

Perspective

The AIB–UNCTAD Strategic Alliance

Robert Grosse^{1a}, Ari Van Assche²

¹ Thunderbird School of Global Management, USA, ² HEC Montréal, Canada

Keywords: strategic alliances, cross-border alliances, international collaboration agreements

<https://doi.org/10.46697/001c.129752>

AIB Insights

International strategic alliances (ISAs) are cross-border cooperation agreements between organizations with shared interests. This paper examines the long-standing ISA between the Academy of International Business (AIB) and the United Nations Trade and Development (UNCTAD), focusing on their collaboration in publishing research and organizing conferences on foreign direct investment and multinational firms in economic development. We analyze the alliance's history, structure, and longevity, and offer insights for academic organizations considering similar ISAs.

INTRODUCTION

International strategic alliances (ISAs) are formal cooperation agreements between independent organizations from different countries to pursue common goals with shared resources (Nielsen, 2007). While much literature has focused on the reasons for creating ISAs and their performance drivers (e.g., Contractor & Woodley, 2015), less attention has been paid to how partners build closer interactions during different stages of the alliance, the role of individuals in these connections, and how these personal interactions matter for coordination, learning, and trust between ISA partners. This is the focus of our analysis.

We turn to our own Academy of International Business (AIB) and its ISAs to study these questions. The US-headquartered – albeit inherently international – organization has collaborated with several foreign entities over the years. This includes cooperation with the European International Business Association (EIBA) in organizing and operating conferences despite competing for membership and activities. It also comprises collaboration with publishers such as Palgrave Macmillan that publishes the *Journal of International Business Studies* and the *Journal of International Business Policy*. This paper zooms in on the long-running alliance between AIB and the United Nations Trade and Development (UNCTAD) to analyze its establishment and evolution through the interactions of people from each organization. The alliance, as shown in [Figure 1](#), demonstrates the complementary missions of both organizations and highlights the central elements of the ISA.

We consider the study of the AIB–UNCTAD ISA to be instructive for several reasons. First, it showcases how informal pre-ISA interactions between individuals of both entities have helped shape the alliance, but also how the form of the ISA has shaped subsequent interactions. Second, our own role in the evolution of the ISA provides lived experi-

ence on which we build in our analysis. Third, the insights from our analysis allow us to propose recommendations for other academic organization that consider forming ISAs.

INTERNATIONAL STRATEGIC ALLIANCES

Strategic alliances are formal cooperation agreements between two or more independent organizations that operate between the one extreme of a full merger or acquisition and the other extreme of a recurring business agreement such as a long-term purchasing contract (Inkpen, 2001). Strategic alliances become ISAs when they involve partners from different countries.

Scholars have identified that resource complementarity and trust influence the selection of ISA partners and boost ISA performance. Resource complementarity, which is the presence of synergistic ideas, technologies, and capabilities, amplifies the advantages of forming an alliance while simultaneously mitigating the risk of opportunistic behavior (e.g., Harrison, Hitt, Hoskisson, & Ireland, 2001). Trust further strengthens the value for cooperation by reducing transaction costs and lowering conflict (e.g., Zaheer, McEvily, & Perrone, 1998). Both characteristics create a foundation for forming an ISA by boosting collaboration, mitigating opportunism, and fostering mutual benefits.

Nevertheless, the low success rates of ISAs imply that strategic actions to maintain synergies and trust between ISA partners is crucial post formation. Studies have documented that between 30 and 70 percent of strategic alliances dissolve and that the average life span of an international joint venture is 5-7 years (Kale & Singh, 2009). For this reason, Kale and Singh (2009: 50) suggest: “To realize the expected benefits, firms must also proactively manage an evolving entity such as an alliance after it is up and running. Two factors are especially important during the post-formation phase of the alliance life cycle: managing coord-

