

CAVE! HIC DRAGONES!
Alan M. Rugman's Contributions
to the
Field of International Business

Booz Allen Hamilton IMD Eminent Scholar Session
2004 Academy of Management, New Orleans, LA

Comments by
Lorraine Eden, Texas A&M University
August 2004

Outline

I. Introduction

II. A Segue: Susan Strange and the Dragons

III. Alan Rugman's Dragons

The "Big Bad" MNE v. Internalization Theory

The Anti-Free Traders: Alan Rugman and the CUSFTA/NAFTA Debate

Porter's Diamond v. the Double Diamond

The Myth of Globalization v. the Reality of Regionalism

IV. Conclusion

II. A Segue:

Susan Strange and the Dragons

Susan Strange (1923-98)



Susan Strange's own views about her role in academia are summarized in her biography:¹

"I have tried to teach both students and children

not to expect justice in life--but to try hard to get it;

to work hard--but to question authority, whether political or academic;

to distrust ideologies--but to respect the evidence;

to avoid following the crowd--but to trust your own judgment and to stand up for your own ideas.

The freedom to do so is one of which, in free countries, the universities should be the most jealous guardians. That and not the service of the state is the true justification for their existence."
(Strange, 1998: bold added)

¹ Susan Strange, "I Was Never Meant to be an Academic", in Kruzal, Joseph and James N. Rosenau, eds. (1988) *Journey through World Politics; Autobiographical Reflections of Thirty-four Academic Travelers*. Lexington, MA: Lexington Books.

ISA AWARDS & PRIZES

THE SUSAN STRANGE AWARD

About the Award:

Established in 1998 to recognize Susan Strange's unique and extraordinary role within the International Studies Association and the worldwide community of scholars. **This award recognizes a person whose singular intellect, assertiveness, and insight most challenge conventional wisdom and intellectual and organizational complacency in the international studies community during the previous year.**

The recipient is jointly selected by the current President and the President-Elect.

Nominations should be sent to by email the current President.

The recipient receives a plaque, which is presented at the Annual Convention by the current President and the President-Elect.

There is no monetary prize, and the Award is not necessarily given every year.



[Return to ISA Awards](#)

