587
legal regulation 582–3
Manufacturing Incentives (1993) 578
mining 573
neocolonialism, neopatrimonialism and neoliberalism 575–9
‘new world order’ 577–8
non-standard employment 582–6, 587–8
poverty 573
‘racial Fordism’ 574–5
regulation theory 574, 588–9
reregulation 583
self-regulation 586
socio-economic structure 574, 585
South African occupation of and integration with 573–5, 576–7
standard employment 583–4, 588
subcontracting 583, 586
voluntarism 586
nation-states 153–8
national culture model 289
national reconciliation policy 577
negotiation 567
neo-institutionalism 145, 146, 304
neoclassical liberalism 71, 103–5
neoclassical liberalization 103
neoclassical theory of resource allocation 49–50
neoclassical view and new institutional economics 240
neocolonialism 575–9
neoliberalism 9, 12, 80, 132, 136
EU accession states 473–4, 475–7
International Labour Organization 205
Namibia 575–9
social regulation of capitalism 565
neopatrimonialism 571–2, 575–9
Net Present Value (NPV) 50
Netherlands 182, 272
network-oriented approach and corporate governance 539
networking:
Chinese and Western relationships 516, 519, 522
sub-Saharan Africa 567–8
Turkey 488
new institutional economics 237, 239–43, 250–51, 261
new institutionalism 117–20, 144–5, 146
new organizational institutionalism 237, 243–6, 250–51, 261–2
‘new world order’ 577–8
New Zealand 66, 182
institutional distance 253, 255, 272
Nigeria 197, 376
Nixon government 71, 72
non-accelerating inflation rate of unemployment (NAIRU) 69–70
Nordic model 135
normative factors 246, 304–5, 310–311
multinational enterprises 279–80, 285–6, 289, 290
normative institutions 372
normative regulation and human resource management 125–7
North Atlantic Treaty Organization (NATO) 494
Norway 182, 198, 272
obligating dimensions and distance 220, 222, 223–5, 229–31
Oceania 367
oil crisis (1973) 72, 74
Institutional approaches to international business

