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# Reshoring and Sustainable Development Goals

Suraksha Gupta,<sup>1</sup> Yichuan Wang<sup>2</sup> and Michael Czinkota<sup>3</sup>

<sup>1</sup>Newcastle University London, 102 Middlesex Street, London, E1 7EZ, UK, <sup>2</sup>Management School, University of Sheffield, Conduit Road, Sheffield, S10 1FL, UK, and <sup>3</sup>McDonough School of Business, Georgetown University, 3700 O St NW, Washington, D.C., 20057, USA  
Corresponding author email: suraksha.gupta@newcastle.ac.uk

## Motivation for this special issue

A debate between globalization optimists and pessimists (who support deglobalization) has been reignited since several political events and a recent global pandemic hit. In the USA, for instance, the administration started encouraging US firms to reshore their business operations back home after the 2016 presidential election. This resulted in reshoring with related foreign direct investment initiatives, which altogether created 171,000 jobs in the USA during 2017. Following on, the tax-reform package passed by the US Congress in 2017 emphasized the reduction of corporate tax, making capital investment by American multinational enterprises (MNEs) in the home market lucrative. Most recently, a wave of populism caused by unemployment anxiety, economic stress and a conservative backlash in the USA has also triggered an intense debate around globalization, eventually leading to an ongoing trade dispute between the USA and China.

In contrast, the UK's decision (i.e. Brexit) to leave the European Union (EU) created strong geopolitical uncertainty during 2016 and placed significant pressure on supply chains from both the UK and the EU<sup>1</sup> (Wood and Budhwar, 2016). According to a recent survey of the Chartered Institute of Procurement and Supply, due to Brexit

one in seven European companies getting supplies from the UK switched part or all of their incoming supplies to come from outside the UK (Giles, 2018). In the meantime, Brexit also triggered some UK companies to retrench their operations and consider reshoring as a preferred way of operation (Cumming and Zahra, 2016). Evidence from a survey of 262 UK manufacturing companies revealed that over half of decision-makers were considering building their capacity in the home country rather than investing overseas (Godsell *et al.*, 2017).

Recent incidents of crisis caused by lockdowns during the ongoing unprecedented COVID-19 pandemic have created a push for reshoring, because the disruption to supplies led to an undermining of image and the capability of local authorities in the global value chain (GVC) model, the most sought-after feature of the production network paradigm that has characterized international commerce and been influential in shaping the economies of countries around the world since the early 1980s. National governments were forced to take serious measures to control the crisis at home, with measures such as social distancing, stopping public events, forced closure of businesses and even the locking down of cities. Consumers felt unsafe consuming products made at unknown locations. All combined, the crisis caused by the pandemic highlighted the inability of manufacturing facilities in different countries to be self-sufficient in the most-needed products, like face masks, personal protective equipment, ventilators and medicines. Simultaneously, as

<sup>1</sup>Political uncertainty can be defined as uncertainty about whether the prevailing government policy will change (Pastor and Veronesi, 2012).

authorities in different countries became conscious of the global manufacturing control of China, the pandemic highlighted this lack of self-sufficiency and dependency on global trade.

Euromonitor (2020) has forecast that the USA will face the most severe recession since the Great Depression, while European countries will see their gross domestic product decline. The crisis created by the pandemic posits tremendous challenges for MNEs related to governance, reconfiguration of supply chain resources and regionalization (Verbeke, 2020). This unforeseen crisis has inevitably created a significant impact on the global economy, triggered a surge in uncertainty and piled pressure on businesses, forcing them to rethink their business strategies and positions. The report on international production published recently by the United Nations Conference on Trade and Development (UNCTAD, 2020) demonstrates that the pandemic crisis has expanded the challenges of globalization posed by the new industrial revolution of growing economic nationalism and sustainability. The report discusses the growth of international production during the last two decades, followed by the current decade of stagnation, and predicts that the 2030s will be a decade of transformation because reshoring will result in short and less-fragmented value chains with a higher level of geographical concentration that will add additional value due to the availability of high technology-driven GVC-intensive industries.

The above-mentioned unforeseen events have led to a new wave of reshoring. Reshoring initiatives have recently been discussed among scholars, practitioners and policymakers, and viewed as possible solutions to address current political or public health crises (Chazan, 2020). Reshoring is defined as 'the return of manufacturing and service operations from previously offshored location to the headquarters' country' by Brandon-Jones *et al.* (2017, p. 31). Reshoring in the past was driven by steady erosion of cost advantages in offshoring destinations and highly dynamic changes in the global economic and political environment. After initiating reshoring activities, MNEs would make inverse investments in the home country rather than keep expanding abroad (Grappi, Romani and Bagozzi, 2015). They have been accused over the economic, cultural and social impact of their actions on the deserving, and been pushed and held responsible for the delay in achieving sustainable development goals (SDGs). The reversal of

economic and social progress due to reshoring has led to another crisis, affecting the financial capacity of developing markets, as people in these countries had to shift to unsecure and informal jobs because they had lost the stable and protected jobs offered by MNEs. The after-effects of the pandemic have also led to food crises and concerns related to food safety, because of the increase in consumption of food produced domestically by unskilled workers at uncertified facilities.

