

Contents

- Introduction and Overview ix
PETER J. BUCKLEY and PERVEZ N. GHAURI

PART I: ANTECEDENTS

- ① The foreign investment decision process 3
YAIR AHRONI
- 2 International investment and international trade in the product cycle 14
RAYMOND VERNON
- 3 The internationalization of the firm: four Swedish cases 27
JAN JOHANSON and FINN WIEDERSHEIM-PAUL
- 4 The internationalization process of the firm: a model of knowledge development
and increasing foreign market commitments 43
JAN JOHANSON and JAN-ERIK VAHLNE
- 5 A theory of international operations 55
PETER J. BUCKLEY and MARK CASSON
- 6 Trade, location of economic activity and the multinational enterprise:
a search for an eclectic approach 61
JOHN H. DUNNING

PART II: THE INTERNATIONALIZATION PROCESS

- 7 Internationalization: evolution of a concept 83
LAWRENCE S. WELCH and REIJO LUOSTARINEN
- 8 Foreign direct investment by small and medium-sized enterprises: the theoretical
background 99
PETER J. BUCKLEY
- ⑨ Network relationships and the internationalisation process of small software
firms 114 X
NICOLE COVIELLO and HUGH MUNRO

- 10 The expansion of foreign direct investments: discrete rational location choices or a cultural learning process? 136
GABRIEL R.G. BENITO and GEIR GRIPSRUD
- 11 The internationalization of service firms: a comparison with the manufacturing sector 149
PETER J. BUCKLEY, C. L. PASS and KATE PRESCOTT
- 12 The process of internationalization in the operating firm 165
TIMOTHY CLARK, DEREK S. PUGH and GEOFF MALLORY

PART III: METHODS OF FOREIGN MARKET SERVICING 183

- 13 Modes of foreign entry: a transaction cost analysis and propositions 185
ERIN ANDERSON and HUBERT GATIGNON
- 14 Differences among exporting firms based on their degree of internationalization 208
S. TAMER CAVUSGIL
- 15 Outward foreign licensing by Australian companies 219
LAWRENCE S. WELCH
- 16 Joint ventures and global strategies 245
KATHRYN RUDIE HARRIGAN
- 17 Interfirm diversity, organizational learning, and longevity in global strategic alliances 258
ARVIND PARKHE

PART IV: ORGANIZING THE MULTINATIONAL FIRM 277

- 18 Options thinking and platform investments: investing in opportunity 279
BRUCE KOGUT and NALIN KULATILAKA
- 19 Organizing for worldwide effectiveness: the transnational solution 295
CHRISTOPHER A. BARTLETT and SUMANTRA GHOSHAL
- 20 New structures in MNCs based in small countries: A network approach 312
PERVEZ GHAURI
- 21 Strategic evolution within Japanese manufacturing plants in Europe: UK evidence 326
NEIL HOOD, STEPHEN YOUNG and DAVID LAL

PART V: THE IMPACT OF CULTURE ON INTERNATIONALIZATION 347

- 22 Psychic distance and buyer-seller interaction 349
LARS HALLÉN and FINN WIEDERSHIEM-PAUL

23	The effect of national culture on the choice of entry mode BRUCE KOGUT and HARBIR SINGH	361	v
24	The Business of International Business is Culture GEERT HOFSTEDE	381	
25	The psychic distance paradox SHAWNA O'GRADY and HENRY W. LANE	394	vict