

Editorial

Managing Sustainable Development in International Business: Challenges and Insights

Shasha Zhao, Guest Editor¹, John Dilyard, Guest Editor², Elizabeth L. Rose, Associate Editor³

¹ University of Surrey, UK, ² St. Francis College, USA, ³ Indian Institute of Management Udaipur, India

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This Special Issue is the first joint effort between the Academy of International Business' Sustainability Shared Interest Group and *AIB Insights*. Sustainability has become an increasingly important consideration for multinational enterprises, and seeking approaches to implementing sustainability-improving change has thus become a strategic priority. This Special Issue provides novel and actionable insights – for researchers, practitioners, and policymakers – about the crucial role that multinational enterprises are playing in achieving sustainable development.

This issue of *AIB Insights* signals an important forward step in the thinking of the international business (IB) academic community. Over the past several decades, the IB community has developed pioneering theories and methodologies to explain the actions and performance of multinational enterprises (MNEs). This has allowed an audience that includes researchers, practitioners, and policymakers to not only understand how and why MNEs operate internally, but also how they affect the economies of the countries in which they operate.

Times, however, are changing, and relevant questions no longer pertain to only how an MNE's activities provide benefit for itself or how the MNE affects national economies. A more urgent and important question today is what an MNE can do to serve the societies and the environments of the places in which it is active – in a sustainable way. MNEs are being asked to be not only global businesses, but also global citizens. This necessitates practice- and impact-driven academic inquiries. This special issue aims to contribute to this transition.

IB practice now is becoming concerned with global sustainability issues that are associated with, or resulting from, firms' cross-border activities and practices (e.g., Dilyard, Zhao, & You, 2021; Ghauri, Strange, & Cooke, 2021; van Zanten & van Tulder, 2018). Despite rather extensive research about sustainability and sustainable development in many non-IB fields (e.g., Hahn, Kolk, & Winn, 2010), and the wide recognition of MNEs as necessary actors in the United Nations' target of achieving the 17 Sustainable Development Goals (SDGs) (van Tulder & Keen, 2018; Zhan & Santos-Paulino, 2021), we still lack a clear and systematic understanding of MNEs' roles in contributing to, or hindering, local and global efforts to address pressing sustainability issues or achieving the SDGs (Witte & Dilyard, 2017).

Sustainability in IB is a topic that is both relevant and impactful. Its relevance derives from its being a global issue, thus requiring a global approach that affects how and where businesses operate and how they relate to various locations and stakeholders. The topic's impact pertains to

the potential for sustainability to be economically, socially, and environmentally transformative. In addition, the practice and philosophy of sustainability affect how the various subdisciplines under the umbrella of IB relate to each other, while also potentially requiring IB scholars to reach out to other, non-business disciplines (e.g., public policy).

The highly complex, multifaceted, cross-disciplinary, and interconnected nature of sustainable development issues strongly parallels that of IB phenomena; as such, IB researchers are well-suited to addressing these issues. However, for this line of IB research to move forward in a more systematic manner, to offer best practices and to create measurable societal impact, we need to ask thought-provoking questions concerning the role that MNEs play (or should play) in relation to the wide range of pressing global sustainability issues. We need to think about how to better integrate sustainability problems into IB research and practice (Eden & Nielsen, 2020), and develop novel and instrumental insights that have wider managerial and policy implications.

Our hope is that this Special Issue contributes to the discussion at the nexus of IB and sustainability by showcasing five articles that offer novel and actionable insights. These articles scrutinize MNEs and their role in sustainable development, while also informing the practice of sustainable management and policy development.

In the first article, Ghauri provides thought-provoking views on the role of multinational corporations in the achievement and functioning of the United Nations' 17 SDGs by 2030, highlighting that such firms can play crucial roles in achieving most of these goals. Ghauri proposes that at least 50% of these goals can be achieved through direct intervention, and can be achieved with participation from multinationals. This entails collaborative efforts of multiple stakeholders; these issues are highlighted against the background of the COVID-19 pandemic. While multinational firms are increasingly claiming to contribute to achieving the SDGs, Ghauri urges more IB research to distinguish between activities that are rhetoric to those that contribute in

reality.

The second paper, by Cuervo-Cazurra, Giuliani, Montiel, Park, and Doh, offers a critical evaluation of the pros and cons of the SDG framework with respect to informing, and providing a guiding framework for, managers of MNEs. The authors argue that, while the 17 SDGs are becoming an important mechanism for coordinating governments' efforts to address global challenges, their implementation by managers is often challenging. More specifically, the authors offer instrumental advice about how the SDGs can be useful mechanisms for MNE managers who, balancing pros and cons, aim to contribute to sustainable development.

In the third paper, Choniere and Maksimov discuss how an unintended consequence of investor-state dispute settlement (ISDS) might create negative externalities for state efforts on sustainable development, through the provoking of regulatory chill on the enforcement of current – and the enactment of future – sustainable development-oriented regulation. Using four cases as examples, they point out how reforming ISDS to include sustainable development considerations can mitigate the negative externalities and promote sustainable foreign investment.

The fourth paper, by Ku, addresses how the global problem created by the adverse environmental effects from food waste is one that MNCs can help to rectify, by treating food

waste as a valuable, recyclable resource that can be used for in-house operations or sold as a commodity. Several innovative and actionable activities are suggested that can occur in MNCs, or through policymaking, to do something positive with food waste, along with avenues for future academic research.

The fifth paper, by Edwards, Kern, Concha, Machado-Lopez, Saka-Helmhout, and Zhang, considers social innovation, focusing on the social activists that drive such activity and the interaction between multinational corporations and third-sector parties in efforts to address issues of social inequality. The paper includes recommendations for how multinationals can encourage and facilitate social activists and activism within their organizations.

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