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The CEE region on a new wave of transition: Towards value chain reconfiguration and innovation cooperation amidst turbulent times

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Since the early 1990s, the region of Central and Eastern Europe (CEE) has attracted the interest of scholars because of its transition from a planned economy to a market economy. Both the different paths, and also the divergent outcomes of institutional reforms and frameworks constituted interesting areas of investigation (Meyer & Peng, 2005; Jaklič et al., 2020a). Attracting FDI, along with new technology and skills, creating indigenous MNEs, and changing business environment was essential for transformation.

One of the main interests of scholars and practitioners alike has been the development of effective market entry strategies for this turbulent and heterogeneous region. Many multinational enterprises (MNEs) entered CEE by acquiring local firms, usually lacking essential resources and management experience in competitive markets (Meyer & Estrin, 2001; Uhlenbruck & De Castro, 2000), and need to develop a comprehensive strategy to improve the competitiveness of these acquired subsidiaries (Uhlenbruck, 2004). The initial focus of foreign direct investment (FDI) on access to cheaper resources and sales markets gradually shifted to other, more upstream areas of activity (Pavlínek, Domański & Guzik, 2009). This functional upgrading was preceded by spillover effects from cooperation with Western partners (Prokop et al., 2021). The increased integration of foreign subsidiaries and the creation of local entrepreneurial ecosystems simultaneously encouraged domestic companies to engage in more outward internationalization (Jaklič et al., 2020a; Trąpczyński & Banalieva, 2016). Comparatively weak institutional support and inadequate innovation capacity have long been among the barriers to international competitiveness for companies from CEE. Nevertheless, many have achieved leapfrogging internationalization and solid performance in international markets (Mair & Schoen, 2007; Caputo et al., 2016; Ipsmiller & Dikova, 2021). The establishment of domestic multinationals is based on innovative business models in their respective market segments (Suurna, 2011; Stocker, 2016), collaboration with foreign partners, and the use of complex internationalization strategies (Dikova et al. 2016, Jaklič & Burger, 2020). It has been argued that

this increased focus on innovation is increasingly important given the challenge of the middle-income trap also facing CEE economies (Myant, 2018).

In the third decade since institutional change began in the region, there has been a new trend toward nearshoring and reshoring of activities from more distant Asian locations, driven by trends such as digitalization (Fel & Griette, 2017; Butollo, 2021), but also risks due to recurring crises. Continuous disruptions intensified value chain reconfiguration and innovation activity, thus forcing a new transition to digital and more sustainable business models. Firms from CEE economies (traditionally strongly affected by local and global shocks and conflicts) keep integration into GVC as development priority. The structure of GVC and functional specialization in CEE is heterogeneous and different from Western Europe (Jaklič et al, 2020b), the main business partner of CEE. For instance, Poland and Slovakia tend to focus on lower value-added fabrication processes, the Baltic countries and Slovenia specialize in management services, Hungary and Latvia gain in marketing services, while the Czech Republic and Slovenia are concentrated on R&D activities (Kordalska & Olczyk, 2021).

Companies operating in a competitive global environment, where the risk and complexity of product development are increasing and the need for even more innovative services and products is growing, are seeking to expand collaboration through partnerships, especially in recent decades (Trąpczyński et al., 2018). As a result, we can observe the development of advanced and complex alliances between companies. The need to collaborate on innovative projects has led companies to use modern partnership models, including those based on the principles of open innovation (Chesbrough & Bogers, 2014). Research on open innovation shows how organizations manage both the inflow and outflow of knowledge and how they seek and select partners, and the innovations they offer (Chesbrough, 2020; West & Bogers, 2014). The propensity for open innovation and, more generally, the development of innovation collaborations are far less documented in CEE than in Western markets (Dziurski & Sopińska, 2020; Gołębiowski & Lewandowska, 2015; Jaklič et al, 2014; Lewandowska, 2015; Lewandowska et al, 2016; Pustovrh et al, 2017; Puślecki et al., 2021 a,b, 2022; Rangus et al, 2017). It is worthwhile (both from an academic and business perspective) to explore this area of research, especially in turbulent times, and to monitor the shift from an efficiency-driven economic model to a knowledge-based economy (CEE) that leverages the local and domestic innovation potential of all partners involved in innovation collaboration.

The changes mentioned above received new dynamics in the context of the rising wave of skepticism towards international business and recurring crises, whereby a smaller number of firm and MNE location and control configurations emerges, and domestic firms become more dominant (Buckley & Hashai, 2020). The COVID-19 pandemic has acted as a catalyst to the already ongoing processes of questioning the existing GVC configurations (Hayakawa & Mukunoki, 2021), while the war in Ukraine further aggravated the challenges to GVC.

In light of the said new wave of transition in the CEE region, a number of research topics emerge, which the following special issue of the Journal of East European Management Studies seeks to address. The range of areas for inquiry includes, but is not limited to, *inter alia* the following aspects:

- The emerging sectoral and geographic patterns of foreign direct investment (FDI) in CEE, with particular for reshoring and re-configuration of GVCs
- The sectoral and geographic patterns of innovation cooperation in CEE
- The development of new modes of innovation cooperation in CEE taking into account multidisciplinary perspective, R&D innovation ecosystems and open innovation paradigm
- The R&D alliance and alliance portfolio management in CEE – towards increased fragmentation and complexity,
- Open innovation in CEE
- The role of location, experience, knowledge and partner selection in innovation cooperation in CEE
- The development of organizational modes of R&D alliances in CEE – a shift to contractual and non-equity agreements
- The determinants of innovation cooperation in CEE; business-academia innovation cooperation (performance) in CEE
- Business model innovations of CEE firms and their role on firm internationalization
- The strategic logic behind diverse patterns the international expansion of CEE firms
- The competitive strategy of CEE firms in different locations and sources of competitive advantage
- Strategies of CEE firms in coping with ongoing economic crises and the effects thereof on their international competitiveness

With the special issue we seek to reflect upon the most recent changes in CEE with regard to its role for international business, take stock of extant developments and provide an outlook for an emerging research agenda.

Submission process and important dates:

- Deadline for full paper submissions: **28.02.2023**
- 1st Double-blind review round completed: **31.05.2023**
- Deadline for submission of revised versions: **31.08.2023**
- 2nd Double-blind review round completed: **15.10.2023**
- Final decision: **31.10.2023**
- Publication of the SI: until **15.12.2023**

To be considered for this Special Issue, full papers must be submitted no later than, **28.02.2023** to **Piotr Trapczyński** (piotr.trapczynski@ue.poznan.pl).

Submitted papers will undergo a double-blind peer review process and will be evaluated by at least two anonymous reviewers.

Final acceptance is dependent on the reviewers' judgment regarding:

(1) Topic fit: does the submission contribute to the special issue topic?

(2) Theoretical contribution: Does the submission offer novel insights or extend existing considerations?

(3) When applicable: Empirical contribution: Are the study design, data analysis, and results rigorous and suit the research questions? Do empirical findings offer innovative insights?

All submissions should be prepared for blind review according to the JEEMS author guidelines (https://www.jeems.nomos.de/fileadmin/jeems/doc/Authors_Guidelines.pdf). Informal enquiries regarding the Special Issue (topics, potential fit etc.) are welcome and can be directed to guest editors:

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