old institutionalism 144–5
old organizational institutionalism 243–4
openness 191
opportunism 5, 20
optimistic functionalism 144
ordoliberalism 104–5
Organization of Economic Cooperation and Development (OECD) 33, 67
Anti-Bribery Convention 286, 468
cultural values 157
institutional distance 254
national business systems 34, 35
trade union heterogeneity 439
organizational competencies and capabilities 383, 385–6, 400
organizational skills 322
ownership, location and internalization (OLI) paradigm 276, 279
Pakistan 154
‘paradox of thrift’ 7
Pareto-efficient allocation of resources 49–50, 52
performance monitoring 28
plural monocultures 158–61
Poland 390, 392, 394, 398, 402
cultural values 154
dysfunctionality in post-Communist transformation 462
equity culture and financial system development 419, 420, 427, 428, 430–31
institutional distances 272
trade union heterogeneity 439
POLCON indices of political constraints 242, 250
political dimensions and distance 225, 227
political economy 11–12
political system 19
Portugal 182, 272
poverty rate 173–5
Poverty Reduction Strategy Papers (PRSP) process 210–211
precariat (underclass) 14
predatory (exploitation) theory of the state 280
pressuring dimensions and distance 220, 222, 226–7, 229–30, 231
prices and information 49–52
principles-based approach 90
privatization 334, 335, 370
Central and Eastern Europe 418, 420, 428, 431, 432
product market competition 60–61
production optic 565
professional service firms (PSFs) 33–4, 37
profitability index (PI) 50
property rights xiv, 192, 280–81, 283, 287–8, 290
protectionism 376
Turkey 494, 496
protest movements 14
proxy fights 57
psychic distance 219, 221–2, 289
rational expectations theory 49, 70
rational-hierarchical institutions xiv
rationality in sub-Saharan Africa 570–71
Reagan administration 72, 73–4, 76, 77
Reaganomics 73
reciprocal bartering 5
reciprocity rule 525, 528
regional free trade agreements 374–5
regulative context 246, 372
acquisition strategy of multinational enterprises: Finnish companies in CEE, Asia and Latin America 323–4, 335
cognitive rules 125–6
human resource management 124–7, 137
multinational enterprises 279–80, 285–6, 287, 290
religion 151, 153, 159
religious fundamentalism 14
renqing (empathy/sympathy/favors/gift giving/reciprocity) 519–20, 524–8
reverse diffusion 29
risk sharing 47–8
Romania 5, 392, 394, 398
dysfunctionality in post-Communist transformation 462, 463
equity culture and financial system development 418, 419, 420, 428, 432
rule of law 287–8
acquisition entry strategy 328
corporate governance and boards of directors 546
dysfunctionality in post-Communist transformation 460
economic growth in new EU member states 383–4
multinational enterprises 287–8
‘rules of the game’ 274, 280, 287, 288–9, 291, 304
rules and norms 345, 536, 565
rules-based approach 90, 240
Russia 7
corruption and multinational enterprises 290
dysfunctionality in post-Communist transformation 462, 463, 464–6
role of MNEs and institutions in economic development 181
South–South foreign direct investment and transnational corporations 371, 376, 377
UC Rusal 376
Wanderers (Peredvizhniki) 164
see also Russian corporate governance and boards of directors
Russian corporate governance and boards of directors 533–50
Anglo-Saxon model versus continental model 543–5, 546
autocracy/authoritarianism 540
bankruptcy law 535, 550
board independency 548
Code of Corporate Conduct 535, 541, 546–7, 550
commercial organizations 541
concentrated ownership 544
Constitution 541
Corporate Legislation Development Concept 542
corruption, fraud and embezzlement 545
cultural peculiarities 538
financial industrial groups (FIGs) 547
‘gangster’ capitalism 539
harmonization process 536–9
insider control structures 547
joint stock companies 540, 551
Joint Stock Companies Act 535–6, 541, 543, 548, 550
legal system and legislation 541–5
market control 542
minority protection mechanisms 544
non-commercial organizations 541
shareholders 542
state-owned enterprises 539
trust 538
saving 42–4
Scandinavia 515
second image reversed (SIR) approaches 8
sectoral bargaining 389–90
securities markets and non-bank financial institutions in Central and Eastern Europe 418, 420, 428
Serbia 155, 462, 464–6, 467–8, 470
Singapore 184, 486
PSA 371
Regionalization 2000 programme 373
Slovakia 4, 390, 392, 394, 398
social bonds 516, 517, 518, 521, 523–4, 527
social democratic paradigm 135
social dimensions and distance 228
social exchange theory 516
social expenditures per capita 198
social model 5
social norms 188–9
social partnership model 539
social protection 207–8
Institutional approaches to international business

socialization 143
societal cognition 329
socio-economic factors xiv
  Central and Eastern Europe 417, 419–20, 424, 427
  see also under human resource management
South Africa 7, 159
  occupation of and integration with Namibia 573–5, 576–7
South Caucasus 461
South Korea 184
  chaebols 371
  co-evolution perspective 486
  comparative institutional 247
  institutional distance 253, 255, 273
  national business systems 33
South West African People’s Organisation (SWAPO) 575, 577
South–South foreign direct investment and transnational corporations 365–79
Africa 368, 370, 374
  Andean Group 374
  Asia 367, 368, 372, 374, 375
  Association of Southeast Asian Nations (ASEAN) 368, 372, 373, 374
  bilateral agreements 373–4
Caribbean Community and Common Market (CARICOM) 374–5
  Caribbean countries 367, 375
  Central and Eastern Europe 370
  challenges and obstacles 375–7
  China 368, 369, 370, 371, 372, 373
  Common Market for Eastern and Southern Africa (COMESA) 375
  developing economies 365–6, 367, 368–9, 370, 371, 376, 377
direction of investment 368
  emerging economies 365, 366, 367, 368, 372, 377
  formal institutions 369, 370
  geographical proximity 368, 372
government, change in 376
  harmonization programmes 373
  home and host institutions 369–75
  home–host distance 371–2
  supranational institutional framework 373–5
  image problem 376
  informal institutions 369, 370
  institutional distance 372
  international organizations 370
  intra-regional investment 368
  investment restriction 376
  Latin America 367, 368, 370, 374, 375
  least-developed countries (LDCs) 368–9
  managerial perspective 376
  market liberalization programmes 370–71, 373
  Mercosur 368, 374, 375
  negative business climate 376
  Oceania 367
  outward foreign direct investment promotion 371
  privatization programmes 370
  promotion of local business groups 371
  protectionism 376
  regional free trade agreements 374–5
  Russia 371, 376, 377
  state-owned enterprises 371
  trade promotion 373
  transition economies 367, 368–9, 370
  World Trade Organization 373
South African Customs Union (SACU) 577
Spa1 182, 273, 371
  special investment vehicles (SIVs) 95–6, 97
  spillovers 374–5
  standardization 25–6, 28, 36
  ‘state capture’ models 466, 469
  state-owned enterprises 371
  Russia 539
  Turkey 490, 491, 492, 494, 496, 500
  stock market capitalization 394, 401–2
  stock market investors 128
  stock markets 50–51, 79–80
  strategic asset seeking 34–5
  structural adjustment 206
  structural bonds 524, 527
  structural market distortion 277
  structuration theory 12
  sub-Saharan Africa 174, 368
Index 615