While previous studies on reshoring have been well studied in different streams of literature – such as the determinants of reshoring (Fratocchi *et al.*, 2016; Grappi, Romani and Bagozzi, 2015, 2018; Gray *et al.*, 2017) and the supply chain network and business relationships (Baraldi *et al.*, 2018; Chen and Hu, 2017) – they have yet to determine its impact on social crises related to multinationals or individuals, in terms of human well-being, equality, fairness, diversity and environmental sustainability. There is an urgent need to link the gap in current research on 'reshoring' as an outcome of 'crisis management strategy' adopted by MNEs and its impact on the sustainable development of global organizations based on the existing debate on deglobalization. Several theoretical viewpoints could inspire the academic community to explore the intersection between reshoring and sustainable development. For instance, when implementing reshoring, its societal impact on the well-being of humans and environments should be seriously considered, more importantly finding a balance between economic growth and social sustainability. In addition, socially responsible and market-driven business strategies, when embedded in contingency theory, can explain that there is no method which can be recognized as the 'best', and decisions should be made based on the circumstances (even when the possibilities are fluid, complex and uncertain). Simultaneously, the use of crisis attributional theory highlights that any kind of damage, hurt or harm to any of the stakeholders can lead to reputational or commercial loss. Integration of crisis attributional theory with the theory of contingency can bring normalcy in a complex environment of threat.

## Objectives of this special issue

Attempts made by MNEs to contribute to the achievement of SDGs helps them sustain a com-

petitive advantage in the current changing and dynamic global environment for both manufacturing and service firms considering reshoring in the future. The aim of this special issue is to provide a central platform for cross-disciplinary thinking and cutting-edge studies about reshoring strategy in the SDG context. The potential discussion of this special issue will serve to holistically evaluate the reshoring strategy from an economic sustainability, environmental sustainability and social sustainability perspective. Papers published in this special issue will suggest how and when implementing a reshoring strategy can fit into a contemporary SDG strategy and utilize sustainability theories for research.

This special issue will embrace research that focuses on MNEs which have already implemented – or are planning to leverage – reshoring opportunities to respond to the unstable market environment. To unfold the complex phenomenon of reshoring, submissions are expected to incorporate multi-level and cross-disciplinary research designs. Therefore, this special issue will consider empirical studies using either primary data or secondary data, case study research, experimental research and theoretically grounded research. We encourage submissions to help us comprehensively understand the problem from different perspectives, such as operations management, organizational behaviour, human resource management, information systems and marketing.

## Illustrative topics

This special issue encourages (but is not limited to) the following topic areas:

- Is reshoring a new phenomenon that is being used by MNEs to be resilient in a deglobalized world?
- Has reshoring emerged as a potential panacea to reduce economic stress during situations such as the COVID-19 pandemic?
- What are the possible negative and positive associations of consumer perceptions of MNEs' reshoring initiatives?
- What differences can be found between the perceptions of home-country consumers and host-country consumers regarding MNEs' reshoring decisions?
- How do host countries' consumers emotionally and psychologically react towards reshored brands, and what do these reactions mean for branding, communication, marketing and sustainability strategies?
- How can reshoring initiatives achieve MNEs' sustainability goals in the global marketplace?
- How can different companies' reshoring strategies (e.g. resources, marketing, efficiency and strategic asset-seeking advantage) and different types of reshoring affect consumer responses, the consumer–brand relationship and supply chain dynamism?
- How do MNEs align the reshoring decision with sustainability principles?
- Do sustainable development practices motivate host countries' consumers to continue to support reshoring brands (e.g. positive word-of-mouth and positive brand evaluations and purchase likelihood)?
- How can marketing resources be reconfigured to help reshoring companies position their brand and target customers in the host-country markets?
- How can international marketing initiatives mitigate the negative consequences of reshoring on business practices?
- Will digital transformation or the technological revolution foster reshoring? How can emerging digital technologies help MNEs achieve sustainable innovation in reshoring initiatives?
- What innovative ways are there of using digital technologies for balancing economic growth and environmental sustainability in reshoring initiatives?

## Paper submission

The deadline for paper submission is 1 September 2021 (midnight UK time).

Authors should ensure that they adhere to the journal author guidelines, which are available at [http://onlinelibrary.wiley.com/journal/10.1111/\(ISSN\)1467-8551/homepage/ForAuthors.html](http://onlinelibrary.wiley.com/journal/10.1111/(ISSN)1467-8551/homepage/ForAuthors.html).

Submissions should be uploaded to the *British Journal of Management* ScholarOne Manuscripts site at <http://mc.manuscriptcentral.com/bjm>.

Authors should select 'special issue paper' as the paper type, ensure they answer 'yes' to the question 'Is this submission for a special issue?' and enter the title of the special issue in the box provided.

The special issue will be published in the January 2023 issue.

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