a Contact author: grosser@global.t-bird.edu

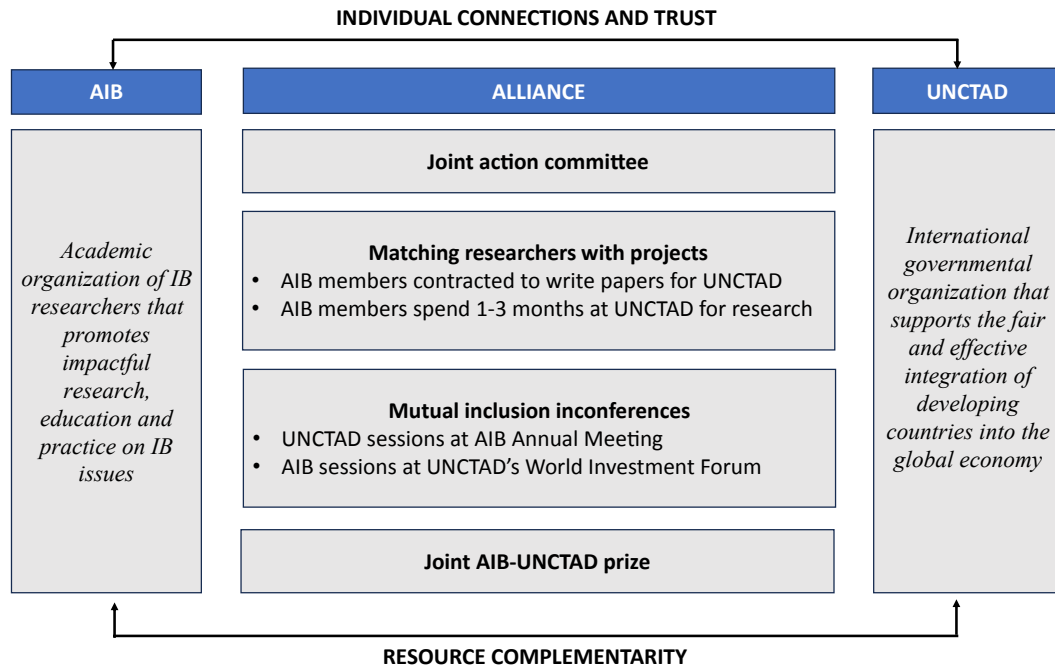


Figure 1. The AIB–UNCTAD Alliance

Source: Developed by the authors

dination between partners and developing trust between them”. In this paper, we examine the efforts that AIB and UNCTAD have taken to ensure success for their alliance.

THE AIB–UNCTAD STRATEGIC ALLIANCE

We divide our analysis into three parts. We first focus on the pre-alliance stage of the AIB–UNCTAD ISA, where informal interactions between AIB members and UNCTAD professionals played a critical role in developing inter-organizational synergies and trust. Subsequently, we explore how leaders from both organizations capitalized on their existing resource complementarities and mutual trust by formalizing the relationship. We also illustrate limits to this collaboration. In our conclusion, we draw lessons from the experience and present ideas for furthering strengthening the ISAs of academic organizations in the future.

PRE-ALLIANCE INTERACTIONS (1972–2006)

The resource complementarity between UNCTAD and AIB has been previously documented (Lundan & Van Assche, 2021; see also [Figure 1](#)). UNCTAD seeks a comprehensive understanding of the international trade and investment landscape to better support a fair and effective integration of developing countries into the globalized economy; IB scholars are idea entrepreneurs that can help to provide such an understanding. AIB strives to promote impactful research by creating pathways for practical applications, which policy-oriented organizations such as UNCTAD can offer.

Informal interactions between AIB members and UNCTAD professionals began in 1972 when the UN appointed a

Group of Eminent Persons to study multinational corporations (MNCs) and their impact on development and international relations. The Group included AIB member John Dunning who was already globally recognized for his work on the relation between foreign direct investment and development (Buckley, 2012). In 1973, it organized several hearings in which AIB leader Jack Behrman, along with IB scholars Edith Penrose and Stephen Hymer, were asked to testify. The Group’s final report, *Multinational Corporations in World Development* (United Nations Department of Economic and Social Affairs, 1973), mapped the contours of the international corporate economy, and made a range of recommendations for policy action (May, 2017).

The report prompted the establishment of the UN Centre on Transnational Corporations (UNCTC) in 1975 and set the agenda for policy-oriented dialogue between members of UNCTC and the community of IB scholars. Throughout the 1970s and 1980s, the UNCTC produced various reports on MNCs and government policy, relying on numerous AIB members such as John Dunning and Jack Behrman as consultants.

After Karl Sauvant became head of UNCTC’s research branch in 1988, the UNCTC launched two flagship publications: the *World Investment Report* (WIR) and *Transnational Corporations*. AIB members have regularly contributed to WIR and served on the editorial board of *Transnational Corporations*, reflecting the growing trust and engagement that has been established between influential members of AIB and the precursor of UNCTAD.

In 1992, the UNCTC was integrated into UNCTAD and renamed the “Division on Investment and Enterprise”, with its operations relocated from New York to Geneva. Since then, the relationship between UNCTAD and AIB members

has strengthened, with IB scholars regularly conducting short term visits and performing research contracts for the UNCTAD division. UNCTAD professionals, in turn, have since the early 2000s regularly appeared as speakers in the AIB annual meeting and chapter conferences.