III. Alan Rugman's Dragons

The “Big Bad” MNE v. Internalization Theory

The Anti-Free Traders: Alan Rugman and the CUSFTA/NAFTA Debate

Porter's Diamond v. the Double Diamond

The Myth of Globalization v. the Reality of Regionalism



An Example

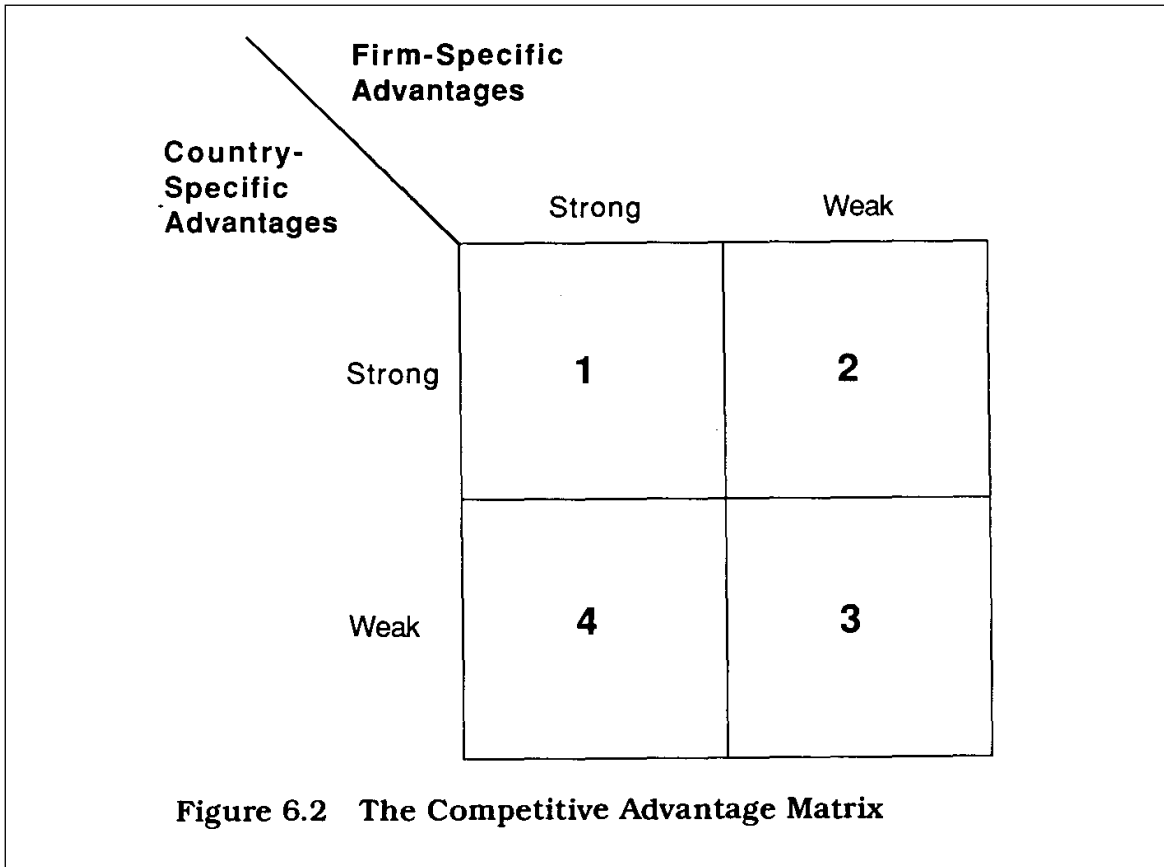
Slaying the Globalization Dragon

The End of Globalization (2000, Preface, xi)

“I have written this book because I have been convinced by the evidence.....I have been surprised by the lightweight nature of the debate and saddened by the distorted criticisms leveled at multinational enterprises and their managers. It is to help redress this highly relevant but potentially sterile debate that I have written this book.I have been struck...by the strong opinions, but lack of facts, presented by critics of multinational enterprises. Again on the internet, a huge volume of material is available on the subject of globalization, but most of it is unscientific and insubstantial at best and downright wrong at worst. We need to move on and look at the evidence on the activities of multinational enterprises. This book is an attempt to redress the balance of the debate on globalization.”

In sum, “a paradox of globalization is that it never really occurred; it is a myth” (p. 12).

Figure 1: The FSA-CSA 2-x-2 Box



**Figure 2:
Location and Non-Location Bound FSAs in a 2x2**

		<i>Type of Firm Specific Advantage</i>	
		Location Bound	Non-Location Bound
<i>Number of Home Bases</i>	Multiple	1	3
	One	2	4

Figure 2. Principal categories of efficiency based strategies.

