THE INSTITUTE OF INTERNATIONAL BUSINESS

RESEARCH SEMINAR SERIES

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“GLOBAL CONNECTEDNESS, LOCAL DISCONNECTEDNESS AND THE CONNECTED MULTINATIONAL”

March 24, 2017 (Friday)
10:00 am – 11:30 am
CEAR Seminar Room-11th floor-Suite 1122
ABSTRACT

Two worldviews of the global economy dominate both academic and public discourse. The first view draws on the dramatic decline in spatial transaction costs and the resulting “death of distance”. This view holds that globalization, defined as the interdependence and integration of the global economy, is inexorably rising. In journalistic terms, “the world is flat”. The second view points out that knowledge hotspots and knowledge-intensive clusters account for a disproportionate share of global economic activity and that their dominance is rising. In the words of geographer Richard Florida, “the world is spiky”.

We argue that both worldviews are correct and that they complement one another. The world is connected, and global value chains (GVCs) of innovation and production systematically link global knowledge hotspots and clusters with one another. In the process of replacing local systems with global ones, GVCs are also disconnecting many knowledge centers from their hinterlands of second tier cities, towns and rural areas. As knowledge clusters like Silicon Valley, Boston, Cambridge, Haifa, Shanghai and Bangalore become increasingly connected with one another, they rise above and become disconnected from their local regions.

Mobile multinational enterprises (MNEs) and immobile locations are locked in a co-evolutionary embrace. They need each other in the manner of bees and flowers (Cano-Kollmann et al., 2016). MNE activities create and reinforce linkages between knowledge clusters and the global innovation system, simultaneously exacerbating their disconnection from their local geographies. Using a large-scale dataset, we find that international connectedness and domestic connectedness have different effects on the MNE’s technological scope.
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He has published over 80 peer-reviewed articles, including work in the Journal of Political Economy, the Journal of Economic Geography, the Strategic Management Journal and the Journal of International Business Studies. He has been a special issue editor for the Journal of Economic Geography, the Journal of Management Studies, the International Business Review and the Journal of International Management. He serves on the editorial boards numerous journals.

His work has appeared in the Harvard Business Review and The Atlantic magazine. His media appearances include the New York Times, National Public Radio, Michigan Business Radio and numerous local radio and TV programs.