see also firms, markets and social regulation of capitalism in sub-Saharan Africa

supervisory board 54–5
supporting dimensions and distance 220, 222, 227–9, 231
supranational institutions 3–10
complementarity 9–10
Europeanization, limits of 3–6
World Trade Organization and International Monetary Fund 6–7

Sweden 135, 182, 198, 273
Switzerland 154, 182, 273

Taiwan 184, 486
tax policy 187
technology gap 278
technology spillovers 278

Thailand 181, 372
Thatcher government 71, 73–4, 77
Thatcherism 73
trade unions 81–2, 390, 471–2
see also union heterogeneity in Moldova

training and educational institutions 130–31
transaction cost economics 275–6, 438, 566
transaction costs 178–9
transactional market distortion 277

transition economies 367, 368–9, 370
see also Central and Eastern Europe

transnational corporations see South–South foreign direct investment and transnational corporations

transnationalization 156–7

Transparency International Corruption Perceptions Index 464, 468

Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy (1977) 212

Trudeau government (Canada) 74
trust 516–17, 522, 524, 525–6, 527, 538, 544
‘tunnelling’ of share options 467, 470

Turkey 273, 371, 376, 461
see also co-evolution of Turkish internationalizing firms

Ukraine:
Agroindustrial Complex Workers Industrial Union 444
dysfunctionality in post-Communist transformation 462, 478
trade union heterogeneity 439–40, 443, 446

union heterogeneity in Moldova 438–57


Agroindsynd 444–6, 447
bargaining styles 443
classical Soviet form of unionism 441–3
collective bargaining 446
Communist Party 441, 442, 444, 447

CSRM 444, 446, 447
education system 445–6
employment relations 443
external forces 441
foreign direct investment 441, 456

Global Union Federations (GUFs) 442–3, 446

ideology and habitus 443

International Trade Union Confederation (ITUC) 442, 447

liberalization 441

Manifactura (case study): restructuring in continuity 449–52

mobilization 443, 446

mutual insurance methods 443

Solidaritatea 447–8
Stalag 1 (case study): ‘mixed’ unionism 452–4

Stalag 2 (case study): mobilizing unionism 454–6

Syndlukas 446–7

welfare-bargaining-campaigning 443

United Kingdom 14

Bank of England 73, 85, 86
Banking Act (1979) 85–6
Banking Act (1987) 86
Institutional approaches to international business

‘big bang’ deregulation 87, 88
Bribery Act (2010) 286
comparative institutionalism 246–7
‘Competition and Credit Control’ policy 73
corporate governance 53–4
cultural values 161
Department for International Development (DFID) 211
Department of Trade and Industry (DTI) 85, 86
equity culture and financial system development 410, 417, 418, 419, 423, 427, 428
Financial Intermediaries, Managers and Brokers Regulatory Association (FIMBRA) 85
Financial Services Act (1986) 86
Financial Services Authority (FSA) 86
Financial Services and Markets Act (2000) 86
financing firms 42–6, 47–8, 54, 58
HM Treasury 82, 85–6
Hong Kong Shanghai Bank (HSBC) acquisitions 88–9
Housing Act (1980) 99
human resource management 120, 125, 126, 127, 129–30, 133, 136
institutional coupling 11
institutional distances 273
Johnson Matthey Bankers (JMB) 86
Key Worker Living Scheme (2004) 100
knowledge acquisition 30
Lloyds bank acquisitions 89
Memorandum of Understanding 86
Monopolies and Mergers Commission 89
national business systems 22
RBS acquisitions 89
role of MNEs and institutions in economic development 181, 182
Secondary Banking Crisis (1973-5) 73, 85
Securities and Investments Board (SIB) 86
self-regulatory organizations (SROs) 86
standardization 25

