**Re-Globalisation of European Multinational Corporations: A new framework to respond to the uncertain environment**

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**Abstract:**

1. **Research background and aim**

In the last ten years, manufacturing globalisation has been facing several challenges Manufacturing FDs have seen a strong growth since the 80s, increasing even more with china joining the WTO. However, between 2010 and 2019, the growth of GDP and FDI were aligned, and a series of event (e.g. Brexit, US-China trade war) have shown the limits of globalisation. COVID-19 has even more paused global trade. Necessity for supply chain but also strategic sovereignty considerations have pushed companies and governments to adapt and grow.

The purpose of this paper is to present driving forces of a new business environment and explore new design principles of manufacturing and supply chain globalisation in reaction and anticipation. Specifically, the objectives are:

* Determine what the main drivers of a ‘global reset’ are,
* Explore how companies are reacting and what they are implementing due to such drivers of reconfiguration,
* Identify what the new long-term designs of an optimal industrial footprint, supply chain configuration and value-chain organisation and coordination are.

1. **Methodology**

A literature review is conducted to identify the radical changed business contexts. Then, to understand this complex phenomenon that is context-specific, case studies are conducted (Eisenhart, 1989). Three European Multinational Corporations in electrical equipment industry, which has many characteristics maximizing generalisability of findings, are selected. Data collection is mainly through semi-structured interview in combination with secondary data collection, which is followed by an inductive qualitative data analysis (Gioia et al., 2013).

1. **Findings and discussion**

First, this research complements Skinner (1964)’s framework on both dimensions, namely the external driver systems (technical, economic, cultural, and political system) and intersection of the drivers.

The study highlights the emerging environmental systems that are important, which has been neither found or claimed by the current literature (Javorcik, 2020; Srai and Ane, 2016). The environmental drivers are classified as a need to reduce the carbon footprint, the scarcity of materials and increased pressure to access those, and the increase of climate-related catastrophes. Thus, based on the case studies, the paper proposes a new framework with drivers for international manufacturing network change and reconfiguration (Figure 1).

Diagram

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Figure 1. Identified drivers for reconfiguration

Furthermore, at the intersection of those drivers, industry insights enabled definition of eight pillars to be best-suited to the new uncertain and volatile environment, alongside the following three pillars identified from the case studies.

* To increase foresight capacity: End-to-end visibility and transparency, vertical integration
* To isolate the different elements of the value chain: Localisation, building redundancy, diversification
* To absorb capacity: Agility, simplification and streamlining, developing buffer.

1. **Conclusions/implications:**

This research answers research calls to build research to identify best practices and adapted strategies in a new environment, in the supply chain management, international manufacturing and international business fields. In also adds a novel environmental dimension that is crucial for businesses to adapt to.

***Key words:*** *Globalisation, Reconfiguration, European MNC, Industrial Strategy, Supply*

*Chain, International Manufacturing Network*

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