THE FORMALIZATION OF THE ISA (2007–)

Over time, AIB and UNCTAD have developed formal relations that received the stamp of approval of their respective leaderships. A primary avenue for establishing more structured cooperation has involved allocating space at each other's conferences. In 2006, the AIB Board approved the establishment of a *World Investment Report* session at their annual conference, which continues to this day. Since 2014, UNCTAD has invited AIB to organize academic sessions at UNCTAD's World Investment Forum (WIF). In 2020, the two organizations established a joint UNCTAD-AIB Award for Research on Investment and Development for young scholars.

Personal relations and trust between leaders of the AIB and the UNCTAD Division of Investment and Enterprise have played a central role in developing these formal relations. The UNCTAD-AIB Award, for example, was established through discussions between AIB President Jeremy Clegg and the Director of the Investment and Enterprise Division James Zhan. At that time, Jeremy Clegg also asked the authors of this article to play a role in formalizing the relations between AIB and UNCTAD by spearheading a joint action committee. This committee's efforts led to the organization of a joint online conference in 2021, collaboration in the organization of the academic track at the WIF in 2021 and 2023, and financial support from AIB to boost participation by AIB members and Ph.D. students at both events.

AIB's one failed effort to advance the alliance was the attempt in 2013-14 to join forces with UNCTAD in publishing the journal *Transnational Corporations*, which recently has been discontinued. For over a decade, the AIB Board had been pursuing the idea of launching additional journals beyond the *Journal of International Business Studies*. Eventually, discussions led to considering an alliance with UNCTAD to revitalize *Transnational Corporations*. However, this joint effort ultimately failed, reportedly due to bureaucratic limitations that made it impossible for UNCTAD to give AIB full editorial responsibility for producing the journal. Following this, AIB independently created the *Journal of International Business Policy*.

Other joint initiatives have occurred over the years, with several of them still pending a 'formalization'. For example, AIB has been pushing for a regularization of research visits by AIB members to UNCTAD.

As shown in [Figure 1](#), the AIB–UNCTAD ISA consists of a series of joint projects and actions that involve different people over time. The alliance is comprised of a set of interactions that are defined in advance and often last for many years. New people become involved with the alliance and carry out its activities over time. The constant factor is the institutional relationship, but it is realized through the interactions of specific people self-selected from each ISA partner.

LESSONS FROM THE AIB–UNCTAD ALLIANCE

IMPORTANCE OF PEOPLE

Our analysis highlights the importance that resource complementarity and trust have played in the development and formalization of the AIB–UNCTAD alliance. The organizations' complementary goals have laid the foundation for the 50+ year cooperation; it was, nonetheless, the actions of individuals that placed the building blocks and developed the synergies for the ISA.

We have explored the alliance through the lens of those people involved. AIB members were individually attracted to contributing to collaborating with UNCTAD since it allowed them to strengthen the impact of their research and to gain insights into the policy-making process; UNCTAD professionals were drawn to their access to new ideas that could support their policy proposals. People on both sides benefited from each other's human, institutional, and financial resources. The formalization of the ISA increased the opportunities for people from both sides to collaborate and has ultimately made the alliance less person-dependent than it was in the beginning. There now appears to be a commonality of purpose that is re-invented on a repeated basis by each organization, fostering a cooperation that is resilient to leadership and people changes over time.

These insights provide valuable lessons for AIB and similar academic organizations as they seek new alliances. A few years ago, AIB has collaborated with US CIBERs to create the AIB-CIBER Doctoral Academy. Furthermore, it has become a founding member of the World Investment for Development Alliance (WIDA), which is a global platform of primarily international governmental organizations that aims to bring together stakeholders to identify and address investment challenges and opportunities to foster sustainable development. Other academic organizations such as the National Bureau of Economic Research have developed similar partnerships with the World Bank and International Monetary Fund. Our analysis suggests that academic organizations can improve the success of such alliances by carefully mapping the key people connections that already exist and by developing strategies that can further leverage these connections for improved resource complementarity and trust. In doing so, however, parties should avoid the perception or reality of favoritism.