Figure 3 Porter's Diamond of Competitive Advantage

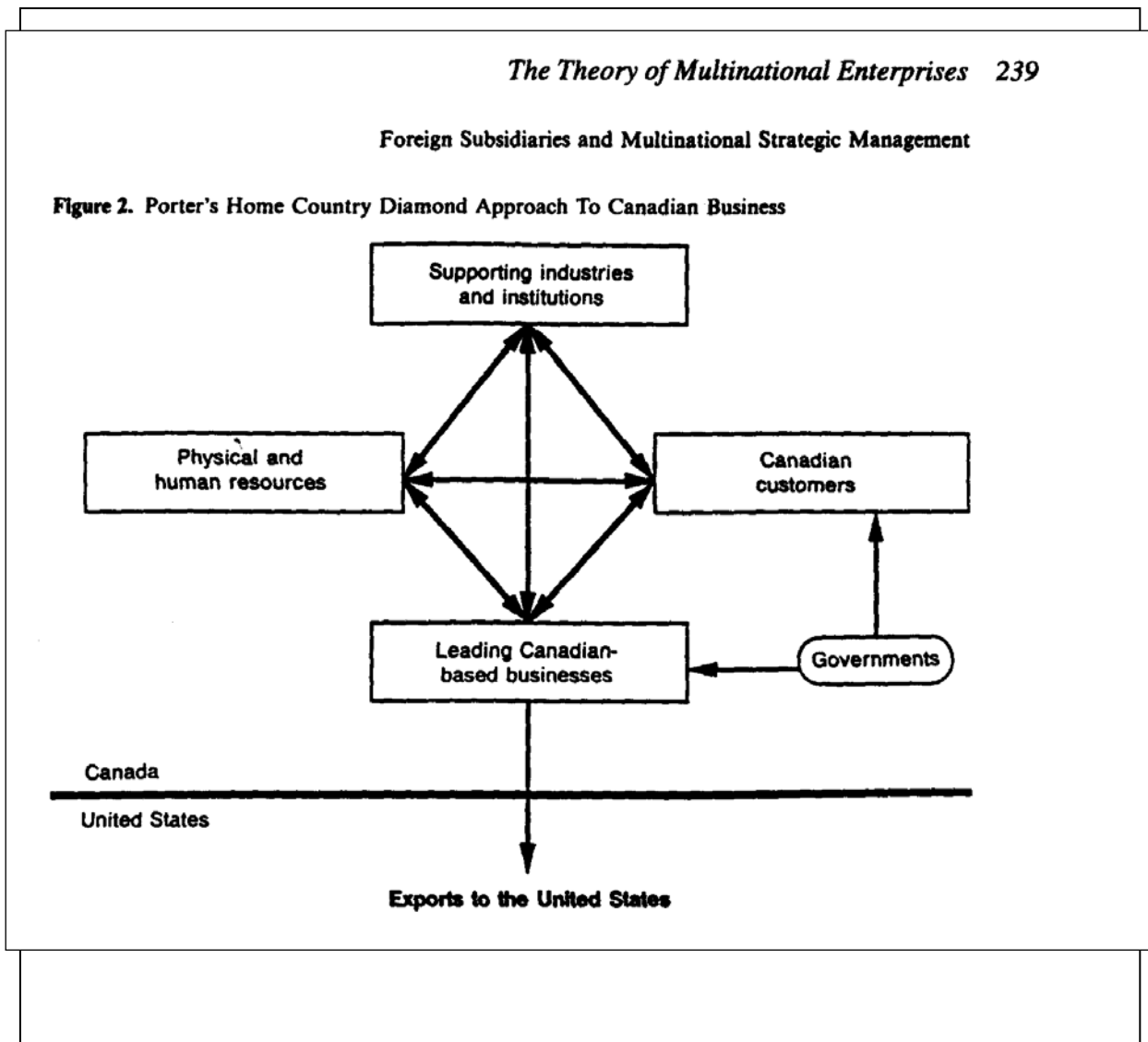


Figure 4
The Rugman-D’Cruz Double Diamond

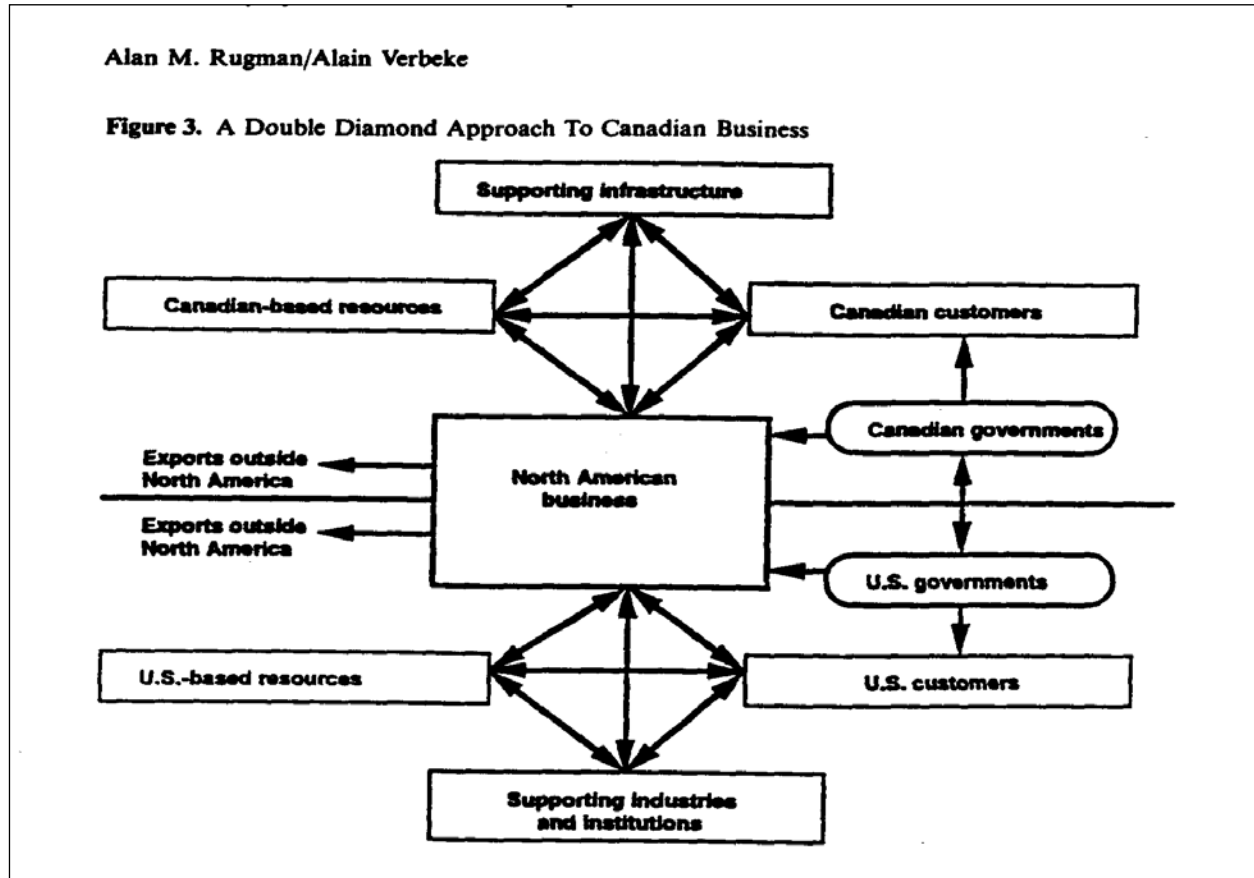


Figure 5
The Globalization Debate



Figure 6
The Triad using Trade Data