Starter Home Initiative (2001) 100
strategic asset-seeking 35
see also liberal capitalism models and financial stability preconditions
United Nations (UN) 205–6, 216
Development Programme (UNDP) 211
Anti-Corruption Practitioners Network 467
Global Compact 212–13
Millennium Development Goals 212, 216
United States 4
adjustable-rate mortgage (ARM) 102
Bank Holding Act (1956) 83
business relationship paradigms 516–17, 527
Chase Manhattan 97
collateralized debt obligations (CDOs) 97, 98
corporate equity holdings 41
corporate governance and boards of directors 53–4, 536
cultural values 157, 159
Depository Institutions Deregulation and Monetary Control Act (1980) 84
Dodd–Frank Act 194–5
Drexel Burnham Lambert bank 84
equity culture and financial system development 410, 417, 418, 419, 423, 427, 428
Federal Department of Housing and Urban Development (HUD) 98, 102
Federal Deposit Insurance Corporation (FDIC) 83
Federal Home Loan Bank Board (FHLLB) 84, 85
Federal Home Loan Mortgage Corporation (Freddie Mac) 102
Federal National Mortgage Association (Fannie Mae) 99, 102
Federal Reserve System (Fed) 83, 87, 183
Federal Savings and Loan Insurance Corporation (FSLIC) 84
Financial Accounting Standards
Board 157
Financial Institutions Recovery and
Enforcement Act (FIRREA) 85
financing firms 42–5, 47–8, 49, 54,
56, 57, 58
Foreign Corrupt Practices Act
(1977) 286
Garn–St Germain Depository
Institutions Act (1982) 84
Generally Accepted Accounting
Practices (GAAP) 102
Glass–Steagall Act (1933) 83, 87, 88
Glass–Steagall’s Regulation Q 83, 84
Government National Mortgage
Association (Ginnie Mae) 98
Gram–Leach–Bliley Act (1999) 88
home ownership 98–100
human resource management 116,
118–20, 123, 124–5, 127, 128,
130, 132–3, 136
Imperial Savings Association 84
institutional distances 273
JP Morgan 97
market-seeking 32
mortgage-backed securities (MBSs)
97–8
National Bank Act (1863) 83
national business systems 22
National Labor Relations Act 125–6
New York Stock Exchange 87, 157
Office of the Comptroller of the
Currency 83
Office of Thrift Supervision 85
Reagle–Neal Interstate Banking
and Branching Efficiency Act
(1994) 88
Resolution Trust Corporation 85
role of MNEs and institutions in
economic development 178,
179, 180, 182, 183–4, 189,
193–4, 198
Sarbanes–Oxley Act 181, 194
savings and loan (S&L) crisis 96
Securities and Exchange Committee
157
standardization 25
strategic asset-seeking 35
subprime crisis 183–4
subprime mortgages securitization
98, 102, 103
Wagner Act 130
see also liberal capitalism models
and financial stability
preconditions
universal banking 92
Uppsala School 221
variable-based approach 242–3
variance inflation factor (VIF) test
330–31
varieties of capitalism 11–12, 13,
103–4, 117–20, 281–4
cultural values 153
dysfunctionality in post-Communist
transformation 473
equity culture and financial system
development 427
human resource management
117–20, 135
institutional distance measures 263
trade union heterogeneity 439, 456
vocational skills qualification 130–31
‘voice’ strategy 544–5
voluntarism 586
Washington Consensus 569–70
wasta 286
works councils 390
World Bank 4, 6, 206, 207, 461, 462,
469, 472
cultural values 157
economic development 173
equity culture and financial systems
415, 433
Governance Indicators 242, 250
International Development
Associations (IDAs) 210
national business systems 34
Social Development Department
471
social regulation of capitalism 569,
570, 572, 573
South–South foreign direct
investment 370
World Development Indicators
dataset 391
World Competitiveness Yearbook 242,
328–9
Institutional approaches to international business

World Economic Forum (WEF) 411
World Investment Report 281
World Trade Organization 6–7, 33, 204, 206, 207, 208, 216
national business systems 34, 35
South–South foreign direct investment 370, 373
xinren (trust, belief and confidence) 519–20, 524–5
Yugoslavia 155