EXPLICIT COORDINATION MECHANISMS

Our second lesson is that explicit coordination mechanisms are critical to facilitate personal interactions and ensure alignment in engagement, interests, and reputation management. AIB and UNCTAD have strengthened coordination by developing a joint award, providing space in each others' conferences, and developing a joint action committee. The Allied Social Sciences Association, which includes the American Economic Association and the American Finance Association, has gone a step further by sharing the planning and production of their annual meeting, which attracts over 10,000 people each year, while maintaining

Table 1. Alliance Lessons for AIB and Other Academic Organizations

| Key Lesson | Recommendations | Potential Costs and Risks |
|--|---|--|
| People are crucial in forming international strategic alliance, but it is essential to ensure that the cooperation is resilient to leadership changes over time. | Map the key people connections between partners and develop strategies that leverage these connections for improved resource complementarity and trust. | Favoritism where opportunities, power, or privileges are granted to a select group of individuals based on personal relationships instead of qualifications. |
| Explicit coordination mechanisms are critical to facilitate people engagement, ensure interest alignment, and conduct effective reputation management. | Set in stone moments of collaboration between key members of collaborating organizations to catalyze further engagements. | Increase in bureaucratic red tape; loss of flexibility; people lock-in. |

Source: Developed by the authors

separate memberships and activities. Such explicit coordination mechanisms set in stone moments of collaboration between key members of collaborating organizations, which are critical for catalyzing further engagements in the future. In doing so, however, ISA partners should avoid creating burdensome bureaucratic red tape, loss of flexibility, and people lock-in.

CONCLUSION

We have conducted a historical analysis of the ISA between AIB and UNCTAD to evaluate key drivers of success of people-based non-contractual collaborations. We have examined the importance of key figures in the development of the alliance and have studied its changing structure over time. Whereas “coincidence of interest” was clearly at the heart of the alliance, we showed that the collaboration was realized through key people who have changed over time. We have also offered recommendations to guide similar academic collaborations.

.....

ABOUT THE AUTHORS

Robert Grosse is Professor of International Business at Thunderbird School of Global Management, Arizona State University, in Phoenix, Arizona. He is a Fellow of the Academy of International Business and of the Business Association for Latin American Studies. He was President of the Business Association of Latin American Studies in 2005-6 and President of the Academy of International Business during 2012-14. He writes about global strategy in emerging markets and about international finance.

Ari Van Assche (PhD, University of Hawaii at Manoa) is full professor in international business and co-director of the International Institute of Economic Diplomacy at HEC Montréal. He is the Editor-in-Chief of the Journal of International Business Policy and visiting professor at the University of Leeds. He specializes in the organization of global value chains and their implication for public policy.

Submitted: December 28, 2023 EST. Accepted: January 22, 2025 EST. Published: February 20, 2025 EST.



This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CCBY-4.0). View this license’s legal deed at <http://creativecommons.org/licenses/by/4.0> and legal code at <http://creativecommons.org/licenses/by/4.0/legalcode> for more information.

REFERENCES

- Buckley, P. J. 2012. John Dunning's writings on development: Gradualism, agency and meaning. *Transnational Corporations*, 21(1): 35–43.
- Contractor, F., & Woodley, J. 2015. How the alliance pie is split: Value appropriation by each partner in cross-border technology transfer alliances. *Journal of World Business*, 50(3): 535–547.
- Harrison, J. S., Hitt, M. A., Hoskisson, R. E., & Ireland, R. D. 2001. Resource complementarity in business combinations: Extending the logic to organizational alliances. *Journal of Management*, 27(6): 679–690.
- Inkpen, A. 2001. Strategic Alliances. In Rugman & Brewer (Eds.), *Oxford Handbook of International Business*: 402–428. Oxford University Press.
- Kale, P., & Singh, H. 2009. Managing strategic alliances: what do we know now, and where do we go from here? *Academy of Management Perspectives*, 23(3): 45–62.
- Lundan, S., & Van Assche, A. 2021. From the editors: Reflections on the nexus of complementarity between international business research and the policy practitioner community. *Journal of International Business Policy*, 4(2): 201–205.
- May, C. 2017. Multinational corporations in world development: 40 years on. *Third World Quarterly*, 38(10): 2223–2241.
- Nielsen, B. B. 2007. Determining international strategic alliance performance: A multidimensional approach. *International Business Review*, 16(3): 337–361.
- United Nations Department of Economic and Social Affairs. 1973. *Multinational Corporations in World Development*. New York: Economic and Social Council. <https://digitallibrary.un.org/record/1648044?ln=en>.
- Zaheer, A., McEvily, B., & Perrone, V. 1998. Does trust matter? Exploring the effects of interorganizational and interpersonal trust on performance. *Organization Science*, 9(2): 141–159.