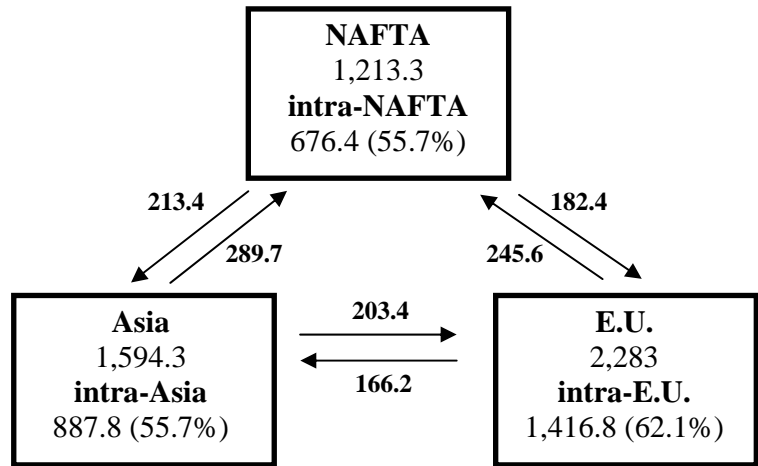
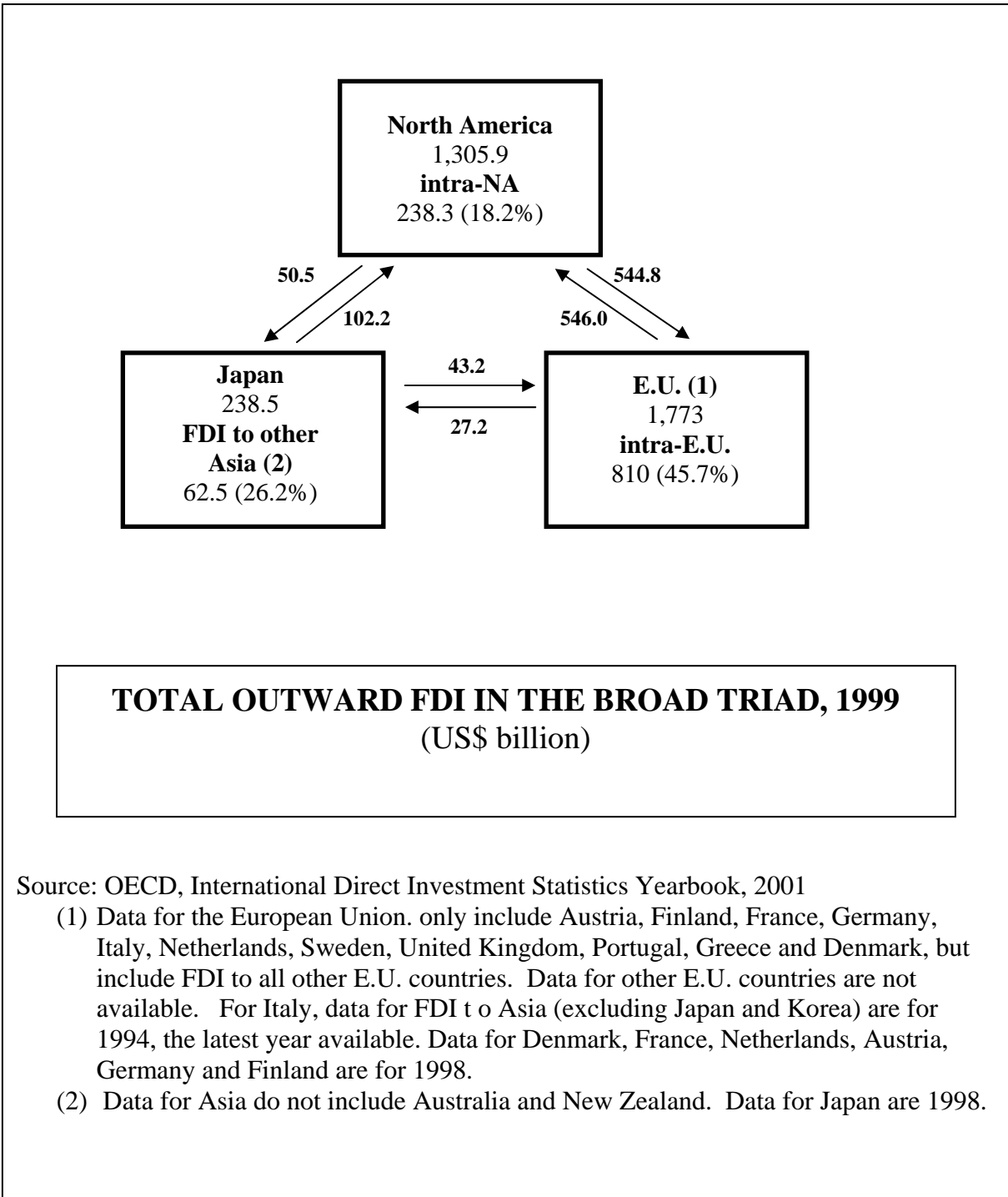


EXHIBIT 1: EXPORTS IN THE BROAD TRIAD, 2000
(US\$ billion)

Source: Adapted from International Monetary Fund, *Direction of Trade Statistics Yearbook, 2001*, (Washington D.C.: IMF, 2001). Asia and intra-Asia is the addition of Japan and Developing Asia in the IMF, *Direction of Trade Statistics Yearbook*. It does not include New Zealand and Australia.

Figure 7
The Triad using FDI Data



Alan Rugman - Dragon Slayer

